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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Longyuan Power Group Corporation Limited\***, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00916)**

### **ISSUANCE OF A SHARES TO SPECIFIC TARGETS IN 2025 AND RELATED MATTERS AND NOTICE OF THE SECOND EXTRAORDINARY SHAREHOLDERS' MEETING IN 2025**

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The Company will convene the second extraordinary shareholders' meeting in 2025 (the "ESM") at 9:00 a.m. on Tuesday, 23 December 2025 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China. Notice of the ESM is set out on pages 99 to 101 in this circular.

If you intend to appoint a proxy to attend the ESM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for holding the ESM (i.e. not later than 9:00 a.m. on Monday, 22 December 2025) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the ESM or at any other adjourned meeting.

3 December 2025

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Administrative Measures for the Issuance and Registration”	the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》)
“A Shares”	the ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange
“Articles of Association”	the articles of association of China Longyuan Power Group Corporation Limited* (as amended, modified or otherwise supplemented from time to time)
“Board of Directors” or “Board”	board of directors of the Company
“CHN Energy”	China Energy Investment Group Co., Ltd. (國家能源投資集團有限公司)
“CHN Energy Liaoning Company”	China Energy Group Liaoning Electric Power Co., Ltd. (國家能源集團遼寧電力有限公司)
“Company” or “Longyuan Power”	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 00916) and A Shares are listed on the Shenzhen Stock Exchange (Stock Code: 001289)
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets in 2025”	the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets in 2025 by China Longyuan Power Group Corporation Limited*
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“ESM”	the second extraordinary shareholders’ meeting in 2025 to be held by the Company at 9:00 a.m. on Tuesday, 23 December 2025 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People’s Republic of China
“Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets in 2025”	the Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets in 2025 by China Longyuan Power Group Corporation Limited*
“H Shares”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuance” or “Issuance of A Shares to Specific Targets”	the issuance of A Shares to specific targets and related matters considered and approved by the Board of Directors on 29 October 2025
“Latest Practicable Date”	28 November 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice of the ESM”	the notice of the second extraordinary shareholders’ meeting in 2025
“No. 18 Opinions on the Application of the Laws on Securities and Futures”	the Opinions on the Application of the Relevant Provisions of Articles 9, 10, 11, 13, 40, 57 and 60 of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies – No. 18 Opinions on the Application of the Laws on Securities and Futures (《上市公司證券發行註冊管理辦法》第九條、第十條、第十一條、第十三條、第四十條、第五十七條、第六十條有關規定的適用意見—證券期貨法律適用意見第18號》)

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## DEFINITIONS

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“Pingzhuang Coal Group”	Inner Mongolia Pingzhuang Coal Industry (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限公司)
“PRC”	the People’s Republic of China
“Pricing Benchmark Date”	the first day of the issuance period for the current Issuance of A Shares to Specific Targets
“Proposal of the Issuance of A Shares to Specific Targets in 2025”	the Proposal of the Issuance of A Shares to Specific Targets by China Longyuan Power Group Corporation Limited* in 2025
“Report on the Use of Previously Raised Funds”	the Report on the Use of Previously Raised Funds of China Longyuan Power Group Corporation Limited*
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》)
“Shareholder(s)”	holder(s) of Shares of the Company
“Shares”	share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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## LETTER FROM THE BOARD

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**龍源電力集團股份有限公司**  
**CHINA LONGYUAN POWER GROUP CORPORATION LIMITED\***

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

**(Stock Code: 00916)**

*Executive Directors:*

Mr. Gong Yufei (*Chairman*)  
Mr. Wang Liqiang (*President*)

*Non-executive Directors:*

Ms. Wang Xuelian  
Mr. Zhang Tong  
Mr. Wang Yong  
Mr. Liu Jintao (*Employee Director*)

*Independent Non-executive Directors:*

Mr. Michael Ngai Ming Tak  
Mr. Gao Debu  
Ms. Zhao Feng

*Registered office in the PRC:*

Room 2006, 20th Floor  
Block c, 6 Fuchengmen North Street  
Xicheng District, Beijing  
the PRC

*Head office in the PRC:*

Block c, 6 Fuchengmen North Street  
Xicheng District, Beijing  
the PRC

*Principal place of business in Hong Kong:*  
Room 1917, 19/F  
Lee Garden One  
33 Hysan Avenue, Causeway Bay  
Hong Kong

3 December 2025

*To the Shareholders*

Dear Sirs or Madams,

**ISSUANCE OF A SHARES TO SPECIFIC TARGETS  
IN 2025 AND RELATED MATTERS  
AND  
NOTICE OF THE SECOND EXTRAORDINARY SHAREHOLDERS'  
MEETING IN 2025**

**I. INTRODUCTION**

The Company will convene the ESM at 9:00 a.m. on Tuesday, 23 December 2025 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China.

\* For identification purpose only

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## **LETTER FROM THE BOARD**

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This circular aims to give you the Notice of the ESM and provide you with relevant information, to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the ESM.

### **II. MATTERS TO BE CONSIDERED AT THE ESM**

At the ESM, resolutions will be proposed to the Shareholders to consider and approve the following: (1) the resolution on the Satisfaction of the Conditions for the Issuance of A Shares to Specific Targets by the Company; (2) the resolution on the Plan for the Issuance of A Shares to Specific Targets by the Company (consider separately); (3) the resolution on the Proposal of the Issuance of A Shares to Specific Targets by the Company in 2025; (4) the resolution on the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets by the Company in 2025; (5) the resolution on the Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets by the Company in 2025; (6) the resolution on the Report on the Use of Previously Raised Funds of the Company; (7) the resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures Adopted and the Undertakings Made by the Relevant Entities by the Company in 2025; and (8) the resolution on the Authorization by the Shareholders' Meeting to the Board or its Authorized Person(s) to Proceed with Specific Matters in respect of the Issuance of A Shares to Specific Targets in Their Sole Discretion. The above resolutions will be proposed as special resolutions.

#### **(I) Resolution on the Satisfaction of the Conditions for the Issuance of A Shares to Specific Targets by the Company**

In accordance with the requirements of relevant laws, regulations and normative documents including the Company Law, the Securities Law, the Administrative Measures for the Issuance and Registration and No. 18 Opinions on the Application of the Laws on Securities and Futures, as well as the Articles of Association, the Company has conducted a thorough self-inspection item by item based on its actual circumstances and relevant matters, and confirms that it complies with all conditions and requirements under current laws, regulations and normative documents regarding the issuance of A shares to specific targets by listed companies. For details of the Satisfaction of the Conditions for the Issuance of A Shares to Specific Targets by the Company, please refer to Appendix I to this circular.

#### **(II) Resolution on the Plan for the Issuance of A Shares to Specific Targets by the Company**

In accordance with the requirements of relevant laws and regulations including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration, the Company proposes to issue A Shares to no more than 35 specific targets. The main details of the issuance plan are as follows:

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## LETTER FROM THE BOARD

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### 1. Type and nominal value of the share to be issued

The shares issued are Renminbi ordinary shares (A Shares), with a nominal value of RMB1.00 per share.

### 2. Issuance method and time

All shares issued this time will be offered in the form of A Shares to specific targets, and the Company will issue the A Shares as and when appropriate after obtaining approval by the Shenzhen Stock Exchange and consent for registration by the CSRC.

### 3. Issuance targets and subscription method

The issuance targets will be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors and RMB qualified foreign institutional investors, and other legal person, natural persons or other legal organizations, which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors and RMB qualified foreign institutional investors subscribing for two or more products under their management are considered as one issuance target. In case of trust investment companies as issuance targets, they can only subscribe with their own funds.

Based on the subscription and quotation situation, the final issuance targets will be determined by the Board of Directors or its authorized persons through negotiating with the sponsor (lead underwriter) of the Issuance in accordance with the authorization of the shareholders' meeting. If national laws, regulations, and normative documents contain new provisions regarding the issuance targets, the Company will make adjustments in accordance with the new provisions.

All issuance targets will subscribe the shares under the Issuance in RMB cash and at the same price.

The Company expects that all issuance targets of the Issuance are not connected persons of the Company (as defined under the Hong Kong Listing Rules) and are third parties which are independent of the Company and its connected persons (as defined under the Hong Kong Listing Rules). Should any issuance target be a connected person of the Company (as defined under the Hong Kong Listing Rules), the Company will otherwise comply with the relevant announcement, circular, and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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### 4. Pricing Benchmark Date, issue price and pricing principles

The Pricing Benchmark Date of the Issuance is the first day of the issuance period. The issue price will not be lower less than 80% of the average trading price of the Company's A Shares in the 20 trading days preceding the Pricing Benchmark Date, nor shall it be less than the Company's latest audited net assets per share attributable to ordinary shareholders of the parent company prior to the Issuance (If any ex-rights or ex-dividend events occur between the balance sheet date and the issue date, the net asset value per share shall be adjusted accordingly).

The average trading price of the Company's A Shares in the 20 trading days preceding the Pricing Benchmark Date = the total trading amount of the Company's A Shares during the 20 trading days preceding the Pricing Benchmark Date/the total trading amount of the Company's A Shares transactions during the 20 trading days preceding the Pricing Benchmark Date.

If the Company undergoes ex-right and ex-dividend events during the period from the Pricing Benchmark Date to the issue date such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, the issue price of the shares issued to specific targets this time will be adjusted accordingly through the following methods:

Distribution of cash dividends:  $P1=P0-D$ ;

Bonus issue or conversion into the share capital:  $P1=P0/(1+N)$ ;

Distribution of cash dividends and bonus issue or conversion into share capital:  $P1=(P0-D)/(1+N)$ ;

In which, P0 is the pre-adjustment issue price, D is the amount of cash dividend per share, N is the number of bonus shares or shares to be converted into the share capital per share, and P1 is the post-adjustment issue price.

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## LETTER FROM THE BOARD

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The final issue price of the Issuance will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of Directors or its authorized persons pursuant to the authorization granted by the shareholders' meeting, through negotiation with the sponsor (lead underwriter) by way of bidding in accordance with applicable laws, regulations and requirements of regulatory authorities, which is based on the subscription quotations submitted by the issuance targets, but shall not be lower than the aforementioned minimum issue price.

The Board will ensure that the issue price and the adjusted issue price (if applicable) shall under no circumstances be at a discount of 20% or more to the benchmark price as defined in Rule 13.36(5) of the Hong Kong Listing Rules.

### 5. Number of shares to be issued

The number of shares under the Issuance will be determined by dividing the total amount of funds raised by the issue price, and the number of shares under the Issuance shall not exceed 30% of the Company's total share capital of 8,359,816,164 shares prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and not exceed the authorization scope of the general mandate for the issuance of additional shares as approved at the 2024 annual general meeting, the 2025 first A shareholders class meeting and the 2025 first H shareholders class meeting of the Company. Within the aforementioned scope, the final issuance number will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of the Company or its authorized persons through negotiating with the sponsor (lead underwriter) based on the final issue price and the subscription price quoted by issuance targets in accordance with the authorization of the shareholders' meeting.

The number of A Shares issued to the specific targets will be adjusted accordingly in the event of any ex-dividend or ex-rights events such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, resulting in changes to the issue price during the period from the Pricing Benchmark Date to the issue date.

If the total number of shares of the Issuance is adjusted due to changes in laws, regulations and regulatory policies or in accordance with the requirements of the registration documents of the CSRC, the total number of shares to be issued and the total amount of proceeds will be accordingly adjusted at that time.

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## LETTER FROM THE BOARD

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### 6. Lock-up period

The shares subscribed by the issuance targets in the Issuance shall not be transferred within six months from the closing date of the Issuance. If related regulations and normative documents stipulate otherwise regarding the lock-up period of shares issued to specific targets, such provisions shall apply. The shares subscribed by the issuance target that are derived from the Company's bonus issue, conversion of capital reserve into share capital of the Company and other circumstances shall also comply with the above-mentioned lock-up period arrangements. If the lock-up period commitment of the above-mentioned shares does not conform to the latest regulatory opinions of the securities regulatory authorities, corresponding adjustments will be made in accordance with the regulatory opinions of the relevant securities regulatory authorities.

Upon the expiration of the aforementioned lock-up period, any reduction of shares shall also comply with the relevant provisions of laws, regulations, rules, normative documents such as the Company Law, the Securities Law, and the Shenzhen Stock Exchange Listing Rules (《深圳證券交易所股票上市規則》), as well as the Articles of Association.

### 7. Total amount and use of proceeds

The total proceeds of the Company raised from the Issuance of A Shares to Specific Targets shall not exceed RMB5 billion (inclusive). The net proceeds after deducting issuance expenses will be used to invest the following projects:

*Unit: RMB100 million*

No.	Projects invested by the proceeds	Proposed		
		Total amount of project investment	amount of proceeds to be invested	Expected time for completion
1	Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project(海南東方CZ8場址50萬千瓦海上風電項目)	51.67	25.00	Before 31 December 2026

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## LETTER FROM THE BOARD

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No.	Projects invested by the proceeds	Proposed		
		Total amount of project investment	amount of proceeds to be invested	Expected time for complete utilization
2	The “Ningxiang DC” supporting new energy base Shapotou 1 million kilowatts Wind Power Project(「寧湘直流」配套新能源基地沙坡頭 100萬千瓦風電項目)	42.72	25.00	Before 31 December 2026

*Note:* The above table is an indicative timetable. The proceeds are expected to be utilized during the respective construction periods of the relevant projects. Actual timing will depend on the overall progress and circumstances of the relevant projects.

Before the receipt of the proceeds from the Issuance of A Shares to Specific Targets, the Company will, based on the actual progress of the projects invested by the proceeds, finance these projects by self-raised funds which shall be replaced once the proceeds have been received according to procedures required by relevant legal regulations.

In the event that the actual amount of net proceeds after deducting issuance expenses is less than the proposed amount of proceeds to be invested for the above-mentioned projects, any shortfall shall be covered by the Company's self-raised funds.

### **8. Arrangement of accumulated undistributed profits prior to the Issuance**

All Shareholders will be entitled to the accumulated undistributed profits prior to the Issuance according to their shareholding percentage after completion of the Issuance.

### **9. Place of listing**

The Shares issued in the Issuance will be listed on the Main Board of the Shenzhen Stock Exchange.

### **10. Valid period of the resolution of the Issuance**

The valid period of the resolution of the Issuance will be 12 months since the date on which the relevant proposal regarding the Issuance is considered and approved by the shareholders' meeting.

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## LETTER FROM THE BOARD

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### Conditions Precedent to the Issuance

The related events of the Issuance were considered and approved by the Board of Directors on 29 October 2025. The related events of the Issuance remain subject to the fulfillment of the following conditions precedent:

1. Approved by the competent state-owned assets supervision and administration department or its authorised entity;
2. Considered and approved by the shareholders' meeting;
3. Approved by the Shenzhen Stock Exchange;
4. Approval of the registration by the CSRC.

### Reasons and benefits for the Issuance

#### 1. Background of the Issuance

##### *(1) Strong national policy support for the new energy power industry*

In recent years, amid the long-term challenge of global climate change, vigorous development of clean and renewable energy has become an inevitable trend in the energy sector. China has identified the development and utilization of renewable energy as a key component of its national energy strategy. In September 2020, at the 75th session of the United Nations General Assembly, General Secretary Xi Jinping announced China's goal of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, demonstrating China's strong commitment to this strategic objective.

To thoroughly implement the “Dual Carbon” strategy, the State Council, the NDRC, and other departments have issued policies such as the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》), the Outline of the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives Through 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), and the 14th Five-Year Plan for Renewable Energy Development (《「十四五」可再生能源發展規劃》), providing clear direction for building a new-type power system. The Company's efforts to advance its renewable energy business and accelerate project investment and construction play a significant role in supporting the implementation of the “Dual Carbon” strategy and promoting green and low-carbon development across society.

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## LETTER FROM THE BOARD

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*(2) Higher capital demand due to growing operational scales*

During the “14th Five-Year Plan” period, Longyuan Power has firmly seized development opportunities, continuously expanded its business scale, and increased its installed capacity. At present, the Company is in a period of rapid development. During the “15th Five-Year Plan” period in the future, its capital expenditure will remain at a relatively high level, and there is an urgent need for funding to meet the substantial capital requirements arising from this rapid expansion, strengthen the Company’s financial capacity, and provide a solid foundation for enhancing its industry competitiveness, profitability, and overall quality as a listed company.

The proceeds to be raised through the Issuance to the specific targets will be used to primarily support the construction of the wind power projects of the Company, focusing on initiatives with strong demonstration effects, substantial investment scale, and favorable rates of return. Upon completion, these projects will help Longyuan Power further enhance its core competitiveness, improve profitability, and ensure the smooth implementation of the future business strategy of the Company.

## 2. Purposes of the Issuance

*(1) Seize the development opportunities in the new energy power generation industry*

Against the backdrop of the “Dual Carbon” strategy goals, important documents such as the “Modern Energy System Plan for the 14th Five Year Plan Period” have been successively released, setting higher requirements for the development of the new energy industry. The Third Plenary Session of the 20th CPC Central Committee has called for improving policies and measures to facilitate the consumption and regulation of new energy, advancing energy pricing reforms, and promoting the development of strategic industries like new energy through policy and governance systems. The new energy sector is now entering a period where transformation and opportunities coexist. Longyuan Power raised proceeds through the Issuance of A Shares to Specific Targets for self-built projects, which demonstrates the firm grasp of development opportunities in the new energy power generation industry by Longyuan Power and its proactive assumption of the responsibility and mission as a leading force in new energy development.

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## LETTER FROM THE BOARD

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*(2) Reduce the overall asset-liability ratio of the Company and improve its shareholder structure*

The new energy power generation industry in which the Company operates is capital-intensive. As the Company increases its construction projects, its demand for capital continues to grow. The asset-liability ratios of the Company at the end of each period were relatively high, being 64.07%, 64.09%, 66.51%, and 65.88%, respectively. Longyuan Power has limited scope for large-scale capital replenishment through debt financing, which urgently needs to supplement equity capital via equity financing to reduce its asset-liability ratio and enhance liquidity. At the same time, the current public shareholding ratio of A Shares of the Company stands at only 1.59%, which is relatively low with restricted liquidity. The refinancing initiative will increase the proportion of public shares in Longyuan Power's A Shares, improve the shareholder structure of the Company, and enhance stock liquidity.

### **Impact of the Issuance on the Company's Shareholding Structure**

Shareholders and potential investors should note that the following is provided for illustrative purposes only. The actual changes to the Company's shareholding structure following completion of the Issuance are subject to various factors, including the outcome of the Issuance. The final issuance number will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of the Company or its authorized persons through negotiating with the sponsor (lead underwriter) based on the final issue price and the subscription price quoted by issuance targets in accordance with the authorization of the shareholders' meeting.

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## LETTER FROM THE BOARD

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The number of shares under the Issuance shall (i) not exceed 30% of the Company's total share capital of 8,359,816,164 shares prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and (ii) not exceed the scope of the General Mandate to Issue Shares, i.e., not exceeding 1,008,386,832 shares (inclusive). Based on the assumption of the issuance of 1,008,386,832 new A Shares (i.e. the maximum number of new A Shares issuable under the Issuance) and the shareholding structure of the Company as of the Latest Practicable Date, and assuming no change in the total number of issued shares of the Company between the Latest Practicable Date and the completion of the Issuance, the shareholding structure of the Company as of the Latest Practicable Date after the completion of the Issuance is set out below:

Name of Shareholder	As of the Latest Practicable Date		Immediately following the completion of the Issuance	
	Number of Shares	Approximate percentage of the Company's total issued shares (%)	Number of Shares	Approximate percentage of the Company's total issued shares (%)
CHN Energy and its associates <sup>(Note 2)</sup>	4,908,598,141	58.72 %	4,908,598,141	52.40%
Original public A Shareholders	133,336,023	1.59%	133,336,023	1.42%
Target of the Issuance	—	—	1,008,386,832	10.76%
<b>Total number of A Shares issued</b>	<b>5,041,934,164</b>	<b>60.31%</b>	<b>6,050,320,996</b>	<b>64.58%</b>
Public H Shareholders	3,317,882,000	39.69%	3,317,882,000	35.42%
<b>Total number of H Shares issued</b>	<b>3,317,882,000</b>	<b>39.69%</b>	<b>3,317,882,000</b>	<b>35.42%</b>
<b>Total number of shares issued</b>	<b>8,359,816,164</b>	<b>100%</b>	<b>9,368,202,996</b>	<b>100%</b>

*Notes:*

1. Certain percentage figures set out in this section have been subject to rounding adjustments. Accordingly, the arithmetic sum shown may not be an aggregation of the figures preceding them.

