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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)

ANNOUNCEMENT ON COMPLETION OF CONNECTED TRANSACTION REGARDING DISPOSAL OF TARGET ASSETS

Reference is made to the connected transaction announcement of China Longyuan Power Group Corporation Limited* (the “**Company**”) dated 26 September 2021 in relation to (among other things) the entering into of the Asset Transfer Agreement between Fujian Longyuan and Putian Longyuan, both being subsidiaries of the Company, and Fujian Guodian, a subsidiary of CHN Energy, respectively, pursuant to which the subsidiaries of the Company agreed to sell the Target Assets to Fujian Guodian at a total consideration of RMB214 million (the “**Transaction**”), and the final consideration shall be determined based on the valuation report filed by CHN Energy. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the announcement.

The Company hereby announces the progress of the Transaction as follows:

On 12 October 2021, Fujian Longyuan and Putian Longyuan entered into the Asset Transfer Confirmation Letter with Fujian Guodian, respectively, clarifying that “the parties to the transfer confirm that as of the date of signing this confirmation letter, the transferors have transferred the assets listed in the Schedule of Target Assets to be Transferred and all necessary documents to the transferee, the parties have completed the assets inventory, examination, verification and delivery of the Target Assets transferred, and the transferee has no objection to the condition of the Target Assets transferred. From the date of signing of this confirmation letter, all rights, benefits and risks of the Target Assets transferred shall have been transferred to the transferee who shall assume all the responsibilities and obligations arising from the Target Assets transferred, and the transferors will no longer assume any responsibility for the Target Assets transferred”.

On 15 October 2021, Fujian Longyuan and Putian Longyuan entered into the Supplemental Agreement to the Asset Transfer Agreement with Fujian Guodian, respectively, which provides that the transaction price of the Target Assets transferred shall be determined based on the valuation results set out in the valuation report filed by CHN Energy. After deduction of the depreciation expenses of the Target Assets transferred during the transition period (from 1 July 2021 to the Closing Date of the Target Assets), the transfer consideration of the relevant Target Assets of Fujian Longyuan and Putian Longyuan shall be determined to be RMB8,503,400 and RMB201,853,300, respectively.

On 15 October 2021, Fujian Guodian Wind Power paid the transfer consideration to Fujian Longyuan and Putian Longyuan for the above Target Assets in one lump sum into the designated accounts, respectively.

As of the disclosure date of this announcement, Linqu Longyuan in this asset stripping was no longer included into the combined financial statements and ceased to be a controlled subsidiary of Longyuan Power; the delivery of the Target Assets of Fujian Longyuan and Putian Longyuan has been completed, all rights, benefits and risks of the Target Assets have been transferred to Fujian Guodian Wind Power who shall assume all the responsibilities and obligations arising from the Target Assets.

Subsequent to the transfer of the Target Assets, the revenue which the Company is expected to record from the transfer of the Target Assets amounted to approximately RMB-44,621,000 (tax exclusive) (calculated as the transfer amount of the assets of RMB186,432,600 (tax exclusive) minus the book value of the Target Assets of RMB231,053,500 at the Closing Date). The above financial impact are for illustration purposes only and the actual gain that will eventually be recognised in the consolidated financial statements of the Company depends, among other things, on the actual costs and expenses associated with the transfer, the net book value of the Target Assets as at the date of completion of the transfer and the review by the auditor of the Company in preparing the consolidated financial statements of the Group. The Company intends to use the proceeds from the transfer of the Target Assets for the Company's daily operations.

By order of the Board
China Longyuan Power Group Corporation Limited*
Li Zhongjun
Chairman

Beijing, the PRC, 18 October 2021

As at the date of this announcement, the executive directors of the Company are Mr. Li Zhongjun and Mr. Tang Jian; the non-executive directors are Mr. Liu Jinhuan, Mr. Tian Shaolin and Mr. Tang Chaoxiong; and the independent non-executive directors are Mr. Zhang Songyi, Mr. Meng Yan and Mr. Han Dechang.

* For identification purpose only