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## LETTER FROM THE BOARD

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2. As of the Latest Practicable Date, CHN Energy directly holds 4,602,432,800 shares of the Company, and indirectly holds 306,165,341 shares of the Company through Pingzhuang Coal Group and CHN Energy Liaoning Company, representing in aggregate 58.72% of the total share capital of the Company. Therefore, CHN Energy is the controlling shareholder of the Company. The SASAC is the ultimate controlling person of the Company. Upon completion of the Issuance, CHN Energy will remain as the controlling shareholder of the Company. The Issuance to specific targets will not result in any change in the control of the Company.

The Company will ensure compliance with the public shareholding regulations before and after the completion of this transaction.

### **Other Information**

As of the Latest Practicable Date, the Company has not conducted any equity financing activities or issued any equity securities in the immediately preceding 12-month period.

The final net issue price per A Share under the Issuance will be determined based on the final terms of the issue and will be announced separately upon completion of the Issuance. The market price of the shares on the date of the final determination of the issue price will also be announced separately.

### **(III) Resolution on the Proposal of the Issuance of A Shares to Specific Targets by the Company in 2025**

In accordance with the requirements of relevant laws and regulations including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration, the Company proposes to issue A Shares to no more than 35 specific targets. In connection with the Issuance, the Company has prepared the Proposal of the Issuance of A Shares to Specific Targets in 2025. For details of the Proposal of the Issuance of A Shares to Specific Targets in 2025, please refer to Appendix II to this circular.

### **(IV) Resolution on the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets by the Company in 2025**

In accordance with the requirements of relevant laws and regulations including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration, as well as the Company's plan for the Issuance of A Shares to Specific Targets and its actual circumstances, the Company has formulated the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets in 2025. For details of the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets in 2025, please refer to Appendix III to this circular.

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## LETTER FROM THE BOARD

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**(V) Resolution on the Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets by the Company in 2025**

In accordance with the requirements of relevant laws and regulations including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration, and in order to promote the Company's sustainable and stable development, the Company proposes to raise funds through the Issuance of A Shares to Specific Targets. To ensure the funds raised through the Issuance of A Shares to Specific Targets are utilized in a reasonable, secure and efficient manner, the Company has prepared the Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets in 2025. For details, please refer to "Section II Feasibility Analysis by the Board on the Use of the Proceed" in Appendix II to this circular.

**(VI) Resolution on the Report on the Use of Previously Raised Funds of the Company**

In accordance with the Guideline for the Application of Regulatory Rules – Issuance No. 7 (《監管規則適用指引－發行類第7號》) by the CSRC, the Company has prepared the Report on the Use of Previously Raised Funds. The Company did not raise funds through the issuance of new shares in the market during its A-share listing, nor has it ever conducted equity financing in the A-share market since listing. Upon verification of the use of previously raised funds, Zhongshen Zhonghuan Certified Public Accountants LLP engaged by the Company has issued the Assurance Report on the Use of Previously Raised Funds of China Longyuan Power Group Corporation Limited\*. Zhongshen Zhonghuan Certified Public Accountants LLP is of the opinion that the Report on the Use of Previously Raised Funds of the Company as of 30 September 2025 has been prepared in accordance with the Guideline for the Application of Regulatory Rules – Issuance No. 7, and has truly reflected the use of raised funds by the Company as of 30 September 2025 in all material respects. For details of the Report on the Use of Previously Raised Funds, please refer to Appendix IV to this circular.

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## LETTER FROM THE BOARD

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### **(VII) Resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures Adopted and the Undertakings Made by the Relevant Entities by the Company in 2025**

Pursuant to the relevant requirements of the Several Opinions of the State Council on Further Promoting the Sound Development of Capital Markets (Guo Fa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》)(國發[2014]17號), the Opinions of the General Office of the State Council on Further Enhancing the Protection of Legitimate Rights and Interests of Medium and Small Investors in Capital Markets (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》)(國辦發[2013]110號) and the Guiding Opinions on the Dilution of Current Returns by Initial Offering, Refinancing and Material Asset Restructuring (CSRC [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》)(證監會公告[2015]31號), the Company has analyzed the potential impact of the Issuance of A Shares to Specific Targets on ordinary shareholders' equity and current returns, and proposed remedial measures based on the actual situation, and the related parties have promised to facilitate the effective implementation of these measures. For details, please refer to "Section VI Impact of Dilution of Current Returns by the Issuance on Main Financial Indicators of the Company and Measures to be Adopted by the Company" in Appendix II to this circular.

### **(VIII) Resolution on the Authorization by the Shareholders' Meeting to the Board or its Authorized Person(s) to Proceed with Specific Matters in respect of the Issuance of A Shares to Specific Targets in Their Sole Discretion**

To efficiently complete the Issuance, in accordance with the relevant provisions of the Company Law, the Securities Law, the Administrative Measures for the Issuance and Registration, and the relevant provisions of the Articles of Association, the Board proposes to the shareholders' meeting to authorize the Board or its authorized persons to deal with matters related to the Issuance of A Shares to Specific Targets, in compliance with relevant laws and regulations, including but not limited to:

- Formulating, adjusting, and implementing the specific plan for the Issuance in accordance with laws and regulations, relevant provisions and opinions of regulatory authorities of the PRC, and in consideration of market conditions and the Company's actual circumstances, including but not limited to, determining or adjusting the issuance time, amount of proceeds, issuance price, issuance amount, issuance targets, and other matters related to the issuance plan;

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## LETTER FROM THE BOARD

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- Handling the declaration for the Issuance, including but not limited to preparing, amending, executing, submitting, supplementing, and disclosing materials related to the Issuance and listing in accordance with the requirements of relevant government departments, regulatory authorities, stock exchanges, and securities depositories and clearing organizations; responding to feedback from relevant regulatory authorities; and handling information disclosure matters related to the Issuance in compliance with regulatory requirements;
- Deciding and employing sponsors, lead underwriters, law firms, accounting firms, and other intermediaries, as well as handling other related matters;
- Signing, amending, supplementing, completing, submitting, and executing all agreements, contracts, and documents related to the Issuance (including but not limited to the sponsorship and underwriting agreement, intermediary engagement agreements, agreements concerning proceeds, subscription agreements and supplemental agreements with investors, and the issuance of announcements and other disclosure documents);
- Subject to the applicable laws of the PRC in effect at that time, should policies governing the Issuance of A Shares to Specific Targets or market conditions change, except for matters requiring re-approval by the shareholders' meeting under relevant laws, regulations, and the Articles of Association and not permitting delegation of authority, adjustments may be made to the issuance plan to specific targets or the use of proceeds, and the Issuance may continue in accordance with relevant regulations, regulatory requirements (including review feedback on the Issuance application), market conditions, and the Company's actual operational circumstances;
- Establishing a dedicated account for the proceeds to be raised from the Issuance; handling matters related to the use of the proceeds to be raised from the Issuance; based on the actual progress and operational needs of the investment projects of the proceeds, deciding that the Company may use self-raised funds to commence implementation of the investment projects of the proceeds prior to the receipt of the proceeds, with the funds to be replaced upon receipt of the proceeds;

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## LETTER FROM THE BOARD

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- Upon completion of the Issuance, confirming the change in registered capital based on the Issuance results, amending the corresponding provisions of the Articles of Association, and submitting to relevant government departments and regulatory authorities for approval or filing, additionally, completing the industrial and commercial change registration and filing of the amended Articles of Association with the industrial and commercial administrative authorities due to the change in registered capital, handling matters related to the registration, custody, and lock-up of newly issued shares with relevant departments;
- Reviewing and selecting the eligibility of investors intending to subscribe to the Issuance in accordance with the qualification requirements of the CSRC for shareholders of listed companies;
- In the event that relevant laws, regulations, and regulatory authorities issue new provisions or requirements regarding the replenishment of immediate returns through refinancing, the Company shall, in accordance with such laws, regulations, and regulatory requirements at that time, further analyze, study, and evaluate the impact of the Issuance on the Company's financial indicators and the current returns to shareholders. The Company shall formulate and amend relevant replenishment measures and policies, and handle all other related matters in its sole discretion;
- In the event of force majeure or other circumstances that would make it difficult to implement the Issuance plan, or that could be implemented but would result in adverse consequences for the Company, or in the event of changes to the policy governing the Issuance of shares to specific targets by listed companies, the Company may, at its discretion, decide to postpone, suspend, or terminate the implementation of the Issuance plan;
- Handling other matters related to the Issuance;
- Subject to the Board obtaining the aforementioned authorization, the Board hereby approves the further authorization to the chairman of the Board and/or relevant persons designated by the chairman to handle all matters related to the Issuance.

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## LETTER FROM THE BOARD

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The mandate shall remain valid for 12 months from the date of approval by the shareholders' meeting. If the Issuance has not obtained the relevant regulatory approval and/or registration prior to the expiration of the General Mandate to Issue Shares approved at the 2024 Annual General Meeting, the Issuance may proceed under the General Mandate to Issue Shares for the following year as approved by shareholders from time to time, provided that the maximum number of shares issued under the Issuance does not exceed the authorization amount for the following year as approved by Shareholders from time to time.

At the same time, the Board proposes to the shareholders' meeting to authorize the Board and or its authorized persons (chairman of the Board and/or relevant persons of the Company designated by the chairman) to deal with matters related to the Issuance of A Shares to Specific Targets.

### III. ESM

The Company will convene the ESM at 9:00 a.m. on Tuesday, 23 December 2025 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China. Notice of the ESM is set out in this circular.

In order to determine the holders of Shares who are eligible to attend and vote at the ESM, the H Share register of members of the Company will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025, both days inclusive. The record date will be Tuesday, 23 December 2025. To be eligible to attend and vote at the ESM, unregistered holders of the H Shares of the Company shall lodge relevant H Share transfer documents with (for holders of H Shares) the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.

Shareholders who intend to appoint a proxy to attend the ESM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned by courier or post to Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for holding the ESM (i.e. not later than 9:00 a.m. on Monday, 22 December 2025) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the ESM or at any other adjourned meeting.

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## LETTER FROM THE BOARD

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### IV. VOTING BY POLL AT ESM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the shareholders' meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the ESM will therefore demand a poll for each resolution put to the vote at the ESM pursuant to Article 100 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it used in the same manner.

### V. RECOMMENDATION

The Board considers that the resolutions set out in the Notice of the ESM for consideration and approval by the Shareholders are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the resolutions set out in the Notice of the ESM which are to be proposed at the ESM.

By order of the Board

**China Longyuan Power Group Corporation Limited\***

**Gong Yufei**

*Chairman*

\* *For identification purpose only*

**SATISFACTION OF THE CONDITIONS FOR THE ISSUANCE OF  
A SHARES TO SPECIFIC TARGETS BY THE COMPANY****I. THE ISSUANCE COMPLIES WITH THE RELEVANT CONDITIONS STIPULATED BY  
THE COMPANY LAW**

According to the Issuance plan, the type of the Shares to be issued are Renminbi ordinary shares (A Shares), with a par value of RMB1.00 per Share. The type of the Shares to be issued is identical to the Company's issued and listed A Shares, both being Renminbi ordinary shares. Each share carries equal value and have the same rights, which complies with Article 143 of the Company Law.

**II. THE ISSUANCE COMPLIES WITH THE RELEVANT CONDITIONS STIPULATED BY  
THE SECURITIES LAW**

According to the Issuance plan, the Issuance shall be conducted through the issuance to specific targets, and will not be conducted through advertisement, public inducement or other disguised public manner, which complies with the provisions of Paragraph 3, Article 9 of the Securities Law.

**III. THE ISSUANCE COMPLIES WITH THE RELEVANT CONDITIONS STIPULATED BY  
THE ADMINISTRATIVE MEASURES FOR THE ISSUANCE AND REGISTRATION****(I) The Company Does Not Fall Under Any of the Circumstances Where no Shares Shall be  
Issued to Specific Targets as Stipulated in Article 11 of the Administrative Measures for the  
Issuance and Registration**

The Company does not fall under any of the following circumstances and complies with the provisions of Article 11 of the Administrative Measures for the Issuance and Registration:

1. The use of previously raised fund is changed without authorisation and not corrected, or without the approval of the shareholders' meeting;
2. The preparation and disclosure of financial statements for the most recent year do not comply with the Accounting Standards for Business Enterprises or relevant information disclosure rules in material respects; an audit report with adverse opinions or disclaimer of opinion is issued for the financial statements for the most recent year; and an audit report with qualified opinions is issued for the financial statements for the most recent year, and the material adverse impact of the matters involved in the qualified opinion on the listed company has not been eliminated;

- 3. The incumbent Directors and senior management have been subject to administrative penalties imposed upon by the China Securities Regulatory Commission (the “CSRC”) within the most recent three years or have been publicly condemned by the stock exchange within the most recent year;
- 4. The listed company or its incumbent directors and senior management are under official investigation by the judicial authority for any suspected crime or by the CSRC for any suspected violation of laws and regulations;
- 5. The controlling shareholder or actual controller commits a major illegal act that seriously harms the interests of the listed company or investors’ legitimate rights and interests in the most recent three years;
- 6. There has been a major illegal act that seriously harms investors’ legitimate rights and interests or public interests in the most recent three years.

(II) The Issuance Complies with the Provisions of Article 12 of the Administrative Measures for the Issuance and Registration

According to the Issuance plan, the total proceeds to be raised from the Issuance shall not exceed RMB5 billion (inclusive), and the actual proceeds after deducting issuance expenses will be used for the following projects:

*Unit: RMB100 million*

No.	Name of projects	Total proposed investment	Proposed amount of proceeds to be raised
1	Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project (海南東方CZ8場址50萬千瓦海上風電項目)	51.67	25.00
2	The “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project (「寧湘直流」配套新能源基地沙坡頭100萬千瓦風電項目)	42.72	25.00
Total		94.39	50.00

The use of proceeds from the Issuance complies with national industrial policies and has not been used to cover losses or non-productive expenditures. It also complies with the relevant environmental protection, land management and other laws and administrative regulations. The projects funded by the proceeds from the Issuance do not involve holding financial investments or direct or indirect investments in companies primarily engaged in marketable securities. The use of proceeds from the Issuance will not result in new inter-industry competition or unfair related party transactions with controlling shareholders of the issuer and other enterprises under their control, which will constitute a material adverse effect, nor will it affect the independence of the issuer's production and operation. Therefore, the Issuance complies with Article 12 of the Administrative Measures for the Issuance and Registration.

**(III) The Issuance Complies with the Provisions of Articles 55, 56, 57 and 59 of the Administrative Measures for the Issuance and Registration**

1. According to the Issuance plan, the issuance targets of the Issuance shall be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors, Renminbi qualified foreign institutional investors which satisfy the requirements prescribed by the CSRC, and other legal persons, natural persons or other legal organizations which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors, and RMB qualified foreign institutional investors subscribing to more than two products under their management will be considered as one issuance target; in case of trust investment companies as issuance targets, they can only subscribe with their own funds. The final issuance targets shall be determined by the Board or its authorised person(s) in accordance with the authorisation of the shareholders' meeting and upon discussions with the sponsor (the lead underwriter) of the Issuance based on the subscription quotations. If national laws, regulations or normative documents impose additional requirements on issuance targets, the Company will make adjustments accordingly. The Issuance complies with Article 55 of the Administrative Measures for the Issuance and Registration.

2. According to the Issuance plan, the Pricing Benchmark Date of the Issuance is the first day of the issuance period. The issue price will not be lower than 80% of the average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date, nor it will be less than the Company's latest audited net assets per share attributable to ordinary shareholders of the parent company prior to the Issuance (If any ex-rights or ex-dividend events occur between the balance sheet date and the issue date, the net asset value per share shall be adjusted accordingly). The average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date=the total trading amount of the Company's A shares during the 20 trading days preceding the Pricing Benchmark Date/the total trading volume of the Company's A shares transactions during the 20 trading days preceding the Pricing Benchmark Date. If the Company undergoes ex-right and ex-dividend events during the period from the Pricing Benchmark Date to the issue date such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, the issue price of the shares issued to specific targets this time will be adjusted accordingly. The final issue price of the Issuance will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of Directors or its authorized persons pursuant to the authorization granted by the shareholders' meeting, through negotiation with the sponsor (lead underwriter) by way of bidding in accordance with applicable laws, regulations and requirements of regulatory authorities, which is based on the subscription quotations submitted by the issuance targets, but shall not be lower than the aforementioned minimum issue price. The Issuance complies with Articles 56 and 57 of the Administrative Measures for the Issuance and Registration.
3. According to the Issuance plan, upon the completion of the Issuance, shares subscribed by the issuance targets shall not be transferred within 6 months from the completion of the Issuance. If related regulations and regulatory documents stipulate otherwise regarding the lock-up period of shares issued to specific targets, such provisions shall apply. The lock-up arrangement of the Issuance complies with Article 59 of the Administrative Measures for the Issuance and Registration.

In summary, the Company meets the substantive conditions to issue A Shares to specific targets.

**PROPOSAL OF THE ISSUANCE OF A SHARES  
TO SPECIFIC TARGETS IN 2025**

(October 2025)

**REPRESENTATIONS OF THE ISSUER**

1. The Company and all members of the Board warrant the truthfulness, accuracy and completeness of the information contained herein without any false representations, misleading statements or material omissions.
2. The Proposal is prepared in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Registration of Securities Offerings by Listed Companies (《上市公司證券發行註冊管理辦法》), and other laws, regulations, and normative documents.
3. Following the completion of the Issuance of A Shares to Specific Targets, the Company shall be responsible for any of its changes in operation and profits, and the investors shall be responsible for any investment risks caused by the Issuance of A Shares to Specific Targets.
4. The Proposal constitutes a description by the Board of the Company of the Issuance of A Shares to Specific Targets. Any representations to the contrary shall be deemed as untrue statements.
5. If investors are in any doubt, they should consult their respective stockbrokers, legal counsel, professional accountants or other professional advisers.
6. Matters described in the Proposal do not represent the substantial judgment, confirmation, approval or registration given by the approval authorities in respect of the matters relating to the Issuance of A Shares to Specific Targets. The effectiveness and completion of the matters relating to the Issuance of A Shares to Specific Targets described in the Proposal are subject to the approval or registration by the relevant approval authorities.

**IMPORTANT NOTICE**

The words or abbreviations used in this part shall have the same meanings as those defined in the “Definitions” part of the Proposal.

1. The Issuance of A Shares to Specific Targets is in compliance with the provisions of the Company Law, the Securities Law, the Administrative Measures for the Issuance and Registration of Securities by Listed Companies and other laws, administrative regulations, departmental rules and normative documents, and the Company meets all the conditions for the Issuance of A Shares to Specific Targets.
2. Following consideration and approval of the plan for the Issuance of A Shares to Specific Targets at the first meeting of the sixth session of the Board of the Company, pursuant to relevant laws and regulations, the Issuance of A Shares to Specific Targets is subject to approval by the competent state-owned assets supervision and administration authorities or their authorized entities, approval by the shareholders’ meeting of the Company, review and approval by the SZSE, and a decision of approval for registration by the CSRC.
3. The issuance targets for the issuance to specific targets will be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors and RMB qualified foreign institutional investors, and other legal person, natural persons or other legal organizations, which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors and RMB qualified foreign institutional investors subscribing to two or more products under their management are considered as one issuance target. In case of trust investment companies as issuance targets, they can only subscribe with their own funds.

Based on the subscription and quotation situation, the final issuance targets will be determined by the Board of Directors or its authorized persons through negotiating with the sponsor (lead underwriter) of the Issuance in accordance with the authorization of the shareholders’ meeting. If national laws, regulations, and normative documents contain new provisions regarding the issuance targets, the Company will make adjustments in accordance with the new provisions.

All issuance targets will subscribe the shares under the Issuance in RMB cash and at the same price.

4. The Pricing Benchmark Date of the Issuance is the first day of the issuance period. The issue price will not be less than 80% of the average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date, nor it will be less than the net assets per share attributable to ordinary shareholders of the parent company as reflected in the Company's audited financial statements of last period prior to the Issuance (If any ex-rights or ex-dividend events occur between the balance sheet date and the issue date, the net asset value per share shall be adjusted accordingly).

The average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date=the total trading amount of the Company's A shares during the 20 trading days preceding the Pricing Benchmark Date/the total trading amount of the Company's A shares transactions during the 20 trading days preceding the Pricing Benchmark Date. If the Company undergoes ex-right and ex-dividend events during the period from the Pricing Benchmark Date to the issue date such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, the issue price of the shares issued to specific targets this time will be adjusted accordingly.

The final issue price of the Issuance will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of Directors or its authorized persons pursuant to the authorization granted by the general meeting, through negotiation with the sponsor (lead underwriter) by way of bidding in accordance with applicable laws, regulations and requirements of regulatory authorities, which is based on the subscription quotations submitted by the issuance targets, but shall not be lower than the aforementioned minimum issue price.

5. The number of shares under the Issuance will be determined by dividing the total amount of funds raised by the issue price, and the number of shares under the Issuance shall not exceed 30% of the Company's total share capital of 8,359,816,164 shares prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and not exceed the authorization scope of the general mandate for the issuance of additional shares as approved at the 2024 annual general meeting, the 2025 first A shareholders class meeting and the 2025 first H shareholders class meeting of the Company. Within the aforementioned scope, the final issuance number will, after the application for the Issuance has been reviewed and approved by the Shenzhen Stock Exchange and registered by the CSRC, be determined by the Board of the Company or its authorized persons through negotiating with the sponsor (lead underwriter) based on the final issue price and the subscription price quoted by issuance targets in accordance with the authorization of the general meeting.

The number of A Shares issued to the specific targets will be adjusted accordingly in the event of any ex-dividend or ex-rights events such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, resulting in changes to the issue price during the period from the Pricing Benchmark Date to the issue date.

If the total number of shares of the Issuance is adjusted due to changes in laws, regulations and regulatory policies or in accordance with the requirements of the issuance registration documents of the CSRC, the total number of shares to be issued and the total amount of proceeds will be accordingly adjusted at that time.

6. The shares subscribed by the issuance targets in the Issuance shall not be transferred within six months from the closing date of the Issuance. If related regulations and regulatory documents stipulate otherwise regarding the lock-up period of shares issued to specific targets, such provisions shall apply. The shares subscribed by the issuance targets that are derived from the Company's bonus issue, conversion of capital reserve into share capital of the Company and other circumstances shall also comply with the above-mentioned lock-up period arrangements. If the lock-up period commitment of the above-mentioned shares does not conform to the latest regulatory opinions of the securities regulatory authorities, corresponding adjustments will be made in accordance with the regulatory opinions of the relevant securities regulatory authorities.

Upon the expiration of the aforementioned lock-up period, any reduction of shares shall also comply with the relevant provisions of laws, regulations, rules, regulatory documents such as the Company Law, the Securities Law, and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), as well as the Articles of Association.

7. The total proceeds of the Company raised from the Issuance of A Shares to Specific Targets shall not exceed RMB5 billion (inclusive). The net proceeds after deducting issuance expenses will be used to invest the following projects:

*Unit: RMB100 million*

No.	Projects invested by the proceeds	Total amount of project investment	Proposed amount
			of proceeds to be invested
1	Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project (海南東方CZ8場址50萬千瓦海上風電項目)	51.67	25.00
2	The “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project (「寧湘直流」配套新能源基地沙坡頭100萬千瓦風電項目)	42.72	25.00

Before the receipt of the proceeds from the Issuance of A Shares to Specific Targets, the Company will, based on the actual progress of the projects invested by the proceeds, finance these projects by self-raised funds which shall be replaced once the proceeds have been received according to procedures required by relevant legal regulations.

In the event that the actual amount of net proceeds after deducting issuance expenses is less than the proposed amount of proceeds to be invested for the above-mentioned projects, any shortfall shall be covered by the Company's self-raised funds.

8. All shareholders will be entitled to the accumulated undistributed profits prior to the Issuance in proportion to their respective shareholding after completion of the Issuance.
9. The Issuance of A Shares to Specific Targets will not result in any change of controlling shareholder or actual controller of the Company, nor will it cause the Company's shareholding structure to fail to meet the requirements for listing.
10. The valid period of the resolution of the Issuance will be 12 months since the date on which the relevant proposal regarding the Issuance is considered and approved by the general meeting.
11. According to the requirements of the Listed Companies Regulatory Guidance No. 3—Cash Dividends Distribution of Listed Companies (CSRC Announcement [2025] No. 5) (《上市公司監管指引第3號—上市公司現金分紅》) (證監會公告[2025]5號), the Articles of Association clearly stipulate the Company's profit distribution policy. For details regarding the profit distribution policy and implementation of the Company, please refer to "Section V Profit Distribution Policy and Implementation of the Company" in the Proposal.
12. Pursuant to the relevant requirements of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (國辦發[2013]110號), the Guidance Opinions in Relation to the Matters Relating to the Dilution of Returns for the Current Period by Initial Public Offering, Refinancing and Material Assets Reorganization (CSRC Notice [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (證監會公告[2015]31號) issued by the CSRC and other documents, the Company conducted an analysis of the impact on dilution of current returns by the Issuance of A Shares to Specific Targets and formulated specific remedial measures. The relevant entities have committed to ensuring the effective implementation of the remedial measures. For details, please refer to the Statement on the Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures Adopted and the Undertakings Made by the Relevant Entities by China Longyuan Power Group Corporation Limited\* in 2025 published on the website of the Shenzhen Stock Exchange. The detailed remedial measures established to deal with the risk of dilution of current returns do not represent guarantees for future profits of the Company. Investors shall not make investment decisions in reliance thereon. The Company will not be held liable for any loss howsoever arising from investors' investment decisions based on such information. Investors are advised to exercise with caution.

**DEFINITIONS**

In the Proposal, the following expressions shall have the following meanings unless otherwise specified:

Issuer, Longyuan Power, Company	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司)
controlling shareholder, CHN Energy	China Energy Investment Group Co., Ltd. (國家能源投資集團有限公司)
Issuance, Issuance of Shares to Specific Targets, Issuance of A Shares to Specific Targets	the issuance of A Shares to specific targets by China Longyuan Power Group Corporation Limited*
Proposal	the proposal of the Issuance of A Shares to Specific Targets by China Longyuan Power Group Corporation Limited* in 2025
Pricing Benchmark Date	the first day of the issuance period for the current Issuance of A Shares to Specific Targets
proceeds	proceeds to be raised from the Issuance
SASAC of the State Council	the State-owned Assets Supervision and Administration Commission of the State Council
CSRC	the China Securities Regulatory Commission
NDRC	the National Development and Reform Commission of the People's Republic of China
National Energy Administration	the National Energy Administration of the People's Republic of China
SZSE	the Shenzhen Stock Exchange
Company Law	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
Securities Law	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)

Document No. 136	the Notice on Deepening the Marketization Reform of New Energy On-grid Tariffs and Promoting High-quality Development of New Energy (Fa Gai Jia Ge [2025] No. 136) (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》) (發改價格[2025]136號) issued by the NDRC
Articles of Association	the Articles of Association of China Longyuan Power Group Corporation Limited*
Pingzhuang Coal Group	Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限公司)
CHN Energy Liaoning Company	China Energy Group Liaoning Electric Power Co., Ltd. (國家能源集團遼寧電力有限公司)
power generation	the total volume of electricity generated during a specific period
on-grid tariff	the price of on-grid electricity settled by the electricity purchaser with the power generation enterprise
RMB, RMB 0'000 or RMB100 million	Renminbi, Renminbi 10,000 or RMB 100 million
end of each Reporting Period	the end of 2022, 2023, 2024 and September 2025

Any discrepancy between the total amount in the Proposal and the sums of adding the numbers directly in terms of mantissa is caused by rounding.

\* *For identification purpose only*

**SECTION I SUMMARY OF THE PLAN FOR THE ISSUANCE  
OF A SHARES TO SPECIFIC TARGETS**

**I. BASIC INFORMATION OF THE ISSUER**

Chinese name:	龍源電力集團股份有限公司
English name:	China Longyuan Power Group Corporation Limited
Legal representative:	Gong Yufei
Place of listing for the shares:	Shenzhen Stock Exchange, Hong Kong Stock Exchange
Stock abbreviation	Longyuan Power
Stock code:	001289. SZ 、 0916. HK
Date of listing:	24 January 2022 (A Share), 10 December 2009 (H Share)
Total share capital:	8,359,816,164 Shares
Registered address:	Room 2006, 20th Floor, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing
Office address:	Room 2006, 20th Floor, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing
Postcode of office address:	100034
Tel:	86-10-63888198, 86-10-63888199
Fax:	86-10-63887780
Email:	p0002293@ceic.com, lyir@ceic.com

Business scope:

Licensed items: power generation, electricity transmission and supply (distribution) business; agency bookkeeping. (Items that are subject to approval according to law may only be carried out upon approval by relevant departments, and the specific business items shall be subject to approval documents or licenses of relevant departments)  
General items: repair of electrical equipment, technical services, technology development, technology consultancy, technology exchange, technology transfer, technology promotion; environmental protection consultancy; wind power generation technology services; solar power generation technology services; energy saving management services; energy storage technology service; new energy technology research and development; import and export of goods; leasing services (excluding licensed leasing services); conference and exhibition services; sale of chemical products (excluding licensed chemical products); sale of building materials; non-residential property rental; financial consultancy; tax services; enterprise headquarters management; asset management services for investment with self-owned funds; manufacturing of electronic (gas) physical equipment and other electronic equipment. (Except for special projects subject to approval in accordance with law, the Company shall carry out business activities based on the business license.) (Operation activities prohibited or restricted by national and local industrial policies shall not be conducted.)

**II. BACKGROUND AND PURPOSE OF THE ISSUANCE OF SHARES TO SPECIFIC TARGETS****(I) Background of the Issuance of Shares to Specific Targets****1. *Strong national policy support for the new energy power industry***

In recent years, amid the long-term challenges of global climate change, vigorous development of clean and renewable energy has become an inevitable trend in the energy sector. China has identified the development and utilization of renewable energy as a key component of its national energy strategy. In September 2020, at the 75th session of the United Nations General Assembly, General Secretary Xi Jinping announced China's goal of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, demonstrating China's strong commitment to this strategic objective.

To thoroughly implement the “Dual Carbon” strategy, the State Council, the NDRC, and other departments have issued policies such as the Action Plan for Carbon Dioxide Peaking Before 2030, the Outline of the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives Through 2035, and the 14th Five-Year Plan for Renewable Energy Development, providing clear direction for building a new-type power system. The Company’s efforts to advance its renewable energy business and accelerate project investment and construction play a significant role in supporting the implementation of the “Dual Carbon” strategy and promoting green and low-carbon development across society.

**2. *Higher capital demand due to growing operational scales***

During the “14th Five-Year Plan” period, Longyuan Power has firmly seized development opportunities, continuously expanded its business scale, and increased its installed capacity. At present, the Company is in a period of rapid development. During the “15th Five-Year Plan” period in the future, its capital expenditure will remain at a relatively high level, and there is an urgent need for funding to meet the substantial capital requirements arising from this rapid expansion, strengthen the Company’s financial capacity, and provide a solid foundation for enhancing its industry competitiveness, profitability, and overall quality as a listed company.

The proceeds to be raised through the Issuance to the specific targets will primarily support the construction of the wind power projects of the Company, focusing on initiatives with strong demonstration effects, substantial investment scale, and favorable rates of return. Upon completion, these projects will help Longyuan Power further enhance its core competitiveness, improve profitability, and ensure the smooth implementation of the future business strategy of the Company.

**(II) Purpose of the Issuance of Shares to Specific Targets****1. *Seize the development opportunities in the new energy power generation industry***

Against the backdrop of the “Dual Carbon” strategy goals, important documents such as the “Modern Energy System Plan for the 14th Five Year Plan Period” have been successively released, setting higher requirements for the development of the new energy industry. The Third Plenary Session of the 20th CPC Central Committee has called for improving policies and measures to facilitate the consumption and regulation of new energy, advancing energy pricing reforms, and promoting the development of strategic industries like new energy through policy and governance systems. The new energy sector is now entering a period where transformation and opportunities coexist. Longyuan Power raised proceeds through the Issuance of A Shares to Specific Targets for self-built projects, which demonstrates the firm grasp of development opportunities in the new energy power generation industry by Longyuan Power and its proactive assumption of the responsibility and mission as a leading force in new energy development.

**2. *Reduce the overall asset-liability ratio of the Company and improve its shareholder structure***

The new energy power generation industry in which the Company operates is capital-intensive. As the Company increases its construction projects, its demand for capital continues to grow. The asset-liability ratio of the Company were relatively high, standing at 64.07%, 64.09%, 66.51%, and 65.88%, respectively. Longyuan Power has limited scope for large-scale capital replenishment through debt financing, which urgently needs to supplement equity capital via equity financing to reduce its asset-liability ratio and enhance liquidity. At the same time, the current public shareholding ratio of A Shares of the Company stands at only 1.59%, which is relatively low with restricted liquidity. The refinancing initiative will increase the proportion of public shares in Longyuan Power’s A Shares, improve the shareholder structure of the Company, and enhance stock liquidity.

**III. ISSUANCE TARGETS AND THEIR RELATIONSHIP WITH THE COMPANY****(I) Issuance Targets**

The issuance targets will be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, institutional investor such as qualified foreign institutional investors and RMB qualified foreign institutional investors, and other legal person, natural persons or other legal organizations, which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors and RMB qualified foreign institutional investors subscribing to two or more products under their management are considered as one issuance target. In case of trust investment companies as issuance targets, they can only subscribe with their own funds.

Based on the subscription and quotation situation, the final issuance targets will be determined by the Board of Directors or its authorized persons through negotiating with the sponsor (lead underwriter) of the Issuance in accordance with the authorization of the general meeting. If national laws, regulations, and normative documents contain new provisions regarding the issuance targets, the Company will make adjustments in accordance with the new provisions.

All issuance targets will subscribe the shares under the Issuance in RMB cash and at the same price.

**(II) Relationship between Issuance Targets and the Company**

As of the date of the announcement of the Proposal, as the Company has not determined the issuance targets for the Issuance of A Shares to Issuance Targets, the relationship between issuance targets and the Company cannot be determined. The Company will disclose the relationship between issuance targets and the Company in an announcement after the closing of the issuance bidding.

**IV. OVERVIEW OF THE PLAN FOR THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS****(I) Type and Nominal Value of the Share to be Issued**

The shares issued are renminbi ordinary shares (A Shares), with a nominal value of RMB1.00 per share.

**(II) Issuance Method and Time**

All shares issued this time will be offered in the form of A shares to specific targets, and the Company will issue the A Shares as and when appropriate after obtaining approval by the SZSE and consent for registration by the CSRC.

**(III) Issuance Targets and Subscription Method**

The issuance targets will be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors and RMB qualified foreign institutional investors, and other legal person, natural persons or other legal organizations, which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors and RMB qualified foreign institutional investors subscribing to two or more products under their management are considered as one issuance target. In case of trust investment companies as issuance targets, they can only subscribe with their own funds.

Based on the subscription and quotation situation, the final issuance targets will be determined by the Board of Directors or its authorized persons through negotiating with the sponsor (lead underwriter) of the Issuance in accordance with the authorization of the general meeting. If national laws, regulations, and normative documents contain new provisions regarding the issuance targets, the Company will make adjustments in accordance with the new provisions.

All issuance targets will subscribe the shares under the Issuance in RMB cash and at the same price.

**(IV) Pricing Benchmark Date, Issue Price and Pricing Principles**

The Pricing Benchmark Date of the Issuance is the first day of the issuance period. The issue price will not be less than 80% of the average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date, nor it will be less than the net assets per share attributable to ordinary shareholders of the parent company as reflected in the Company's audited financial statements of last period prior to the Issuance (If any ex-rights or ex-dividend events occur between the balance sheet date and the issue date, the net asset value per share shall be adjusted accordingly).

The average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date=the total trading amount of the Company's A shares during the 20 trading days preceding the Pricing Benchmark Date/the total trading amount of the Company's A shares transactions during the 20 trading days preceding the Pricing Benchmark Date.

If the Company undergoes ex-right and ex-dividend events during the period from the Pricing Benchmark Date to the issue date such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, the issue price of the shares issued to specific targets this time will be adjusted accordingly through the following methods:

Distribution of cash dividends:  $P1=P0-D$ ;

Bonus issue or conversion into the share capital:  $P1=P0/(1+N)$ ;

Distribution of cash dividends and bonus issue or conversion into share capital:  $P1=(P0-D)/(1+N)$ ;

In which,  $P0$  is the pre-adjustment issue price,  $D$  is the amount of cash dividend per share,  $N$  is the number of bonus shares or shares to be converted into the share capital per share, and  $P1$  is the post-adjustment issue price.

The final issue price of the Issuance will, after the application for the Issuance has been reviewed and approved by the SZSE and registered by the CSRC, be determined by the Board of Directors or its authorized persons pursuant to the authorization granted by the general meeting, through negotiation with the sponsor (lead underwriter) by way of bidding in accordance with applicable laws, regulations and requirements of regulatory authorities, which is based on the subscription quotations submitted by the issuance targets, but shall not be lower than the aforementioned minimum issue price.

**(V) Number of Shares to be Issued**

The number of shares under the Issuance will be determined by dividing the total amount of funds raised by the issue price, and the number of shares under the Issuance shall not exceed 30% of the Company's total share capital of 8,359,816,164 shares prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and not exceed the authorization scope of the general mandate for the issuance of additional shares as approved at the 2024 annual general meeting, the 2025 first A shareholders class meeting and the 2025 first H shareholders class meeting of the Company. Within the aforementioned scope, the final issuance number will, after the application for the Issuance has been reviewed and approved by the SZSE and registered by the CSRC, be determined by the Board of the Company or its authorized persons through negotiating with the sponsor (lead underwriter) based on the final issue price and the subscription price quoted by issuance targets in accordance with the authorization of the general meeting.

The number of A Shares issued to the specific targets will be adjusted accordingly in the event of any ex-dividend or ex-rights events such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, resulting in changes to the issue price during the period from the Pricing Benchmark Date to the issue date.

If the total number of shares of the Issuance is adjusted due to changes in laws, regulations and regulatory policies or in accordance with the requirements of the Issuance registration documents of the CSRC, the total number of shares to be issued and the total amount of proceeds will be accordingly adjusted at that time.

**(VI) Lock-up Period**

The shares subscribed by the issuance targets in the Issuance shall not be transferred within six months from the closing date of the Issuance. If related regulations and regulatory documents stipulate otherwise regarding the lock-up period of shares issued to specific targets, such provisions shall apply. The shares subscribed by the issuance targets that are derived from the Company's bonus issue, conversion of capital reserve into share capital of the Company and other circumstances shall also comply with the above-mentioned lock-up period arrangements. If the lock-up period commitment of the above-mentioned shares does not conform to the latest regulatory opinions of the securities regulatory authorities, corresponding adjustments will be made in accordance with the regulatory opinions of the relevant securities regulatory authorities.

Upon the expiration of the aforementioned lock-up period, any reduction of shares shall also comply with the relevant provisions of laws, regulations, rules, regulatory documents such as the Company Law, the Securities Law, and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, as well as the Articles of Association.

#### (VII) Total Amount and Use of Proceeds

The total proceeds of the Company raised from the Issuance of A Shares to Specific Targets shall not exceed RMB5 billion (inclusive). The net proceeds after deducting issuance expenses will be used to invest the following projects:

*Unit: RMB100 million*

No.	Projects invested by the proceeds	Total amount of project investment	Proposed amount of proceeds to be invested
1	Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project	51.67	25.00
2	The “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project	42.72	25.00
		—————	—————

Before the receipt of the proceeds from the Issuance of A Shares to Specific Targets, the Company will, based on the actual progress of the projects invested by the proceeds, finance these projects by self-raised funds which shall be replaced once the proceeds have been received according to procedures required by relevant legal regulations.

In the event that the actual amount of net proceeds after deducting issuance expenses is less than the proposed amount of proceeds to be invested for the above-mentioned projects, any shortfall shall be covered by the Company’s self-raised funds.

#### (VIII) Arrangement of Accumulated Undistributed Profits

All shareholders will be entitled to the accumulated undistributed profits prior to the Issuance according to their shareholding percentage after completion of the Issuance.

**(IX) Place of Listing**

The shares issued in the Issuance will be listed on the Main Board of the SZSE.

**(X) Valid Period of the Resolution**

The valid period of the resolution of the Issuance will be 12 months since the date on which the relevant proposal regarding the Issuance is considered and approved by the shareholders' meeting.

**V. WHETHER THE ISSUANCE CONSTITUTES A RELATED PARTY TRANSACTION**

As of the date of the announcement of the Proposal, the issuance targets for the Issuance have not yet been determined, and therefore the relationship between the issuance targets and the Company cannot be ascertained. If any related party subscribes for the Shares in the Issuance, thereby constituting a related party transaction, the Company will conduct review and make disclosure in a timely manner in accordance with the relevant regulations.

**VI. WHETHER THE ISSUANCE WILL RESULT IN A CHANGE IN THE CONTROL OF THE COMPANY**

As of the date of the announcement of the Proposal, CHN Energy directly holds 4,602,432,800 Shares of the Company, and indirectly holds 306,165,341 Shares of the Company through Pingzhuang Coal Group and CHN Energy Liaoning Company, representing in aggregate 58.72% of the total share capital of the Company. Therefore, CHN Energy is the controlling shareholder of the Company. The SASAC is the ultimate controlling person of the Company. Upon completion of the Issuance, CHN Energy will remain as the controlling shareholder of the Company. The Issuance will not result in any change in the control of the Company.

**VII. WHETHER THE ISSUANCE WILL RESULT IN THE COMPANY'S EQUITY DISTRIBUTION TO FAIL TO MEET THE LISTING REQUIREMENTS**

The issuance will not result in the Company's equity distribution to fail to meet the listing requirements.

**VIII. APPROVALS OBTAINED FROM RELEVANT AUTHORITIES FOR THE ISSUANCE PLAN AND PROCEDURES PENDING SUBMISSION AND APPROVAL**

The matters related to the Issuance of A Shares to Specific Targets have been reviewed and approved at the first meeting of the sixth session of the Board of the Company, and remain subject to approval from the competent state-owned asset supervision and administration authorities or its authorized entity, approval by the shareholders' meeting, review and approval by the SZSE, and a decision of approval for registration by the CSRC.

**SECTION II FEASIBILITY ANALYSIS BY THE BOARD ON THE USE OF THE PROCEED****I. PLAN FOR THE USE OF THE PROCEEDS**

The total proceeds of the Company raised from the Issuance of A Shares to Specific Targets shall not exceed RMB5 billion (inclusive). The net proceeds after deducting issuance expenses will be used to invest the following projects:

*Unit: RMB100 million*

No.	Projects invested by the proceeds	Total amount of project investment	Proposed amount of proceeds to be invested
1	Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project	51.67	25.00
2	The “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project	42.72	25.00
		=====	=====

Before the receipt of the proceeds from the Issuance of A Shares to Specific Targets, the Company will, based on the actual progress of the projects invested by the proceeds, finance these projects by self-raised funds which shall be replaced once the proceeds have been received according to procedures required by relevant legal regulations.

In the event that the actual amount of net proceeds after deducting issuance expenses is less than the proposed amount of proceeds to be invested for the above-mentioned projects, any shortfall shall be covered by the Company’s self-raised funds.

**II. BASIC INFORMATION OF PROJECTS INVESTED BY THE PROCEEDS****(I) Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project****1. *Basic information of the project***

Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project, with an installed capacity of 500 MW, is located in the western waters of Dongfang City, Hainan Province. The project is planned to deploy large-capacity offshore wind turbines and construct supporting facilities including an offshore booster station, collection submarine cables and transmission projects, which will be connected to the Hainan power grid via submarine cables. The project will be undertaken by Hainan Guoneng Longyuan New Energy Co., Ltd., a wholly-owned subsidiary of the Company. The total investment of the project is estimated to be approximately RMB5.167 billion.

**2. *Necessity and prospects of the project***

On 26 January 2022, the Comprehensive Department of the National Energy Administration issued a reply regarding the offshore wind power planning of Hainan Province. The reply explicitly stated that the offshore wind resources near Hainan Province are generally favorable, with good development and construction conditions. To accelerate the development of the offshore wind power industry in Hainan Province, promote the adjustment of the energy structure and economic and social development, and achieve the “Dual Carbon” goals, the reply supports Hainan Province in scientifically organizing offshore wind power development and construction as planned in alignment with the national 14th Five-Year Plan for Renewable Energy Development.

The construction of the project is in line with the offshore wind power development plan and industrial policies of Hainan Province. Upon completion, the project will play a significant role in facilitating Hainan Province’s goal of “carbon peak and carbon neutrality” and “accelerating the planning and construction of a new energy system”, expediting the development of Hainan as a clean energy island, and enhancing the power supply capacity of Hainan Province.

### 3. *Approval procedures for project construction*

- (1) The Reply of the Hainan Provincial Development and Reform Commission on the Approval of Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project (Qiong Fa Gai Neng Yuan Han [2022] No. 879) (《海南省發展和改革委員會關於海南東方CZ8場址50萬千瓦海上風電項目核准的批覆》) (瓊發改能源函[2022]879號) from the Hainan Provincial Development and Reform Commission was obtained for this project on 6 November 2022, with the approval valid until 6 November 2024. On 15 October 2024, the Reply of the Hainan Provincial Development and Reform Commission on the Approval of Extension of the Validity Period of the Approval Document for the Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project (Qiong Fa Gai Neng Yuan Han [2024] No. 996) (《海南省發展和改革委員會關於同意延長海南東方CZ8場址50萬千瓦海上風電項目核准文件有效期的批復》) (瓊發改能源函〔2024〕996號) from the Hainan Provincial Development and Reform Commission was obtained, extending the validity period of the approval document for the Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project to 6 November 2025.
- (2) The Letter regarding the Reply of Ecology and Environment of Hainan Province on the Approval of the Environmental Impact Report for Dongfang CZ8 Site 500 MW Offshore Wind Power Project (Qiong Huan Han [2025] No. 45) (《海南省生態環境廳關於批覆東方CZ8場址50萬千瓦海上風電項目環境影響報告書的函》) (瓊環函[2025]45號) from the Department of Ecology and Environment of Hainan Province was obtained for this project on 11 March 2025.
- (3) The Certificate of Real Estate Ownership of the People's Republic of China (Qiong (2023) Dongfang City Real Estate Ownership No. 0001386) was issued for this project by the Natural Resources and Planning Bureau of Dongfang City, Hainan Province on 7 March 2023, and another Certificate of Real Estate Ownership of the People's Republic of China (Qiong (2023) Dongfang City Real Estate Ownership No. 0003962) was issued by the Natural Resources and Planning Bureau of Dongfang City, Hainan Province on 9 June 2023.

### 4. *Project benefits*

Upon completion and full commissioning of this project, it is anticipated to yield favourable economic benefits.

**(II) “Ningxiang DC” Supporting New Energy Base Shapotou 1 Million Kilowatts Wind Power Project**

**1. Basic information of the project**

“Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project, a key component of the “Ningxiang DC” supporting new energy base, is located in Shapotou District, Zhongwei City, Ningxia Hui Autonomous Region. The project has an installed capacity of 1 million kilowatts, with multiple wind turbines to be installed, along with supporting construction of facilities such as collector lines, booster stations and access systems. The project is undertaken by Zhongwei Longyuan New Energy Co., Ltd., a wholly-owned subsidiary of the Company, with a total estimated investment of approximately RMB4.272 billion.

**2. Necessity and prospects of the project**

On 26 February 2022, the NDRC and the National Energy Administration jointly issued the Notice on the Planning and Layout Scheme for Large-Scale Wind and Photovoltaic Bases (《以沙漠、戈壁、荒漠地區為重點的大型風電光伏基地規劃佈局方案》) with a focus on Desert, Gobi and Barren Land, which requires that by 2030, a total installed capacity of approximately 455 million kilowatts of wind and photovoltaic bases be planned and constructed in these areas. In May 2023, the “Ningxiang DC” Project was approved by the NDRC. This project is a major cross-provincial and cross-regional transmission channel included in the national 14th Five-Year Plan for Energy Development and Power Development, an important initiative for building a new-type power system in Ningxia, and a key component of the “West-to-East Power Transmission Project”.

The construction of this project is in line with the national development plans for the “Desert, Gobi and barren land” wind and photovoltaic bases and the “Ningxiang DC” Project. Upon completion, it will play a crucial role in advancing the implementation of the “West-to-East Power Transmission” strategy, ensuring electrical security, enhancing the utilization efficiency of barren land, and accommodating the abundant wind resources of the “Desert, Gobi and barren land” bases.

### 3. *Approval procedures for project construction*

- (1) The Reply of the Autonomous Region Development and Reform Commission on the Approval of “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project (Ning Fa Gai Neng Yuan (Development) Shen Fa [2024] No. 178) (《自治區發展改革委關於「寧湘直流」配套新能源基地沙坡頭100萬千瓦風電項目核准的批覆》) (寧發改能源(發展)審發[2024]178號) from the Ningxia Hui Autonomous Region Development and Reform Commission was obtained for this project on 1 November 2024.
- (2) The Letter on the Approval of the Environmental Impact Report Form for “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project of Zhongwei Longyuan New Energy Co., Ltd. (Wei Huan Shapotou Qu Fen Ju Han [2025] No. 13) (《關於同意中衛龍源新能源有限公司〈「寧湘直流」配套新能源基地沙坡頭100萬千瓦風電項目環境影響報告表〉的函》) (衛環沙坡頭區分局函[2025]13號) from the Shapotou District Branch of the Zhongwei Municipal Bureau of Ecology and Environment was obtained for this project on 30 April 2025.
- (3) The Opinion Letter regarding the Pre-approval Certificate for Construction Project Land Use and Site Selection (Document No. 6405002024XS0038S00) (《建設項目用地預審與選址意見書》) (用字第6405002024XS0038S00號) from the Zhongwei Municipal Bureau of Natural Resources was obtained for this project on 30 August 2024.

### 4. *Project benefits*

Upon completion and full commissioning of this project, it is anticipated to yield favourable economic benefits.

## III. IMPACT OF THE ISSUANCE ON THE COMPANY'S OPERATIONAL MANAGEMENT AND FINANCIAL POSITION

### (I) **Impact of the Issuance on the Company's Operational Management**

The projects invested by the proceeds will be carried out in alignment with the Company's principal business, which are consistent with national industrial policies and the Company's overall strategic direction for the future, conducive to enhancing the Company's layout and scale in the new energy sector, possess promising market prospects and economic benefits, beneficial to strengthening the Company's overall capabilities and core competitiveness, and will provide robust support for the Company's industrial layout and sustainable development.

**(II) Impact of the Issuance on the Company's Financial Position**

Upon receipt of the proceeds from the issuance to specific targets, the Company's total assets and net assets will increase, effectively strengthening the Company's capital base. The Company's asset-liability ratio will further decrease, which is conducive to optimizing its capital structure, reducing financial risk and enhancing its risk resistance. As the projects invested by the proceeds require a certain period of time to be constructed and generate comprehensive benefits, the Company's return on equity and earnings per share may decline in the short term. However, upon completion of the projects invested by the proceeds and gradual realization of the intended targets, the Company's business scale and profitability will be further enhanced, thereby strengthening its overall capabilities.

**IV. CONCLUSION OF FEASIBILITY ANALYSIS**

After careful analysis, the Board of the Company believes that the projects invested by the proceeds from the Issuance of A Shares to Specific Targets are in compliance with relevant laws and regulations, are consistent with national industrial policies and the Company's overall strategic development direction, and are necessary for implementation. The implementation of the projects invested by the proceeds will further expand the Company's business scale, enhance its overall strength and core competitiveness, and contribute to the Company's long-term sustainable development, thereby serving the fundamental interests of all shareholders.

**SECTION III DISCUSSION AND ANALYSIS BY THE BOARD ON  
THE IMPACT OF THE ISSUANCE ON THE COMPANY**

**I. CHANGES IN THE COMPANY'S BUSINESS AND ASSET INTEGRATION PLAN,  
ARTICLES OF ASSOCIATION, SHAREHOLDER STRUCTURE, SENIOR MANAGEMENT  
STRUCTURE, AND BUSINESS STRUCTURE FOLLOWING THE ISSUANCE**

**(I) Impact of the Issuance on the Company's Business and Assets**

The net proceeds raised from the Issuance will be entirely used for the investment, development, construction and operation of new energy projects. The investment projects are aligned with the Company's strategic development layout and are closely related to its principal business. Upon completion of the projects, the Company's installed capacity will increase, asset scale will expand, and overall profitability will be further enhanced. The Issuance will not result in any material changes to the Company's principal business structure, nor will it affect the integration of the Company's business and assets.

**(II) Impact of the Issuance on the Articles of Association**

Upon completion of the Issuance, the Company's registered capital and total share capital will increase accordingly. The Company will amend the provisions in the Articles of Association related to share capital based on the actual Issuance and complete the relevant industrial and commercial registration and filing procedures. Apart from this, the Company currently has no plans to make any other amendments or adjustments to the Articles of Association in connection with the Issuance of A Shares to Specific Targets.

**(III) Impact of the Issuance on the Shareholder Structure**

The number of shares under the Issuance shall not exceed 30% of the Company's total share capital prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and not exceed the authorization scope of the general mandate for the issuance of additional shares as approved at the 2024 annual general meeting, the 2025 first A shareholders class meeting and the 2025 first H shareholders class meeting of the Company. As of the date of the announcement of the Proposal, CHN Energy directly holds 4,602,432,800 shares of the Company, and indirectly holds 306,165,341 shares of the Company through Pingzhuang Coal Group and CHN Energy Liaoning Company, representing in aggregate 58.72% of the total share capital of the Company. Therefore, CHN Energy is the controlling shareholder of the Company. The SASAC is the ultimate controlling person of the Company. Upon completion of the Issuance, CHN Energy will remain as the controlling shareholder of the Company. The issuance to specific targets will not result in a change in the control of the Company, nor will it cause the Company's shareholding structure to fail to meet the requirements for listing on the SZSE.

**(IV) Impact of the Issuance on the Senior Management Structure**

Upon completion of the Issuance, the Company's senior management structure will not undergo any material changes as a result of the Issuance. Should the Company plan to adjust its senior management structure, it will fulfill the necessary legal procedures and information disclosure obligations in accordance with the relevant regulations.

**(V) Impact of the Issuance on the Business Structure**

The Company's business structure will not undergo any material changes as a result of the Issuance of A Shares to Specific Targets.

**II. CHANGES IN THE COMPANY'S FINANCIAL POSITION, PROFITABILITY AND CASH FLOWS FOLLOWING THE ISSUANCE****(I) Impact of the Issuance on the Company's Financial Position**

Upon completion of the Issuance, the Company's total assets and net assets will increase accordingly, and its asset-liability ratio will decrease, which will help improve the Company's debt-paying ability, optimize the financial structure, enhance the risk resistance, and further strengthen the sustainability of its business development of the Company.

**(II) Impact of the Issuance on the Company's Profitability**

The net proceeds raised from the Issuance will be entirely used for the investment, development, construction and operation of new energy projects. Upon completion of the Issuance, the Company's net assets and share capital will increase accordingly. As the economic benefits from the projects invested by the proceeds require a certain efforts and a period of time to generate economic benefits, the Company's earnings per share and return on equity may be diluted to some extent in the short term due to the Issuance of A Shares to Specific Targets. As the projects invested by the proceeds are gradually implemented, the Company's business scale will further expand, driving growth in revenue and net profit, thereby enhancing the Company's sustainable profitability and providing support for the achievement of the sustainable development objectives.

**(III) Impact of the Issuance on the Company's Cash Flows**

Upon completion of the Issuance, cash inflows from the Company's financing activities will increase. As the projects invested by the proceeds are implemented, cash outflows from investing activities will correspondingly rise in the short term. Once the projects invested by the proceeds commence operation and generate economic benefits, the Company's revenue and profitability will improve, resulting in increased cash inflows from operating activities and further enhancing the Company's overall cash flow position.

**III. CHANGES IN BUSINESS RELATIONSHIPS, MANAGEMENT RELATIONSHIPS, RELATED-PARTY TRANSACTIONS AND HORIZONTAL COMPETITION BETWEEN THE COMPANY AND THE CONTROLLING SHAREHOLDER AND ITS RELATED PARTIES**

Upon completion of the Issuance, there will be no changes in the business relationships and management relationships between the Company and the controlling shareholder, CHN Energy, and its related parties. Upon completion of the Issuance, there will be no new related-party transactions and horizontal competition between the Company and the controlling shareholder, CHN Energy, and its related parties as a result of the Issuance.

**IV. UPON COMPLETION OF THE ISSUANCE, WHETHER THERE WILL BE EMBEZZLEMENT OF FUNDS AND ASSETS BY THE CONTROLLING SHAREHOLDER, ACTUAL CONTROLLER AND ITS RELATED PARTIES, OR WHETHER GUARANTEE WILL BE PROVIDED BY THE COMPANY FOR THE CONTROLLING SHAREHOLDER, ACTUAL CONTROLLER AND ITS RELATED PARTIES**

As of the date of the announcement of the Proposal, there is no embezzlement of funds and assets by the controlling shareholder, actual controller and its related parties, nor is there any provision of guarantees for the controlling shareholder, actual controller and its related parties in violation of regulations. The Company will not, as a result of the Issuance, incur any misappropriation of funds or assets by the controlling shareholder, actual controller and its related parties, or provide guarantees in violation of regulations thereof.

**V. WHETHER THE COMPANY'S DEBT STRUCTURE IS REASONABLE; WHETHER THE LIABILITIES (INCLUDING CONTINGENT LIABILITIES) ARE GREATLY INCREASED BY THE ISSUANCE; WHETHER THE DEBT RATIO IS TOO LOW AND THE FINANCIAL COSTS ARE UNREASONABLE**

Upon completion of the Issuance of A Shares to Specific Targets, the Company's total assets will further increase, which is conducive to reducing the Company's asset-liability ratio. The Company will not incur a significant increase in liabilities (including contingent liabilities) as a result of the Issuance, nor does it have an excessively low liability ratio or unreasonable financing costs.

**SECTION IV EXPLANATION OF RISKS RELATED TO THE ISSUANCE**

When evaluating the Company's Issuance of A Shares to Specific Targets, investors shall carefully consider the following risk factors in addition to the various other information provided in the Proposal:

**I. POLICY AND MARKET RISKS****(I) Risks of Macroeconomic Fluctuations**

The power industry is closely linked to macroeconomic operations and development cycles. As the macroeconomy experiences cyclical fluctuations, the demand for the power market will change accordingly, which may in turn affect the Company's production and operations to a certain extent. For example, if domestic economic growth slows down, demand for electricity in both industrial production and residential consumption may decline, which could reduce the utilization hours of power generation units and directly impact the production and operations, and profitability of power plants. If power demand declines significantly in the future, it may adversely affect the Company's operation and development.

**(II) Risks of Industry Policies**

Under the policy background of “carbon peak and carbon neutrality”, the country vigorously develops wind power and solar power, develops hydropower according to local conditions, and accelerates the large-scale application of pumped storage. The new energy industry is currently in a period of rapid development. The Outline of the 14th Five-Year Plan for National Economic and Social Development and Vision 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), the Opinions of the CPC Central Committee and the State Council on Fully, Accurately and Comprehensively Implementing the New Development Concept to Achieve Carbon Peak and Carbon Neutrality (《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), Action Plan for Peaking Carbon Emissions before 2030 (《2030年前碳達峰行動方案》), Modern Energy System Plan for the 14th Five Year Plan Period (《「十四五」現代能源體系規劃》), the Implementation Plan for Promoting High-Quality Development of New Energy in the New Era (《關於促進新時代新能源高質量發展的實施方案》), 14th Five-Year Plan for Renewable Energy Development (《「十四五」可再生能源發展規劃》) have successively been issued, providing clear guidance for the development of the new energy industry. In recent years, the Company has seized policy opportunities to vigorously expand, with rapid growth in installed capacity. However, if significant changes occur in future new energy industry policies, it may adversely affect the Company's operations and development.

**(III) Risks of Tariff Fluctuations Resulting from Market-oriented Trading**

In January 2025, the NDRC and the National Energy Administration jointly issued the Notice on Deepening the Marketization Reform of New Energy On-grid Tariffs and Promoting High-quality Development of New Energy (Document No. 136) (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》) (136號文), which makes it clear that the full integration of new energy into the power market has been accelerated, with tariffs determined through market trading and a sustainable development price settlement mechanism established. In the notice, starting from 1 June 2025, for existing projects (commissioned before 1 June 2025), mechanism tariff is implemented by aligning the guaranteed electricity volume with the benchmark coal power price to maintain policy continuity; for new projects (commissioned after 1 June 2025), mechanism tariff is determined through market-based bidding, with scale dynamically matched to energy consumption obligations. Besides, a “price match guarantee (多退少補)” settlement mechanism was established, where the gap between the market average transaction price and the mechanism-based price is incorporated into system operation costs to stabilise corporate revenue expectations. This reform marks the shift of new energy from being “policy-driven” to “market-driven.” By leveraging price signals to guide the optimal allocation of resources, it will reshape the supply-demand landscape of the power market, thereby contributing to the achievement of the “dual carbon” goals.

With the issuance of Document No. 136 and the implementation of relevant supporting policies and programs, the on-grid electricity of new energy will gradually and fully integrate into the power market, with prices formed through market trading. In the short term, this may lead to fluctuations in the Company's average on-grid tariff, thereby creating risks of fluctuations in its revenue and performance.

## II. BUSINESS AND OPERATIONAL RISKS

### (I) Risks of Changes in Natural Resource Conditions

The wind and solar power generation industries are greatly affected by natural resource conditions, with the main risk being the annual fluctuations in wind and solar energy resources. The power generation of the Company's wind and solar power plants is closely related to natural conditions such as wind and sunlight, which is represented by the higher power generation in years of high wind velocity and the lower power generation in years of low wind velocity than that in normal years. On the vast territory of our nation, which covers a wide span of areas, there is a great variation in climate conditions in different regions, and the regions have different climatic characteristics of the years of high and low wind velocity in the same period. The seasonal variations and uncertainties of natural resource conditions will exert a significant impact on the actual power generation of the Company's wind and solar power plants, thereby affecting its power output and operating performance.

### (II) Risks of Wind and Photovoltaic Power Curtailment

Due to the intermittent and fluctuating nature of wind intensity and solar irradiance, wind and solar power generation exhibit some degree of randomness. The power grid must conduct real-time dispatch and adjustments based on the output of various types of power generation units, including wind and photovoltaic power, as well as changes in the electricity consumption of the grid, to ensure a balance between power supply and demand. When the grid's peak shaving capacity is insufficient and it cannot fully accommodate the electricity generated by wind and solar power into the grid, the grid will reduce the output of wind and photovoltaic generation units, resulting in part of the wind and solar resources being unused. In addition, due to limited local consumption capacity in certain areas or constraints in transmission channels, it is currently impossible to fully receive the electricity generated by wind and solar power into the grid. The above factors may lead to wind and photovoltaic power curtailment, thereby affecting the power generation of the Company's projects and potentially having an adverse impact on the Company's operating performance.

**(III) Risk of Changes in Renewable Energy Subsidy Policies and Related Measures**

In recent years, renewable energy subsidy policies have undergone multiple changes. Since 2020, the NDRC and the National Energy Administration have successively issued a series of documents to actively promote grid parity and the competitive allocation of wind and solar power resources. In January 2020, the Ministry of Finance, the NDRC and the National Energy Administration jointly issued the Notice on Promoting the Healthy Development of Non-aqueous Renewable Energy Power Generation (《關於促進非水可再生能源發電健康發展的若干意見》), which pointed out that renewable energy such as wind and photovoltaic power has basically met the conditions for parity with traditional energy sources like coal power. The document called for improvements to the current subsidy methods, enhancement of market-based resource allocation and subsidy deduction mechanisms, and optimization of the subsidy payment process. In June 2021, the NDRC issued the Notice on Issues Related to the 2021 Policies for On-grid Tariff of New Energy (《關於2021年新能源上網電價政策有關事項的通知》). Starting from 2021, newly filed centralized photovoltaic power stations, industrial and commercial distributed photovoltaic projects and newly approved onshore wind power projects will no longer receive central government subsidies and will be implemented at grid parity. The on-grid tariff of the newly approved (filed) offshore wind power projects and solar-thermal power generation projects shall be fixed by the local provincial price authority and be arrived at by competitive distribution when the conditions permit.

In March 2022, the General Office of the NDRC, the General Office of the Ministry of Finance, and the Comprehensive Department of the National Energy Administration jointly issued the Notice on Launching the Self-inspection in respect of Subsidies for Renewable Energy Power Generation (《關於開展可再生能源發電補貼自查工作的通知》), launching a nationwide verification of renewable energy generation subsidies. The scope of self-inspection for power generation enterprises included wind power, centralized photovoltaic and biomass power projects that had been connected to the grid and had subsidy requirements as of 31 December 2021. In September 2022, the aforementioned three departments jointly issued the Notice Concerning the Interpretation of Policies on the Verification and Certification of Renewable Energy Power Generation Subsidies (《關於明確可再生能源發電補貼核查認定有關政策解釋的通知》). In January 2023, State Grid and China Southern Power Grid respectively announced lists for the first batch of renewable energy generation subsidy compliance projects.

If subsequent renewable energy subsidy policies undergo further changes, or if the progress of the subsidy verification work leads to some of the Company's renewable energy projects ultimately being unable to be included in the full-scope compliant lists or the subsidy catalogue, the Company would face the risk of being unable to recognize part of the subsidy income or having to return part of the subsidies, which may adversely affect the Company's renewable energy subsidy revenue, and some of the Company's renewable energy assets may also be at risk of impairment.

**(IV) Risk of Safety Production**

The Company is primarily engaged in new energy power generation, and alongside its business development, it also has numerous construction projects underway. During the construction, production and operation of the relevant projects, there are risks of equipment damage caused by equipment failures, natural disasters and other factors, which may result in risks for production interruptions or property losses. There are also safety risks such as electric shocks, falls from height, being struck by objects and confined space operations. In the event of a safety production accident, the Company's production and operations may be adversely affected.

**III. FINANCIAL RISK****(I) Risk of Rising Asset-liability Ratio**

The power industry is capital-intensive, and the Company and its subsidiaries are characterized by large investment scales and extended construction cycles for certain projects. At the end of each Reporting Period, the Company's asset-liability ratios were relatively high, standing at 64.07%, 64.09%, 66.51% and 65.88%, respectively. The relatively high asset-liability ratio is mainly due to the large number of investment projects in recent years, which have primarily relied on debt financing such as bank loans to meet funding needs. With the expansion of the Company's business scale, if the asset-liability ratio continues to rise in the future, the Company may face certain financial pressures and risks, which could adversely affect its production and operations.

**(II) Risk of Dilution of Shareholders' Current Returns**

After the proceeds to be raised through the Issuance are in place, the Company's total share capital and net assets will increase accordingly. Since the construction of the projects invested by the proceeds and the realization of their overall benefits require a certain period of time, the Company's return on equity and earnings per share may decline in the short term, and shareholders' current returns may be exposed to the risk of being diluted. The Company hereby reminds investors to pay attention to the risk of dilution of current returns. In addition, the remedial measures to be taken by the Company for dilution of current returns do not constitute a guarantee of future profitability.

**(III) Risk of Performance Fluctuations Caused by Changes in On-grid Tariffs**

In November 2024, under the coordination of National Energy Administration, the China Electricity Council (CEC) jointly released the National Unified Electricity Market Development Plan Blueprint (《全國統一電力市場發展規劃藍皮書》) with multiple stakeholders. This blueprint established a clear “roadmap” and “timeline” for developing Chinese integrated national electricity market: preliminary establishment by 2025, full completion by 2029, and enhancement and optimization by 2035. In January 2025, the NDRC and the National Energy Administration jointly issued the Notice on Deepening the Marketization Reform of New Energy On-grid Tariffs and Promoting High-quality Development of New Energy (Document No. 136) (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》) (136號文), which makes it clear that the full integration of new energy into the power market has been accelerated, with tariffs determined through market trading and a sustainable development price settlement mechanism established.

At present, multiple provinces and regions have issued implementation plans or draft solicitations of opinions in response to Document No. 136, and the proportion of power generation enterprises participating in electricity trading will gradually increase. Accordingly, if the implementation of such policies leads to significant fluctuations in market trading tariffs, it may bring uncertainty to the Company’s average on-grid tariff and operating results, thereby posing the risk of performance volatility.

**(IV) Risks Related to Tax Policy Adjustments**

During the reporting period, the Company’s wind power generation products benefited from value-added tax (VAT) policies such as immediate VAT refunds upon collection. On 17 October 2025, the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration jointly issued the Announcement on Adjustments to VAT Policies for Wind Power Generation and Other Industries (MOF, GAC, STA Announcement No. 10, 2025) (《關於調整風力發電等增值稅政策的公告》) (財政部海關總署稅務總局2025年第10號), which may reduce the VAT refund amounts applicable to wind power generation. This adjustment could consequently impact the Company’s profitability.

**IV. RISKS OF PROJECTS INVESTED BY THE PROCEEDS**

The proceeds raised from the Issuance will be used for the Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project and “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project, with a total construction capacity of 1.5 million kilowatts. Both projects are key high-quality new energy projects with sound profitability. The implementation of projects invested by the proceeds will enhance the Company’s overall strength and profitability, and is expected to generate favorable investment returns for the Company in the future.

During the implementation of investment projects, issues such as project delays, cost overruns, equipment failing to meet design specifications or operational instability may arise, all of which could affect the feasibility and actual economic benefits of the projects. After project completion, actual operational capacity may be influenced by factors such as equipment performance and climate variations, and the operational benefits of the projects may also be affected by relevant economic and industrial policies, market conditions and cyclical changes in economic development. If the aforementioned factors undergo significant changes, the actual construction progress, production capacity and operational performance of the newly built projects invested by the proceeds may differ from current expectations, which could, in turn, have a certain impact on the Company's operating results.

Although the Company has conducted thorough and prudent research and demonstration on the projects invested by the proceeds raised from the Issuance, the projects may still be affected by factors such as national industrial policies, industry development conditions and project progress, which could result in project delays or implementation outcomes falling short of expectations.

## **V. RISKS RELATED TO THE ISSUANCE OF SHARES TO SPECIFIC TARGETS**

### **(I) Approval Risk of the Issuance of Shares to Specific Targets**

The Issuance of A Shares to Specific Targets is subject to approval by the competent state-owned assets supervision and administration authorities or their authorized entities, approval by the shareholders' meeting of the Company, review and approval by the SZSE, and a decision of approval for registration by the CSRC. There is uncertainty as to whether such approvals or registration can be obtained, as well as the timing of obtaining them. Therefore, there is uncertainty as to whether the Issuance plan can ultimately be successfully implemented.

### **(II) Risk of Movements in Share Price**

The Issuance of A Shares to Specific Targets will have a certain impact on the Company's future operations and profitability, and changes in the Company's fundamentals may affect the share price. In addition, the share price is also influenced by a variety of factors such as national macroeconomic conditions, industry performance and investor expectations, which may cause share price movements to deviate to some extent from the Company's fundamentals. Investors are advised to pay attention to the associated risks.

**SECTION V PROFIT DISTRIBUTION POLICY AND IMPLEMENTATION OF THE COMPANY****I. PROFIT DISTRIBUTION POLICY OF THE COMPANY**

The Company's existing Articles of Association in force provide for a profit distribution policy as follows:

**“Article 190**

The Company may distribute dividends by the following ways (or a combination of both):

- (1) cash;
- (2) shares.

Dividends and other payments declared by the Company to be payable to holders of domestic Shares shall be declared and calculated in RMB, and paid in RMB within two months after the consideration and approval of the plan at the shareholders' meeting. Those payable to holders of overseas listed foreign Shares shall be declared and calculated in RMB, and paid in RMB or foreign currency within two months after the consideration and approval of the plan at the shareholders' meeting. The exchange rate shall be based on the relevant average closing price of foreign exchange rate announced by the People's Bank of China for the five working days prior to the date on which such dividends or other payments are declared. Foreign currency, for which the Company requires to pay cash dividends and other monies to holders of overseas listed foreign Shares, shall be obtained pursuant to relevant state regulations on the administration of foreign exchange. The dividend distribution of the Company shall be executed by the shareholders' meeting through authorizing the Board by way of ordinary resolution.

**Article 191**

The Company's profit distribution policy aims at maximizing the value of the Company and the interests of Shareholders, in order to continuously and stably provide reasonable return on investment to Shareholders of the Company. The Company's Board will comprehensively consider the company's operating conditions, financial performance, cash flow conditions, investment demands and future development plans, decide whether to recommend the distribution of dividends and determine the amount of dividends. The Company intends to distribute dividends to Shareholders after each accounting year, and may also pay interim dividends or distribute special dividends at appropriate times.

Cash dividend shall take precedence in the Company's profit distribution.

**Article 192**

The profit distribution conditions and proportion of distribution of the Company are as follows:

(I) Where the audited net profit of the Company for the year is positive and the conditions of dividend distribution as stipulated in the Company Laws are met, except for the special circumstances, the Company shall distribute dividends by way of cash provided that sufficient allocations have been made to statutory reserve and discretionary reserve, and the dividends distributed to the Shareholders in cash each year shall not be less than 20% of the distributable profit realized by the Company for the year.

Special circumstances refer to:

- (1) where the production and operation of the Company are materially affected by force majeure events such as war, natural disasters, etc.;
- (2) where the net cash flow generated from operating activities for the year is negative, and cash dividend will have an effect on the subsequent existence of the Company as a going concern;
- (3) where the auditor did not issue a standard unqualified audit report regarding the financial reports of the Company for the year;
- (4) where the Company has major investment plans or other major cash expenditures (other than any fund raising projects);
- (5) other special circumstances considered and approved at the shareholders' meetings.

(II) Where the Company distributes profit by way of shares, all following conditions shall be satisfied:

- (1) the Company is in a sound operating condition;
- (2) the stock price of the Company does not match its share capital size and profit distribution by way of shares are in interests of all the Shareholders of the Company as a whole;
- (3) the proportion of cash dividends to stock dividends is in line with the requirements under the Articles of Association;
- (4) other conditions as required under laws, regulations and normative documents.

In determining the specific amount for profit distribution by way of shares, the Company shall take into full consideration whether the total share capital after profit distribution by way of shares corresponds to the Company's current scale of operation and profit growth rate, and consider the impact on the cost of debt financing in the future, so as to ensure that the distribution plan is in the interests of all Shareholders as a whole.

(III) The Company may distribute interim dividend. The Board of the Company may propose to distribute interim dividend based on the capital needs of the Company, and submit the same to the shareholders' meeting of the Company for approval.

**Article 193**

No arbitrary change shall be made to the profit distribution policies of the Company. In the event of conflict between the current policies and the production and operation, investment plans and long-term developmental needs of the Company, the profit distribution policies shall be adjusted. The adjusted profit distribution policies shall not violate relevant requirements of the securities regulatory authority under the State Council.

Amendments to the profit distribution policies by the Board of the Company shall be subject to approval by more than half of the Directors before they are submitted to the shareholders' meeting of the Company for consideration. The Company shall, with an aim to protect the Shareholders' interests, provide explanation on the reasons for the amendments in the relevant resolutions submitted to the shareholders' meeting, and independent Directors shall express their independent opinions on the reasonableness of the amendments to the profit distribution plan. The amendments to the profit distribution policies of the Company shall be submitted to the shareholders' meeting of the Company for consideration and subject to approval by more than two-thirds of the voting rights represented by the Shareholders present at the shareholders' meeting.

The Board of the Company shall put forward a differentiated cash dividend policy in accordance with different situations, taking into full account various factors such as the characteristics of the industry in which the Company operates, the stage of development of the Company, its own business model and level of profitability, and whether there is significant capital expenditure arrangement:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made;
- (2) If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made;
- (3) If the Company is at the growing stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made;

If it is difficult to distinguish the development stage of the Company but there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.”

**II. CASH DIVIDEND DISTRIBUTION AND USE OF UNDISTRIBUTED PROFITS IN THE PAST THREE YEARS****(I) Profit Distribution in the Past Three Years**

On 17 June 2025, the profit distribution plan for the year 2024 was considered and approved at the 2024 annual general meeting held by the Company. The cash dividend for the year 2024 was denominated and declared in RMB at RMB2.278 per 10 shares (before tax), totaling a cash dividend distribution of RMB1,904,366,122.16 (before tax). Of which, cash dividend of RMB1,148,552,602.56 (before tax) was distributed for 5,041,934,164 A Shares.

On 6 June 2024, the profit distribution plan for the year 2023 was considered and approved at the 2023 annual general meeting held by the Company. The cash dividend for the year 2023 was denominated and declared in RMB at RMB2.225 per 10 shares (before tax), totaling a cash dividend distribution of RMB1,860,113,479 (before tax). Of which, cash dividend of RMB1,121,830,351.49 (before tax) was distributed for 5,041,934,164 A Shares. The Company repurchased shares through centralized bidding in 2024, utilizing HK\$59,883,175.10 (excluding transaction fees) of its own funds to repurchase 11,812,000 H Shares. The Company delivered returns to investors through share repurchase.

On 15 June 2023, the profit distribution plan for the year 2022 was considered and approved at the 2022 annual general meeting held by the Company. The cash dividend for the year 2022 was denominated and declared in RMB at RMB1.171 per 10 shares (before tax), totaling a cash dividend distribution of RMB981,527,886.50 (before tax). Of which, cash dividend of RMB590,410,490.60 (before tax) was distributed for 5,041,934,164 A Shares. The Company repurchased shares through centralized bidding in 2023, utilizing HK\$61,401,673.90 (excluding transaction fees) of its own funds to repurchase 10,335,000 H Shares. The Company delivered returns to investors through share repurchase.

## (II) Cash Dividend Distribution in the Past Three Years

The cash dividend distribution of the Company in the past three years is as follows:

Unit: RMB'000

Item	2024	2023	2022
Amount of cash dividends (tax inclusive)	190,436.61	186,011.35	98,152.79
Amount of cash dividends through other means (such as share repurchase)	5,524.58	5,664.77	–
Amount of cash dividends (including other means)	195,961.19	191,676.12	98,152.79
Net profit attributable to owners of the parent company	634,528.74	624,928.73	511,218.89
Cash dividend/net profit attributable to owners of the parent company for the current period	30.88%	30.67%	19.20%
Total amount of cash dividends accumulated in the past three years			485,790.10
Annual net profit attributable to owners of the parent company in the past three years			590,225.45
Accumulated cash dividend in the past three years/ Annual net profit attributable to owners of the parent company in the past three years			82.31%

*Note:* The Company repurchased 10,335,000 H Shares and 11,812,000 H Shares through centralized bidding in 2023 and 2024, respectively.

The proportion of accumulated cash dividend of the Company in the past three years to the annual net profit attributable to owners of the parent company in the consolidated statement in the past three years is 82.31%, which complies with relevant laws and regulations as well as the requirements of the Articles of Association.

The shareholders' meeting of the Company resolved on 29 October 2025 to adopt the interim profit distribution scheme for 2025. It is proposed to distribute a cash dividend of RMB0.1000 per share (before tax) to all shareholders based on the Company's total share capital of 8,359,816,164 shares. No bonus shares will be issued, nor will capital be increased from reserves. The total cash dividend proposed for this interim distribution amounts to RMB835,981,616.40 (before tax), representing approximately 24.77% of the net profit attributable to shareholders of the Company as reflected in the consolidated interim financial statements for the six months ended 30 June 2025, prepared in accordance with Chinese Accounting Standards.

**(III) Use of Undistributed Profit in the Past Three Years**

The Company's undistributed profit was mainly used for the project construction and daily operations of the Company, meeting the capital needs for various business activities, promoting the sustained and healthy development of the Company's main business, and enhancing the Company's market competitiveness and profitability.

**III. CASH DIVIDEND PLAN OF THE COMPANY FOR THE NEXT THREE YEARS**

In order to improve long-term returns for investors, enhance the confidence of the capital market, and properly manage market value, Longyuan Power has formulated and disclosed the 2025–2027 Cash Dividend Plan of China Longyuan Power Group Corporation Limited\* (the “**Cash Dividend Plan**”) in March 2025 according to the Decisions on Amending Certain Provisions regarding the Cash Profit Distribution of Listed Companies (CSRC Order No. 57) (《關於修改上市公司現金分紅若干規定的決定》) (證監會令第57號), the Listed Companies Regulatory Guidance No. 3–Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) and other relevant laws, regulations and normative documents, as well as the Articles of Association. The specific details are as follows:

**(I) Factors Considered in Formulating the Plan**

The Cash Dividend Plan shall be formulated with a focus on the Company's strategic development plan and sustainable operations. It shall comprehensively consider factors such as the Company's actual business development, shareholder demands and preferences, social capital costs, external financing environment, industry characteristics, development stage, business model, profitability, and any significant capital expenditure arrangements. By balancing both immediate and long-term perspectives, it shall comprehensively consider the shareholder interests, and establish a scientific, sustainable, and stable shareholder cash return plan and mechanism for investors.

**(II) Principles for Formulating the Plan**

In accordance with the Company Law and other relevant laws, regulations, and the Articles of Association, and based on the principle of prioritizing reasonable investment returns for shareholders while balancing the Company's sustainable development, the Company shall fully listen to and consider the opinions and requests of its shareholders and independent directors, and formulate a reasonable shareholder return plan that appropriately balances the Company's short-term interests with its long-term development, thereby ensuring the continuity and stability of its profit distribution policy.

**(III) Cash Dividend Plan for the Next Three Years (2025–2027)****1. *Profit distribution method***

According to Article 190 of the Articles of Association, the Company may distribute dividends by cash, shares and a combination of cash and shares.

**2. *Specific provisions for the profit distribution*****(1) *Conditions for cash dividend distribution***

According to Article 192 of the Articles of Association, if the Company's audited net profit for the year is positive and meets the profit distribution conditions as stipulated by the Company Law, after setting aside the statutory surplus reserve and discretionary surplus reserve in full, the Company shall, except in special circumstances, distribute dividends in cash, and the annual cash dividend distributed to shareholders shall not be less than 20% of the Company's realized distributable profit for the year.

In order to improve long-term returns for investors, enhance the confidence of the capital market, and properly manage market value, the Company has formulated a cash dividend plan for the period from 2025 to 2027 to stabilise the dividend payout ratio. Considering that the Company is still in a period of rapid development in recent years, with relatively large capital expenditure and a gradually increasing gearing ratio, combined with the situation of the industry in which the Company operates and the Company's cash flow situation, the Company intends to distribute cash dividends each year from 2025 to 2027 at a rate of no less than 30% of the net profit attributable to shareholders realized for that year.

**(2) *Specific conditions for the Company to issue stock dividends***

According to Article 192 of the Articles of Association, where the Company distributes profit by way of shares, all following conditions shall be satisfied:

- 1 the Company is in a sound operating condition;
- 2 the stock price of the Company does not match its share capital size and profit distribution by way of shares are in interests of all the Shareholders of the Company as a whole;

- 3 the proportion of cash dividends to stock dividends is in line with the requirements under the Articles of Association;
- 4 other conditions as required under laws, regulations and normative documents.

In determining the specific amount for profit distribution by way of shares, the Company shall take into full consideration whether the total share capital after profit distribution by way of shares aligns with the Company's current scale of operation and profit growth rate, and consider the impact on the cost of debt financing in the future, so as to ensure that the distribution plan is in the interests of all Shareholders as a whole.

*(3) Interim dividend*

According to Article 192 of the Articles of Association, the Company may distribute interim dividend. The Board of the Company may propose to distribute interim dividend based on the capital needs of the Company, and submit the same to the shareholders' meeting of the Company for approval.

**3. *Differentiated cash dividend policy***

According to Article 193 of the Articles of Association, the Board of the Company shall put forward a differentiated cash dividend policy in accordance with different situations, taking into full account various factors such as the characteristics of the industry in which the Company operates, the stage of development of the Company, its own business model and level of profitability, and whether there is significant capital expenditure arrangement:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 80% when the profit distribution is made;
- (2) If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 40% when the profit distribution is made;
- (3) If the Company is at the growing stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made;

If it is difficult to distinguish the development stage of the Company but there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

The Company's main form of dividend payment is cash dividend; while fulfilling the aforesaid cash dividend, the Board of the Company may propose a profit distribution plan for the issuance of stock dividends for consideration by the shareholders' meeting.

**4. *Change in and amendments to the profit distribution policy***

According to Article 193 of the Articles of Association:

- (1) No arbitrary change shall be made to the profit distribution policies of the Company. In the event of conflict between the current policies and the production and operation, investment plans and long-term developmental needs of the Company, the profit distribution policies may be adjusted. The adjusted profit distribution policies shall not violate relevant requirements of the securities regulatory authority under the State Council.
- (2) Amendments to the profit distribution policies by the Board of the Company shall be subject to approval by more than half of the Directors before they are submitted to the shareholders' meeting of the Company for consideration. The Company shall, with an aim to protect the Shareholders' interests, provide explanation on the reasons for the amendments in the relevant resolutions submitted to the shareholders' meeting, and independent Directors shall express their independent opinions on the reasonableness of the amendments to the profit distribution plan. The amendments to the profit distribution policies of the Company shall be submitted to the shareholders' meeting of the Company for consideration and subject to approval by more than two-thirds of the voting rights represented by the Shareholders present at the shareholders' meeting.

**SECTION VI IMPACT OF DILUTION OF CURRENT RETURNS BY THE ISSUANCE  
ON MAIN FINANCIAL INDICATORS OF THE COMPANY AND MEASURES TO BE ADOPTED  
BY THE COMPANY**

Pursuant to the relevant requirements of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (國辦發[2013]110號), the Guidance Opinions in Relation to the Matters Relating to the Dilution of Returns for the Current Period by Initial Public Offering, Refinancing and Material Assets Reorganization (CSRC Notice [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (證監會公告[2015]31號) issued by the CSRC and other documents, the Company conducted a serious analysis of the impact on dilution of current returns by the Issuance of A Shares to Specific Targets and formulated specific remedial measures for the dilution of current returns in order to protect the interests of minority investors. The relevant entities have undertaken to effectively implement the measures proposed to make up returns, and the specific conditions of which are as follows:

**I. POTENTIAL IMPACT OF DILUTION OF CURRENT RETURNS BY THE ISSUANCE  
OF SHARES TO SPECIFIC TARGETS ON MAIN FINANCIAL INDICATORS OF THE  
COMPANY**

**(I) Assumptions**

1. It is assumed that the Issuance of A Shares to Specific Targets is expected to be completed in April 2026 (the estimated time will be used only for the purpose of calculating the impact of dilution of current returns by the Issuance on main financial indicators and will not constitute a commitment on the actual completion time of the issuance, and shall be subject to the time when the issuance is actually completed following registration by the CSRC).
2. It is assumed that the number of A Shares issued to specific targets is 361,010,830 shares (the final number of shares issued shall be subject to the actual number of shares issued after registration by the CSRC. If the Company undergoes any equity changes such as bonus shares and conversion of capital reserve into share capital between the Pricing Benchmark Date and the issue date, the number of shares issued will be adjusted accordingly); the gross proceeds to be raised from the Issuance of A Shares to Specific Targets amount to RMB5,000,000,000, without considering the effect of issuance expenses.

3. The number of A Shares issued to specific targets, the amount of proceeds and the issue date are assumed only for calculation purpose, do not constitute a commitment on the actual issuance, and shall be subject to the actual number of shares issued, the issuance results, and the actual date.
4. It is assumed that there are no significant changes in the macroeconomic environment, industrial policy, industry development conditions, market conditions, etc.
5. The calculation does not take into account the impact on the Company's production, operation and financial position (such as financial expenses and investment income) after the receipt of the proceeds from the Issuance.
6. According to the annual calculation of the 2025 third quarter report of the Company, it is assumed that the Company's net profit attributable to the shareholders of the parent company is RMB5,857.1008 million, and net profit attributable to the shareholders of the parent company after deducting non-recurring profits and losses is RMB5,722.2920 million; it is assumed that the Company's net profit attributable to the shareholders of the parent company and net profit attributable to the shareholders of the parent company after deducting non-recurring profits and losses in 2026 are respectively calculated in the following three scenarios: (1) Remaining unchanged from the previous period; (2) Increasing by 10% compared to the previous period; (3) Decreasing by 10% compared to the previous period.
7. In predicting the total share capital and calculating earnings per share, only the impact of the Issuance on the total share capital is taken into consideration (based on the Company's total share capital of 8,359,816,164 shares as of 30 September 2025), the impact of repurchase and cancellation of restricted shares granted, unlocking and dilution are not considered, and other scenarios causing changes in share capital, such as conversion of capital reserve into share capital or distribution of stock dividends are not considered.
8. The Company's profitability assumption is only for the purpose of calculating the impact of dilution of current returns by the Issuance to specific targets on the Company's main financial indicators, does not represent the Company's judgment regarding its 2025 and 2026 operating conditions and trends, and does not constitute a profit forecast of the Company.

The above are only assumptions for calculation purpose, and investors should not make investment decisions based on the assumptions, and the Company will not be liable for any resulting losses.

## (II) Calculation Process

Based on the above assumptions, the Company calculated the impact of the Issuance on earnings per share. The results are shown in the table below:

Item	For the year 2025/as at 31 December 2025	For the year 2026/ as at 31 December 2026	
	Before the Issuance	After the Issuance	
Total share capital (shares)	8,359,816,164	8,359,816,164	8,720,826,994
<b>Scenario 1: It is assumed that the net profit attributable to the owners of the parent company before and after deducting non-recurring profits and losses in 2026 remains unchanged compared with 2025.</b>			
Net profit attributable to the shareholders of the parent company (RMB'000)	585,710.08	585,710.08	585,710.08
Net profit attributable to the shareholders of the parent company after deducting non-recurring profits and losses (RMB'000)	572,229.20	572,229.20	572,229.20
Basic earnings per share (RMB per share)	0.7006	0.7006	0.6786
Diluted earnings per share (RMB per share)	0.7006	0.7006	0.6786
Basic earnings per share after deducting non-recurring profits and losses (RMB per share)	0.6845	0.6845	0.6630
Diluted earnings per share after deducting non-recurring profits and losses (RMB per share)	0.6845	0.6845	0.6630
<b>Scenario 2: It is assumed that the net profit attributable to the owners of the parent company before and after deducting non-recurring profits and losses in 2026 increases by 10% compared with 2025.</b>			
Net profit attributable to the shareholders of the parent company (RMB'000)	585,710.08	644,281.09	644,281.09
Net profit attributable to the shareholders of the parent company after deducting non-recurring profits and losses (RMB'000)	572,229.20	629,452.12	629,452.12
Basic earnings per share (RMB per share)	0.7006	0.7707	0.7465
Diluted earnings per share (RMB per share)	0.7006	0.7707	0.7465
Basic earnings per share after deducting non-recurring profits and losses (RMB per share)	0.6845	0.7529	0.7293
Diluted earnings per share after deducting non-recurring profits and losses (RMB per share)	0.6845	0.7529	0.7293

Item	For the year 2025/as at 31 December	For the year 2026/ as at 31 December 2026	Before the Issuance	After the Issuance
	2025	2026		
<b>Scenario 3: It is assumed that the net profit attributable to the owners of the parent company before and after deducting non-recurring profits and losses in 2026 decreases by 10% compared with 2025.</b>				
Net profit attributable to the shareholders of the parent company ( <i>RMB'000</i> )	585,710.08	527,139.07	527,139.07	527,139.07
Net profit attributable to the shareholders of the parent company after deducting non-recurring profits and losses ( <i>RMB'000</i> )	572,229.20	515,006.28	515,006.28	515,006.28
Basic earnings per share ( <i>RMB per share</i> )	0.7006	0.6306	0.6306	0.6108
Diluted earnings per share ( <i>RMB per share</i> )	0.7006	0.6306	0.6306	0.6108
Basic earnings per share after deducting non-recurring profits and losses ( <i>RMB per share</i> )	0.6845	0.6160	0.6160	0.5967
Diluted earnings per share after deducting non-recurring profits and losses ( <i>RMB per share</i> )	0.6845	0.6160	0.6160	0.5967

*Note 1:* The basic earnings per share and diluted earnings per share are calculated in accordance with the requirements of the Guidance Opinions in Relation to the Matters Relating to the Dilution of Returns for the Current Period by Initial Public Offering, Refinancing and Material Assets Reorganization (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) formulated by the CSRC and Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.9– Calculation and Disclosure of Return on Equity and Earnings per Share (Revised in 2010) (《公開發行證券的公司信息披露編報規則第9號—淨資產收益率和每股收益的計算及披露(2010年修訂)》).

*Note 2:* The impact of perpetual bonds and perpetual medium-term notes are not considered in the above calculation of earnings per share.

Based on the above calculations, upon completion of the Issuance of A Shares to Specific Targets, the Company's earnings per share will have a certain degree of dilution.

**II. SPECIAL RISK WARNING FOR DILUTION OF CURRENT RETURNS BY THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS**

Upon receipt of the proceeds issued to Specific Targets, there will be an increase in the Company's total share capital and net asset. However, it will take some time for the proceeds to deliver economic benefits. In the short term after receipt of the proceeds, there is a risk that certain indicators such as the Company's earnings per share may decline. Therefore, investors are advised to pay attention to the risk of dilution of current returns by the Issuance of A Shares to Specific Targets.

The Company's assumptions regarding relevant financial data are only used for calculating related financial indicators and do not represent the Company's judgment on future operating conditions or trends, or constitute a profit forecast or profit-related undertaking of the Company. Investors should not make investment decisions based on the above assumptions, and the Company will not be liable for any resulting losses.

**III. ANALYSIS OF THE NECESSITY AND RATIONALITY OF THE ISSUANCE AND RELEVANCE OF THE INVESTMENT PROJECTS FUNDED BY PROCEEDS TO THE COMPANY'S EXISTING BUSINESSES****(I) Analysis of the Necessity and Rationality of the Issuance**

The investment projects funded by proceeds from the Issuance of A Shares to Specific Targets have undergone rigorous demonstration. The implementation of the projects will further enhance the Company's core competitiveness and strengthen its sustainable development capabilities, demonstrating full necessity and rationality. For details, please refer to the "Section I Summary of the Plan for the Issuance of A Shares to Specific Targets" in the proposal.

**(II) Relationship between the Investment Projects Funded by Proceeds and the Company's Existing Businesses and Reserves on Personnel, Technology and Market Resources for the Investment Projects**

The net proceeds from the Issuance will be exclusively used for the investment, development, construction and operation of new energy projects. The relevant investment projects are closely aligned with the Company's existing businesses. Through daily production and management activities, the Company has accumulated extensive experience in new energy project construction and operation, with sufficient reserves in personnel, technology, and market resources, laying a solid foundation for the successful implementation of the related investment projects.

**IV. REMEDIAL MEASURES TAKEN BY THE COMPANY ON THE DILUTION OF CURRENT RETURNS BY THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS**

To protect investor interests and ensure the effective utilization of the proceeds, thereby mitigating the risk of dilution of current returns and enhancing the Company's future profitability, the Company intends to take the following remedial measures on the dilution of current returns:

**(I) Strengthening the Management of Proceeds to Ensure Compliant Use of Proceeds**

In accordance with the relevant regulations of the Company Law, the Securities Law, the Measures for the Administration of Registration of Securities Issuance by Listed Companies (《上市公司證券發行註冊管理辦法》), the Rules for the Supervision of Funds Raised by Listed Companies (《上市公司募集資金監管規則》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), and the Self-regulatory Guidelines for the Listed Companies on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board (《深圳證券交易所上市公司自律監管指引第1號－主板上市公司規範運作》), and in consideration of the Company's actual situations, the Company has formulated the Measures for the Administration of Proceeds of A Shares of China Longyuan Power Group Corporation Limited\*, which clearly specifies its requirements for the deposit, use, usage change, management and supervision of the special account for the proceeds. The proceeds will be deposited in a special account determined by the Company's Board for centralized management and dedicated use, so as to ensure the reasonable and standardized use of the proceeds. After the receipt of the proceeds from the Issuance, the Company's Board will continuously supervise the Company in depositing the proceeds into a special account, ensure that the proceeds are used for designated purposes, conduct regular internal audits of the proceeds, and support the supervising banks and sponsors in inspection and supervision of the use of the proceeds, so as to ensure the reasonable and standardized use of the proceeds and reasonably mitigate risks associated with use of the proceeds.

**(II) Strictly Implementing Profit Distribution Policies and Emphasizing Investor Returns and the Protection of Rights and Interests**

According to the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Dividends in Cash by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) and other regulations, the Company will, upon fully considering the actual situation of its business development and shareholder return, further clarify the investment returns to its shareholders, and continuously improve and refine the provisions of the dividend distribution principles in the Articles of Association to enhance transparency and operability of dividend distribution decisions. In the future, the Company will strictly adhere to the provisions of the Articles of Association and the shareholder return plan for the next three years to implement scientific and standardized profit distribution policies, comprehensively consider investors' reasonable investment returns alongside the Company's long-term and sustainable development, maintain the continuity and stability of the profit distribution policies, and steadfastly create long-term value for shareholders.

**(III) Further Strengthening Corporate Governance to Ensure High-quality Development of the Company**

The Company has established the comprehensive internal control system and will continue to strictly adhere to the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and other laws, regulations, and normative documents, to continuously improve governance structure and actively optimize and enhance its operational and management standards. The Company will further optimize governance structure, refine and strengthen investment decision-making procedures to ensure shareholders can fully exercise their rights. The Board will exercise its powers in accordance with the Articles of Association, make scientific and reasonable decisions, rationally utilize various financing instruments and channels, control the cost of funds, and enhance capital utilization efficiency, to provide a scientifically effective governance structure and institutional safeguards for the Company's high-quality development.

**V. UNDERTAKINGS REGARDING THE IMPLEMENTATION OF REMEDIAL MEASURES ON THE DILUTION OF CURRENT RETURNS BY THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS**

**(I) Undertakings of the Company's Directors and the Senior Management to Ensure the Effective Implementation of the Remedial Measures**

In order to ensure the implementation of the Company's remedial measures on the dilution of current returns by the Issuance of A Shares to Specific Targets, the directors and the senior management of the Company have made the following undertakings in accordance with relevant regulations of the CSRC:

- “1. I undertake to perform my duties faithfully and diligently and to safeguard the legitimate interests of the Company and all shareholders;
2. I undertake not to transfer benefits to other entities or individuals without compensation or on unfair terms, or to use other means to the detriment of interests of the Company or shareholders;
3. I undertake to exercise restraint in spending on my duties;
4. I undertake not to use the Company's assets to engage in investment or consumption activities unrelated to the performance of my duties;
5. I undertake, within the scope of my duties and authority, to ensure that the remuneration system established by the Board of Directors or the Remuneration Committee is linked to the implementation of the Company's measures to make up for returns;
6. If the Company intends to implement equity incentives in the future, the exercise conditions of the Company's equity incentive scheme are linked to the implementation of the Company's measures to make up for the returns;
7. If, after the date of this undertaking and before the completion of the implementation of the Company's Issuance of A Shares to Specific Targets, the China Securities Regulatory Commission (the “CSRC”) or the Shenzhen Stock Exchange (the “SZSE”) makes other new regulatory requirements in relation to the filling of returns and its undertakings, and if the above undertakings cannot satisfy such requirements of the CSRC/SZSE, I undertake to issue a supplementary undertaking in accordance with the latest requirements of the CSRC/SZSE at that time;

8. I undertake to fulfil in good faith the relevant measures set by the Company to make up for the return and any undertakings made by me in respect of such measures, and if I breach such undertakings and cause loss to the Company or investors, I am willing to bear the corresponding legal liability in accordance with the law.”

**(II) Undertakings of the Controlling Shareholders to Ensure the Effective Implementation of the Remedial Measures**

In order to ensure the implementation of the Company’s remedial measures on the dilution of current returns by the Issuance of A Shares to Specific Targets, CHN Energy, the Company’s controlling shareholder, has made the following undertakings in accordance with relevant regulations of the CSRC:

- “1. The Company will strictly comply with laws and regulations and relevant regulatory rules of the China Securities Regulatory Commission (the “CSRC”) and the Shenzhen Stock Exchange (the “SZSE”), shall not interfere with the business and management activities of the listed companies beyond its authority, and shall not encroach on the interests of listed companies;
2. From the date of this undertaking letter to the completion of implementation of the Company’s Issuance of A Shares to Specific Targets, if the CSRC/SZSE promulgates other new regulatory provisions on remedial measures and the relevant undertakings, and the above undertakings cannot satisfy such regulatory provisions as promulgated by the CSRC/SZSE, the Company undertakes to issue supplementary undertakings then according to the latest stipulations of the CSRC/SZSE;
3. The Company undertakes to fully execute the relevant remedial measures formulated by listed companies and each undertaking the company made in relation to remedial measures. If the Company breach such undertakings and cause any loss to the listed companies or investors, the Company is willing to indemnify the listed companies or investors in respect of any losses incurred in accordance with the laws;
4. As one of the subjects for the remedial measures, if the Company violates the above undertakings or refuses to perform such undertakings, the Company will consent to accept the execution of relevant punishment or adoption of relevant regulatory measures by securities regulatory authorities such as the CSRC and the SZSE pursuant to relevant requirements and rules formulated or issued by them.”

(No text below)

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The Board of Directors of China Longyuan Power Group Corporation Limited\*

29 October 2025

**DEMONSTRATION AND ANALYSIS REPORT REGARDING THE PLAN OF  
THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS IN 2025**

To address the Company's funding needs for business development and enhance its capital strength and profitability, in accordance with the Company Law, the Securities Law, the Administrative Measures for the Issuance and Registration, and other relevant laws, administrative regulations, departmental rules, normative documents, and the Articles of Association, Longyuan Power has prepared the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets. Unless otherwise specified, the terms used herein shall have the same meanings as those in the Proposal for Issuance of A Share to Specific Targets by China Longyuan Power Group Corporation Limited\* in 2025.

**I. BACKGROUND AND PURPOSE OF THE ISSUANCE OF SHARES TO SPECIFIC TARGETS****(I) Background of the Issuance of Shares to Specific Targets****1. *Strong national policy support for the new energy power industry***

In recent years, amid the long-term challenges of global climate change, vigorous development of clean and renewable energy has become an inevitable trend in the energy sector. China has identified the development and utilization of renewable energy as a key component of its national energy strategy. In September 2020, at the 75th session of the United Nations General Assembly, General Secretary Xi Jinping announced China's goal of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, demonstrating China's strong commitment to this strategic objective.

To thoroughly implement the "Dual Carbon" strategy, the State Council, the NDRC, and other departments have issued policies such as the Action Plan for Carbon Dioxide Peaking before 2030 (《2030年前碳達峰行動方案》), the Outline of the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives through 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), and the 14th Five-Year Plan for Renewable Energy Development (《「十四五」可再生能源發展規劃》), providing clear direction for building a new-type power system. The Company's efforts to advance its renewable energy business and accelerate project investment and construction play a significant role in supporting the implementation of the "Dual Carbon" strategy and promoting green and low-carbon development across society.

**2. *Higher capital demand due to growing operational scales***

During the “14th Five-Year Plan” period, Longyuan Power has firmly seized development opportunities, continuously expanded its business scale, and increased its installed capacity. At present, the Company is in a period of rapid development. During the “15th Five-Year Plan” period in the future, its capital expenditure will remain at a relatively high level, and there is an urgent need for funding to meet the substantial capital requirements arising from this rapid expansion, strengthen the Company’s financial capacity, and provide a solid foundation for enhancing its industry competitiveness, profitability, and overall quality as a listed company.

The proceeds to be raised through the Issuance to the specific targets will primarily support the construction of the wind power projects of the Company, focusing on initiatives with strong demonstration effects, substantial investment scale, and favorable rates of return. Upon completion, these projects will help Longyuan Power further enhance its core competitiveness, improve profitability, and ensure the smooth implementation of the future business strategy of the Company.

**(II) Purpose of the Issuance of Shares to Specific Targets****1. *Seize the development opportunities in the new energy power generation industry***

Against the backdrop of the “Dual Carbon” strategy goals, important documents such as the Modern Energy System Plan for the 14th Five Year Plan Period (《「十四五」現代能源體系規劃》) have been successively released, setting higher requirements for the development of the new energy industry. The Third Plenary Session of the 20th CPC Central Committee has called for improving policies and measures to facilitate the consumption and regulation of new energy, advancing energy pricing reforms, and promoting the development of strategic industries like new energy through policy and governance systems. The new energy sector is now entering a period where transformation and opportunities coexist. The proceeds to be raised by Longyuan Power through the issuance of A Shares to specific targets for self-built projects demonstrates the firm grasp of development opportunities in the new energy power generation industry by Longyuan Power and its proactive assumption of the responsibility and mission as a leading force in new energy development.

**2. *Reduce the overall asset-liability ratio of the Company and improve its shareholder structure***

The new energy power generation industry in which the Company operates is capital-intensive. As the Company increases its construction projects, its demand for capital continues to grow. The asset-liability ratio of the Company were relatively high, standing at 64.07%, 64.09%, 66.51%, and 65.88%, respectively. Longyuan Power has limited scope for large-scale capital replenishment through debt financing, which urgently needs to supplement equity capital via equity financing to reduce its asset-liability ratio and enhance liquidity. At the same time, the current public shareholding ratio of A Shares of the Company stands at only 1.59%, which is relatively low with restricted liquidity. The refinancing initiative will increase the proportion of public shares in Longyuan Power's A Shares, improve the shareholder structure of the Company, and enhance stock liquidity.

**II. NECESSITY OF THE ISSUANCE OF SECURITIES AND SELECTION OF TYPE**

**(I) Type and Nominal Value of the Share for the Issuance**

The shares of the issuance to specific targets of the Company are renminbi ordinary shares (A Shares) listed domestically, with a nominal value of RMB1.00 per share.

**(II) Necessity of the Type of Securities Selected for the Issuance**

At present, the Company's main source of funds is debt financing. In recent years, the Company's debt-to-asset ratio has shown an upward trend, making it imperative to expand equity financing channels, optimize the capital structure, alleviate future debt repayment pressures and cash outflows, reduce financial risks, and provide necessary funding support for project development and construction.

With the continuous development of the Company's business and the successive implementation of the projects funded by the proceeds of this time, the Company is capable of absorbing the dilutive impact of share capital expansion on current returns, thereby safeguarding the interests of shareholders. Through the Issuance of A Shares to specific targets, the Company's total assets and net assets will increase correspondingly, further enhancing its financial capacity and providing robust support for future growth.

In conclusion, it is necessary for the Company to raise funds by issuing A Shares to specific targets.

**III. APPROPRIATENESS OF THE SELECTION SCOPE, NUMBER AND CRITERIA OF  
ISSUANCE TARGETS FOR THE ISSUANCE****(I) Selection Scope and Appropriateness of Issuance Targets for the Issuance**

The issuance targets will be no more than 35 (inclusive), including institutional investors such as securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors and RMB qualified foreign institutional investors, and other legal person, natural persons or other legal organizations, which are in line with the provisions of the CSRC. Securities investment fund management companies, securities companies, qualified foreign institutional investors and RMB qualified foreign institutional investors subscribing to two or more products under their management are considered as one issuance target. In case of trust investment companies as issuance targets, they can only subscribe with their own funds.

Based on the subscription and quotation situation, the final issuance targets will be determined by the Board of Directors through negotiating with the sponsor (lead underwriter) of the Issuance in accordance with the authorization of the shareholders' meeting. If national laws, regulations, and normative documents contain new provisions regarding the issuance targets, the Company will make adjustments in accordance with the new provisions.

All issuance targets will subscribe the shares under the Issuance in RMB cash and at the same price.

The selection scope of the issuance targets for the Issuance complies with the provisions of the Administrative Measures for the Issuance and Registration and other relevant laws and regulations, and is appropriate.

**(II) Number and Appropriateness of Issuance Targets for the Issuance**

The number of issuance targets for the Issuance shall not exceed 35 (inclusive).

The number of issuance targets for the Issuance complies with the provisions of the Administrative Measures for the Issuance and Registration and other relevant laws and regulations, and is appropriate.

**(III) Criteria and Appropriateness of Issuance Targets for the Issuance**

The targets of the Issuance are specific targets who meet the conditions stipulated by the CSRC, possess certain risk identification and risk-bearing capabilities, and have the corresponding financial strength.

The selection criteria of issuance targets for the Issuance complies with the provisions of the Administrative Measures for the Issuance and Registration and other relevant laws and regulations, and is appropriate.

**IV. RATIONALITY OF THE PRICING PRINCIPLES, BASIS, METHODS AND PROCEDURES FOR THE ISSUANCE****(I) Rationality of the Pricing Principles and Basis for the Issuance**

The Pricing Benchmark Date of the Issuance is the first day of the issuance period. The issue price will not be less than 80% of the average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date, nor it will be less than the net assets per share attributable to ordinary shareholders of the parent company as reflected in the Company's audited financial statements of last period prior to the Issuance (If any ex-rights or ex-dividend events occur between the balance sheet date and the issue date, the net asset value per share shall be adjusted accordingly).

The average trading price of the Company's A shares in the 20 trading days preceding the Pricing Benchmark Date=the total trading amount of the Company's A shares during the 20 trading days preceding the Pricing Benchmark Date/the total trading amount of the Company's A shares transactions during the 20 trading days preceding the Pricing Benchmark Date.

If the Company undergoes ex-right and ex-dividend events during the period from the Pricing Benchmark Date to the issue date such as distribution of cash dividends, bonus issue or conversion of capital reserve into share capital, the issue price of the shares issued to specific targets this time will be adjusted accordingly through the following methods:

Distribution of cash dividends:  $P_1 = P_0 - D$ ;

Bonus issue or conversion into the share capital:  $P_1 = P_0 / (1 + N)$ ;

Distribution of cash dividends and bonus issue or conversion into share capital:  $P_1 = (P_0 - D) / (1 + N)$ ;

In which,  $P_0$  is the pre-adjustment issue price,  $D$  is the amount of cash dividend per share,  $N$  is the number of bonus shares or shares to be converted into the share capital per share, and  $P_1$  is the post-adjustment issue price.

The final issue price of the Issuance will, after the application for the Issuance has been reviewed and approved by the SZSE and registered by the CSRC, be determined by the Board of Directors or its authorized persons pursuant to the authorization granted by the shareholders' meeting, through negotiation with the sponsor (lead underwriter) by way of bidding in accordance with applicable laws, regulations and requirements of regulatory authorities, which is based on the subscription quotations submitted by the issuance targets, but shall not be lower than the aforementioned minimum issue price.

The pricing principles and basis for the Issuance comply with the provisions of the Administrative Measures for the Issuance and Registration and other relevant laws and regulations, and are reasonable.

## **(II) Rationality of the Pricing Methods and Procedures for the Issuance**

In accordance with the Administrative Measures for the Issuance and Registration and other relevant laws and regulations, the pricing methods and procedures for the Issuance shall be considered and approved by the Company's Board of Directors, with the related announcements disclosed on the website of the SZSE and via media channels that meet the eligibility criteria prescribed by the CSRC. The matters related to the Issuance of A Shares to Specific Targets have been reviewed and approved at the first meeting of the sixth session of the Board of the Company held on 29 October 2025, and remain subject to approval from the competent state-owned asset supervision and administration authorities or its authorized entity, approval by the shareholders' meeting, review and approval by the SZSE, and a decision of approval for registration by the CSRC.

The pricing methods and procedures for the Issuance comply with the provisions of the Administrative Measures for the Issuance and Registration and other relevant laws and regulations. The pricing methods are reasonable and the procedures are compliant.

**V. FEASIBILITY OF THE ISSUANCE METHOD****(I) Legality and Compliance of the Issuance Method****1. *The Issuance complies with the relevant provisions of the Company Law***

The shares of the Issuance are renminbi ordinary shares with a nominal value of RMB1.00 per share. Each share has the same rights and interests. The issue conditions and price per share are the same, which complies with the provisions of Article 143 of the Company Law.

The nominal value of the shares in the Issuance is RMB1.00 per share. The issue price shall not lower than 80% of the average trading price of the Company's A shares over the 20 trading days preceding the Pricing Benchmark Date. (During the period from the Pricing Benchmark Date to the issue date, if the Company distributes cash dividends, issues bonus shares or converts reserve funds into share capital and other ex-dividend or ex-rights events, the issue price of the shares issued to specific targets this time will be adjusted accordingly.) The issue price shall not lower than the nominal value, which complies with the provisions of Article 148 of the Company Law.

**2. *The Issuance complies with the Issuance Conditions Stipulated in the Securities Law***

- (1) The Issuance complies with the relevant provisions of Article 9 of the Securities Law: "Non-public issuance of securities shall not adopt methods such as advertising, public solicitation, or disguised public issuance."
- (2) The Issuance complies with the relevant provisions of Article 12 of the Securities Law: "A listed company issuing new shares shall satisfy the conditions prescribed by the securities regulatory authority under the State Council approved by the State Council. Specific administrative measures shall be formulated by the securities regulatory authority under the State Council."

**3. *The Company does not fall under any of the circumstances where no shares shall be issued to specific targets as specified in Article 11 of the Administrative Measures for the Issuance and Registration***

Article 11 of the Administrative Measures for the Issuance and Registration stipulates as follows:

- “(I) The use of previously raised fund has been changed without permission and fail to rectify or obtain approval of Shareholders at the shareholders’ meeting;
- (II) The preparation and disclosure of financial statements for the most recent year do not comply with the Accounting Standards for Business Enterprises or relevant information disclosure rules in material respects; an audit report with adverse opinions or disclaimer of opinion is issued for the financial statements for the most recent year; and an audit report with qualified opinions is issued for the financial statements for the most recent year, and the material adverse impact of the matters involved in the qualified opinion on the listed company has not been eliminated, except when the Proposed Issuance involves a major asset restructuring;
- (III) The incumbent Directors, supervisors and senior management have been subject to administrative penalties imposed upon by the CSRC within the most recent three years or have been publicly condemned by the stock exchange within the most recent year;
- (IV) The listed company or its incumbent Directors, supervisors and senior management are under official investigation by the judicial authority for any suspected crime or by the CSRC for any suspected violation of laws and regulations;
- (V) The controlling shareholder or actual controller commits a major illegal act that seriously harms the interests of the listed company or investors’ legitimate rights and interests in the most recent three years;
- (VI) There being a major illegal act that seriously harms investors’ legitimate rights and interests or public interests in the most recent three years.”

**4. *The use of proceeds by the Company complies with the Relevant Provisions of Article 12 of the Administrative Measures for the Issuance and Registration***

Article 12 of the Administrative Measures for the Issuance and Registration stipulates as follows:

- “(I) It shall comply with the provisions of the national industrial policies and laws and administrative regulations on environmental protection and land management;
- (II) Except for financial enterprises, the proceeds raised from the Issuance cannot be used for holding financial investments and cannot be directly or indirectly invested in companies whose main business is buying and selling marketable securities.
- (III) After the implementation of the projects for which the funds are raised, there will be no related transactions that constitute horizontal competition with and are evidently unfair to the controlling shareholder, actual controller and other enterprises under their control, or that seriously affect the independence of the Company’s production and business operation.”

**5. *The Issuance of the Company complies with the relevant provisions of the Opinions on the Application of the Relevant Provisions of Articles 9, 10, 11, 13, 40, 57 and 60 of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies – No. 18 Opinions on the Application of the Laws on Securities and Futures (《上市公司證券發行註冊管理辦法》第九條、第十條、第十一條、第十三條、第四十條、第五十七條、第六十條有關規定的適用意見—證券期貨法律適用意見第18號) (“No. 18 Opinions on the Application of the Laws on Securities and Futures”)***

The Issuance of the Company complies with the relevant provisions of No. 18 Opinions on the Application of the Laws on Securities and Futures:

(1) Financing scale

“If a listed company applies for the Issuance of Shares to Specific Targets, the number of shares to be issued shall not exceed 30% of the total share capital before the Issuance in principle.”

The number of shares under the Issuance will be determined by dividing the total amount of funds raised by the issue price, and the number of shares under the Issuance shall not exceed 30% of the Company's total share capital of 8,359,816,164 shares prior to the Issuance, i.e., not exceeding 2,507,944,849 shares (inclusive), and not exceed the authorization scope of the general mandate for the issuance of additional shares as approved at the 2024 annual general meeting, the 2025 first A shareholders class meeting and the 2025 first H shareholders class meeting of the Company.

The number of shares proposed for the issuance by the company meets the requirements of the financing scale.

(2) Time interval

“If a listed company applies for additional issuance, share allotment or Issuance of Shares to Specific Targets, the date of the resolution of the board of directors for this issuance shall not be less than 18 months from the date on which the capital raised last time was in place. If the capital raised last time has been largely used up, or has not changed in investment direction but is invested as planned, the corresponding interval shall not be less than six months in principle.”

The date of the Board resolution for the Issuance is over 18 months from the date on which the capital raised last time was in place, complying with the time interval requirement.

(3) The use of proceeds for non-capital expenditures such as supplementing working capital and repaying debts

“If capital is raised through share allotment, issuance of preferred shares, or Issuance of Shares to Specific Targets determined by the board of directors, all raised capital can be used to supplement working capital and repay debts. If capital is raised by other means, the proportion used to supplement working capital and repay debts shall not exceed 30% of the total amount of the raised capital.”

The total proceeds from the Issuance shall not exceed RMB5 billion. The net proceeds after deducting issuance expenses are intended to be invested in the Hainan Dongfang CZ8 Site 500 MW Offshore Wind Power Project and the “Ningxiang DC” supporting new energy base Shaopotou 1 million kilowatts Wind Power Project. No proceeds will be used for non-capital expenditures such as supplementing working capital or repaying debts.

In summary, the Issuance complies with the principle of “rational financing and appropriate determination of financing scale”.

**6. *The targets for the Issuance comply with Articles 55 and 58 of the Administrative Measures for the Issuance and Registration***

Article 55 of the Administrative Measures for the Issuance and Registration stipulates: “A listed company issuing securities to specific targets shall ensure that the targets meet the conditions specified in the resolution of the shareholders’ meeting, and the number of targets shall not exceed 35 per issuance. Where the issuance targets are foreign strategic investors, the relevant national regulations shall be complied with.”

Article 58 of the Administrative Measures for the Issuance and Registration stipulates: “Where an issuance to specific targets is conducted but the issuance targets fall outside the circumstances specified in Paragraph 2 of Article 57 of the Measures, the listed company shall determine the issue price and issuance targets through a competitive bidding process.”

The number of targets of the Issuance does not exceed 35 (inclusive), and the Issuance falls within the circumstances specified in Paragraph 2 of Article 57 of the Administrative Measures for the Issuance and Registration, thus complying with Articles 55 and 58 of the Administrative Measures for the Issuance and Registration.

**7. *The issue price complies with Articles 56 and 57 of the Administrative Measures for the Issuance and Registration***

Articles 56 and 57 of the Administrative Measures for the Issuance and Registration stipulate as follows:

“Article 56 When a listed company issues shares to specific targets, the issue price shall not be lower than 80% of the average trading price of the company’s shares over the 20 trading days preceding the Pricing Benchmark Date. The term ‘Pricing Benchmark Date’ referred to in the preceding paragraph means the reference date for calculating the minimum issue price.”

Article 57 The Pricing Benchmark Date for the Issuance of Shares to Specific Targets shall be the first day of the issuance period. The listed company shall issue shares at a price not lower than the minimum issue price.

Where the board of directors of a listed company resolves to determine all the issuance targets in advance and the issuance targets fall under any of the following circumstances, the Pricing Benchmark Date may be the announcement date of the board resolution on this issuance, the announcement date of the shareholders’ meeting resolution or the first day of the issuance period:

- (1) The issuance targets are the controlling shareholders, actual controllers, or their controlled affiliates of the listed company;
- (2) The issuance targets are investors who obtain actual control of the listed company through subscribing to the shares issued in this issuance;
- (3) The issuance targets are domestic or foreign strategic investors to be introduced by the board of directors.”

The Pricing Benchmark Date for the Issuance is the first day of the issuance period. The issue price is not lower than 80% of the average trading price of the Company’s A shares over the 20 trading days preceding the Pricing Benchmark Date.

The issue price of the Issuance complies with Articles 56 and 57 of the Administrative Measures for the Issuance and Registration.

**8. *The lock-up period for the Issuance complies with Article 59 of the Administrative Measures for the Issuance and Registration***

Article 59 of the Administrative Measures for the Issuance and Registration stipulates: “Shares issued to specific targets shall not be transferred within six months from the end of the issuance period. Where the issuance targets fall under the circumstances specified in Paragraph 2 of Article 57 of the Measures, the shares subscribed by them shall not be transferred within eighteen months from the end of the issuance period.”

The shares subscribed by the targets of the Issuance shall not be transferred within six months from the end of the issuance period, unless otherwise stipulated by relevant laws, regulations, or normative documents regarding the lock-up period for shares issued to specific targets. Shares derived from the subscribed shares due to the Company’s distribution of bonus shares, capital reserve conversion into share capital, or similar events shall also be subject to the aforementioned lock-up arrangement. If the above lock-up commitments conflict with the latest regulatory guidance from securities authorities, adjustments shall be made in accordance with such guidance.

After the expiration of the lock-up period, any reduction of the aforementioned shares shall further comply with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, and other relevant laws, regulations, rules, normative documents, and the Articles of Association.

The lock-up period for the Issuance complies with Article 59 of the Administrative Measures for the Issuance and Registration.

**9. *The Issuance complies with Article 66 of the Administrative Measures for the Issuance and Registration***

Article 66 of the Administrative Measures for the Issuance and Registration stipulates: “When issuing securities to specific targets, the listed company, its controlling shareholders, actual controllers, and major shareholders shall not make any guaranteed return or disguised guaranteed return commitments to the issuance targets, nor shall they directly or indirectly provide financial assistance or other compensation to the issuance targets through interested parties.”

In relation to the Issuance, neither the Company nor its controlling shareholders, actual controllers, or major shareholders have made any guaranteed return or disguised guaranteed return commitments to the issuance targets, nor have they directly or indirectly provided any financial assistance or other compensation to the issuance targets through interested parties.

The Issuance complies with Article 66 of the Administrative Measures for the Issuance and Registration.

**10. *The Issuance complies with Article 87 of the Administrative Measures for the Issuance and Registration***

Article 87 of the Administrative Measures for the Issuance and Registration stipulates: “Where the issuance of shares by a listed company to specific targets results in a change of control, it shall also comply with other relevant regulations of the CSRC.”

The Issuance will not result in a change of control of the listed company.

The Issuance complies with Article 87 of the Administrative Measures for the Issuance and Registration.

**11. *The Company does not fall within the scope of enterprises subject to punishment as stipulated in the Memorandum of Cooperation on Joint Punishment for Dishonest Executives (《關於對失信被執行人實施聯合懲戒的合作備忘錄》) and the Memorandum of Cooperation on Joint Punishment for Dishonest Enterprises of the Customs (《關於對海關失信企業實施聯合懲戒的合作備忘錄》), nor is it listed as a general dishonest enterprise or a dishonest enterprise of the customs***

After inquiry, the Company does not fall within the scope of enterprises subject to punishment as stipulated in the Memorandum of Cooperation on Joint Punishment for Dishonest Executives and the Memorandum of Cooperation on Joint Punishment for Dishonest Enterprises of the Customs, nor is it listed as a general dishonest enterprise or a dishonest enterprise of the customs.

In conclusion, the Company complies with the Securities Law, the Administrative Measures for the Issuance and Registration, and other relevant regulations, and does not fall under any circumstances that would prohibit the issuance of securities. The issuance method aligns with the requirements of applicable laws and regulations, and is lawful, compliant, and feasible.

**(II) The Procedures for the Issuance are Lawful and Compliant**

The matters related to the Issuance of A Shares to Specific Targets have been reviewed and approved at the first meeting of the sixth session of the Board of the Company held on 29 October 2025, and remain subject to approval from the competent state-owned asset supervision and administration authorities or its authorized entity, approval by the shareholders' meeting, review and approval by the SZSE, and a decision of approval for registration by the CSRC.

In accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Administrative Measures for the Issuance and Registration, and other relevant laws, regulations, and normative documents, the Issuance requires the consideration and approval of the SZSE and registration approval documents from the CSRC. Upon obtaining the above two items, the Company will apply to the SZSE and China Securities Depository and Clearing Co., Ltd. for the share issuance, registration, and listing matters to complete all required reporting and approval procedures for the Issuance of A Shares to specific targets.

In conclusion, the Company has fulfilled all procedures required at the current stage for the Issuance, and such procedures are lawful and compliant.

**VI. FAIRNESS AND RATIONALITY OF THE ISSUANCE PLAN**

The plan for the Issuance of A Share to Specific Targets has been carefully considered and approved at the first meeting of the sixth session of Board of the Company, taking into account the current industry situation of the Company, future development trends and the Company's development strategy. The implementation of the Issuance plan is conducive to the Company's sustained and stable development as well as the improvement of its profitability, thereby enhancing its comprehensive competitiveness, which is in the interests of all shareholders.

The plan and related documents for the Issuance will be disclosed on the website of the SZSE and the designated information disclosure media, ensuring the right to know of all shareholders.

The Company will convene a shareholders' meeting to consider the Issuance plan. Resolutions regarding matters related to the Issuance shall require approval by no less than two-thirds of the voting rights held by shareholders present at the meeting. The voting results of minority investors shall be counted separately. Shareholders may exercise their rights through on-site or online voting.

In conclusion, the Board of Directors has conducted prudent deliberation on the Issuance plan and confirms that it aligns with the interests of the Company and all shareholders. The Issuance plan and related documents have undergone all required disclosure procedures, thereby safeguarding shareholders' right to know. Additionally, the Issuance plan will be subject to a fair voting process by shareholders at the shareholders' meeting, and it is fair and reasonable.

## **VII. DILUTION OF CURRENT RETURNS BY THE ISSUANCE AND MITIGATION MEASURES WITH RELEVANT COMMITMENTS**

Pursuant to the relevant requirements of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (國辦發[2013]110號), the Guidance Opinions in Relation to the Matters Relating to the Dilution of Returns for the Current Period by Initial Public Offering, Refinancing and Material Assets Reorganization (CSRC Notice [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (證監會公告[2015]31號) issued by the CSRC and other documents, the Company conducted an analysis of the impact on dilution of current returns by the Issuance of A Shares to Specific Targets and formulated specific remedial measures. The relevant entities have committed to ensuring the effective implementation of the remedial measures. For details, please refer to the the Statement on the Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures and the Undertakings Made by the Relevant Entities by China Longyuan Power Group Corporation Limited\* in 2025 published on the website of the SZSE.

## **VIII. CONCLUSION**

In summary, the Company's Issuance of A Shares to Specific Targets is necessary and feasible. The Issuance plan is fair and reasonable, complies with the requirements of relevant laws and regulations, and is expected to further enhance the Company's profitability. It aligns with the Company's development strategy, and serve the interests of the Company and all its shareholders.

(No text below)

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The Board of Directors of China Longyuan Power Group Corporation Limited\*

29 October 2025

## **REPORT ON THE USE OF PREVIOUSLY RAISED FUNDS**

According to the Guidelines for the Application of Regulatory Rules – Issuance No. 7\* (《監管規則適用指引—發行類第7號》) issued by the China Securities Regulatory Commission, China Longyuan Power Group Corporation Limited\* (the “**Company**” or “**Longyuan Power**”) prepared a report on the use of previously raised funds as of 30 September 2025.

### **I. BASIC INFORMATION OF THE PREVIOUSLY RAISED FUNDS**

On 31 May 2021, the State-owned Assets Supervision and Administration Commission of the State Council issued the Reply on the Approval of Matters Related to the Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. by China Longyuan Power Group Corporation Limited\* (Guo Zi Chan Quan [2021] No. 239) to China Energy Investment Group Co., Limited (國家能源投資集團有限公司) (“**CHN Energy**”), approving the overall plan for Longyuan Power’s absorption and merger of Inner Mongolia Pingzhuang Energy Co., Ltd. (“**Pingzhuang Energy**”) through share swap, and disposal of material assets and purchase of assets through cash payment (the “**Transaction**”). On 18 June 2021, the sixth meeting of the Board of Directors of CHN Energy in 2021 considered and approved the resolution on matters related to the Transaction. On 8 December 2021, the Transaction was approved by the China Securities Regulatory Commission with the Reply on the Approval of the Application for Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. by the Issuance of Shares by China Longyuan Power Group Corporation Limited\* (Zheng Jian Xu Ke [2021] No. 3813). On 19 January 2022, the Shenzhen Stock Exchange issued the Notice on the Listing of RMB Ordinary Shares of China Longyuan Power Group Corporation Limited\* (Shen Zhen Shang [2022] No. 69), approving the listing of the Company’s issued RMB ordinary shares on the Shenzhen Stock Exchange. The stock abbreviation is “Longyuan Power”, and the stock code is “001289”.

According to the Announcement on the Implementation of Share Swap for the Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. through Share Swap by China Longyuan Power Group Corporation Limited\*, Disposal of Material Assets and Purchase of Assets through Cash Payment, and Related Party Transactions issued by Longyuan Power on 21 January 2022, the registration date of implementation of the merger for the absorption and merger was 21 January 2022. All shareholders of Pingzhuang Energy whose name appears on the shareholders’ register at the close of business of the registration date of implementation of the merger could have their shares of Pingzhuang Energy converted into A Shares to be issued by Longyuan Power at a ratio of 1:0.3407, meaning that each A share of Pingzhuang Energy could be exchanged for 0.3407 A share of Longyuan Power issued this time. Upon the completion of the absorption and merger through share swap, Longyuan Power’s total share capital is 8,381,963,164 shares, including 5,041,934,164 A Shares, of which the number of tradable shares available for listing and trading is 133,336,024 shares, the number of tradable shares under the lock-up undertakings is 212,238,140 shares and the number of restricted tradable shares is 4,696,360,000 shares, and 3,340,029,000 H shares.

All A Shares issued this time were exclusively used for the absorption and merger of Pingzhuang Energy through share swap. No funds were raised, and therefore there was no involvement with the date of maturity of funds or the condition of funds deposited in special accounts. Baker Tilly China Certified Public Accountants conducted a verification of the capital contribution for the additional shares issued in the absorption and merger through share swap, and issued capital verification report Tian Zhi Ye Zi [2022] No.1489. The total issuance expenses for the Company's public offering of new shares amount to RMB36.3331 million (tax exclusive), including RMB16.0189 million for financial advisory and sponsorship fees, RMB13.3094 million for audit, capital verification and valuation fees, RMB4.7170 million for legal fees, and RMB2.2878 million for other expenses.

## **II. ACTUAL USE OF PREVIOUSLY RAISED FUNDS**

The Company's previous issuance did not raise monetary funds, and there were no fundraising projects, thus no actual use of funds was involved.

## **III. BENEFITS ACHIEVED FROM THE PROJECTS INVESTED BY THE PREVIOUSLY RAISED FUNDS**

The Company's previous issuance did not raise monetary funds, and there were no fundraising projects, thus no achievement of benefits from the projects invested was involved.

## **IV. ASSET OPERATION OF ABSORPTION AND MERGER BY PREVIOUS ISSUANCE OF SHARES**

### **(1) Change in asset ownership**

Pursuant to the approval granted by the China Securities Regulatory Commission in its Reply on the Approval of the Application for Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. by the Issuance of Shares by China Longyuan Power Group Corporation Limited\* (Zheng Jian Xu Ke [2021] No. 3813) dated 8 December 2021, the Company shall issue 345,574,165 shares to absorb and merge with Pingzhuang Energy. Upon completion of the merger, Pingzhuang Energy shall be delisted and ultimately have its legal person status revoked. Longyuan Power, as the surviving company, shall assume and take over the assets and liabilities of Pingzhuang Energy, excluding the assets to be disposed of, either by itself or through its designated wholly-owned subsidiary. Pursuant to the terms and conditions set forth in the Assets Disposal Agreement of Inner Mongolia Pingzhuang Energy Co., Ltd., China Longyuan Power Group Corporation Limited\* and CHN Energy Inner Mongolia Power Co., Ltd., and its supplemental agreements, Pingzhuang Energy will transfer the assets to be disposed of to Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (“**Pingzhuang Coal Group**”). The consideration for the assets to be disposed of will be paid in cash by Pingzhuang Coal Group. On the closing date of the assets to be disposed of, the assets to be

disposed of will be transferred directly to Pingzhuang Coal Group. Concurrently, Longyuan Power will acquire assets from other subsidiaries of CHN Energy, namely CHN Energy Liaoning Electric Power Co., Ltd., CHN Energy Shaanxi Electric Power Co., Ltd., CHN Energy Guangxi Electric Power Co., Ltd., CHN Energy Yunnan Electric Power Co., Ltd., CHN Energy Gansu Electric Power Co., Ltd. and CHN Energy North China Electric Power Co., Ltd. (now renamed CHN Energy Tianjin Power Co., Ltd.), and the consideration for the assets to be purchased will be paid in cash by the surviving company, Longyuan Power. On the closing date of the assets to be purchased, the assets to be purchased will be transferred directly to the surviving company, Longyuan Power, or its subsidiaries. That is, the previous transaction comprised three components: absorption and merger through share swap, the assets disposal and the purchase through cash.

As of the date of this report, all parties to the Transaction have completed the transfer of the aforementioned underlying assets, and the relevant industrial and commercial registration procedures have been completed.

**(2) Change in the carrying amount of assets**

*Unit: RMB'000*

Item	Longyuan Power	Longyuan Power	Longyuan Power	Longyuan Power
	Consolidation	Consolidation	Consolidation	Consolidation
31 December 2022	31 December 2023	31 December 2024	31 December 2024	30 September 2025
Total assets	22,289,535.44	22,925,609.06	25,710,619.64	26,252,125.74
Total liabilities	14,281,643.28	14,692,911.20	17,099,684.56	17,294,599.86
Net assets attributable to the parent company	6,880,674.59	7,091,786.80	7,320,534.99	7,590,806.27

The following presents the changes in asset carrying amounts based on the Company's consolidated financial data as of 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025. As of the date of this report, the Company's financial data as of 30 September 2025 remains unaudited. The financial data of the Company and its relevant components as of 31 December 2022 has been audited by Da Hua CPAs LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Da Hua Shen Zi (2023) No. 001489. The Company's financial data as of 31 December 2023 has been audited by Zhongshen Zhonghuan Certified Public Accountants LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Zhong Huan Shen Zi (2024) No. 0200896. The Company's financial data as of 31 December 2024 has been audited by Zhongshen Zhonghuan Certified Public Accountants LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Zhong Huan Shen Zi (2025) No. 0201249.

**(3) Production and operation, contribution to benefits and fulfillment of profit forecasts**

*Unit: RMB'000*

Item	Longyuan Power Consolidation			
	Longyuan Power Consolidation	Longyuan Power Consolidation	Longyuan Power Consolidation	January- September
	2022	2023	2024	2025
Operating revenue	3,986,307.96	3,764,191.37	3,706,964.66	2,222,092.05
Operating profit	768,642.59	815,782.64	1,013,588.37	630,155.04
Total profit	763,754.95	823,943.02	1,023,261.46	638,782.55
Net profit	609,558.41	673,826.65	828,070.69	517,890.54
Net profit attributable to owners of the parent company	511,218.89	624,928.73	634,528.74	439,282.56

The following presents the operating conditions and contribution to benefits based on the Company's consolidated financial data for the years 2022, 2023, 2024 and the period from January to September 2025. As of the date of this report, the financial data of the Company and its relevant components for the period from January to September 2025 remains unaudited. The financial data of the Company for the year 2022 has been audited by Da Hua CPAs LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Da Hua Shen Zi (2023) No. 001489. The Company's financial data for the year 2023 has been audited by Zhongshen Zhonghuan Certified Public Accountants LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Zhong Huan Shen Zi (2024) No. 0200896. The Company's financial data for the year 2024 has been audited by Zhongshen Zhonghuan Certified Public Accountants LLP, which issued a standard unqualified audit opinion with the number of the auditors' report is Zhong Huan Shen Zi (2025) No. 0201249.

**V. COMPARISON OF ACTUAL ASSET OF ABSORPTION AND MERGER BY PREVIOUS ISSUANCE OF SHARES AND PUBLICLY DISCLOSED INFORMATION**

As of 30 September 2025, there are no discrepancies between the actual use of assets of absorption and merger by the Company's previous issuance of shares and the relevant disclosures in the Company's periodic reports and other information disclosure documents.

**VI. CONCLUSION**

The Board believes that the actual use of the Company's previously raised funds is consistent with the disclosures in the Company's annual periodic reports and other information disclosure documents.

All Directors of the Company warrant that there are no false representations, misleading statements and material omissions in this report, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

The Board of Directors of China Longyuan Power Group Corporation Limited\*

29 October 2025



龍源電力集團股份有限公司  
CHINA LONGYUAN POWER GROUP CORPORATION LIMITED\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00916)

**NOTICE OF THE SECOND EXTRAORDINARY SHAREHOLDERS' MEETING  
IN 2025**

**NOTICE IS HEREBY GIVEN** that the second extraordinary shareholders' meeting in 2025 (the "ESM") of China Longyuan Power Group Corporation Limited\* (the "Company") will be held at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China, at 9:00 a.m. on Tuesday, 23 December 2025 for consideration and approval of the following matters:

**SPECIAL RESOLUTIONS**

1. To consider and approve the resolution on the Satisfaction of the Conditions for the Issuance of A Shares to Specific Targets by the Company
2. To consider and approve the resolution on the Plan for the Issuance of A Shares to Specific Targets by the Company
  - 2.01 Type and nominal value of the share to be issued
  - 2.02 Issuance method and time
  - 2.03 Issuance targets and subscription method
  - 2.04 Pricing Benchmark Date, issue price and pricing principles
  - 2.05 Number of shares to be issued
  - 2.06 Lock-up period
  - 2.07 Total amount and use of proceeds
  - 2.08 Arrangement of accumulated undistributed profits prior to the Issuance
  - 2.09 Place of listing
  - 2.10 Valid period of the resolution of the Issuance

\* For identification purpose only

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## NOTICE OF THE SECOND EXTRAORDINARY SHAREHOLDERS' MEETING IN 2025

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3. To consider and approve the resolution on the Proposal of the Issuance of A Shares to Specific Targets by China Longyuan Power Group Corporation Limited\* in 2025
4. To consider and approve the resolution on the Demonstration and Analysis Report regarding the Plan of the Issuance of A Shares to Specific Targets by China Longyuan Power Group Corporation Limited\* in 2025
5. To consider and approve the resolution on the Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets by China Longyuan Power Group Corporation Limited\* in 2025
6. To consider and approve the resolution on the Report on the Use of Previously Raised Funds of China Longyuan Power Group Corporation Limited\*
7. To consider and approve the resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures Adopted and the Undertakings Made by the Relevant Entities by the Company in 2025
8. To consider and approve the resolution on the Authorization by the Shareholders' Meeting to the Board or its Authorized Person(s) to Proceed with Specific Matters in respect of the Issuance of A Shares to Specific Targets in Their Sole Discretion

Unless otherwise defined, the terms used in this notice have the same meanings as those defined in the circular dated 3 December 2025 containing details of the above resolutions.

By order of the Board  
**China Longyuan Power Group Corporation Limited\***  
**Gong Yufei**  
*Chairman*

Beijing, the PRC, 3 December 2025

*As at the date of this notice, the executive directors of the Company are Mr. Gong Yufei and Mr. Wang Liqiang; the non-executive directors are Ms. Wang Xuelian, Mr. Zhang Tong, Mr. Wang Yong and Mr. Liu Jintao; and the independent non-executive directors are Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.*

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## NOTICE OF THE SECOND EXTRAORDINARY SHAREHOLDERS' MEETING IN 2025

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*Notes:*

1. In order to determine the holders of Shares who are eligible to attend and vote at the ESM, the H share register of members of the Company will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025, both days inclusive. No registration for transfer of the Company's H shares will be accepted during the period. The record date will be Tuesday, 23 December 2025. To be eligible to attend the ESM, all H share transfer documents accompanied by relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares of the Company), for registration not later than 4:30 p.m. on Wednesday, 17 December 2025.
2. A shareholder entitled to attend and vote at the ESM may appoint one or more proxies (whether he/she is a shareholder) to attend and vote at the ESM on his, her or its behalf.
3. The instrument to appoint a proxy shall be signed by the appointer or his/her attorney duly authorized in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its director or attorney duly authorized.
4. To be valid, the form of proxy must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares of the Company) not less than 24 hours prior to the holding of the ESM (i.e. not later than 9:00 a.m. on Monday, 22 December 2025). If such form of proxy is signed by another person under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized by a notary. The notarized power of attorney or other authorization documents shall, together with the form of proxy, be deposited at the specified place at the time set out in such form of proxy.
5. If the appointer is a legal person, its legal representative or any person authorised by resolution of its board or other governing bodies may attend the ESM on behalf of the appointer.
6. Voting at the ESM will be conducted through on-site voting and online voting (online voting for A shareholders only).
7. The Company has the rights to request a shareholder or a proxy who attends the ESM on behalf of a shareholder to provide proof of identity.
8. The ESM is expected to take less than half a day. Shareholders who attend the ESM shall be responsible for their own travel and accommodation expenses.