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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 INFORMATION ON EXERCISE OF PUT OPTION BY DISSENTING SHAREHOLDERS OF LONGYUAN POWER

Reference is made to the announcements (the “**Announcements**”) of China Longyuan Power Group Corporation Limited* (the “**Company**” or “**Longyuan Power**”) dated 31 December 2020, 15 January 2021 and 23 July 2021 and the circular (the “**Circular**”) dated 8 July 2021 in relation to, amongst others, the proposed absorption and merger of Inner Mongolia Pingzhuang Energy Co., Ltd. (內蒙古平莊能源股份有限公司) (“**Pingzhuang Energy**”) by the Company through share swap, and the proposed disposal of all the assets and liabilities, excluding the deferred income tax assets, deferred income and taxes payable, of Pingzhuang Energy to Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限責任公司), the controlling shareholder of Pingzhuang Energy, and the proposed purchase of certain new energy business assets held by other subsidiaries of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司) by the Company through cash payment (the “**Transaction**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements and the Circular.

In accordance with the Company Law, the Articles of Association and the plan for the Transaction, any shareholder of Longyuan Power who, at the third extraordinary general meeting in 2021 (the “**EGM**”) and the first domestic shareholders class meeting in 2021 and the first H shareholders class meeting in 2021 (the “**Class Meetings**”) of Longyuan Power held for consideration of the Transaction, had cast effective dissenting votes in respect of relevant resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and relevant resolutions regarding the entering into of the agreements and supplemental agreements relating to the Transaction is entitled to request the Put Option Provider to purchase Shares held by it in Longyuan Power at a fair price. CHN Energy will act as the Put Option

Provider in the Transaction. This announcement contains information regarding the exercise of the Put Option by Dissenting Shareholders of Longyuan Power (the “**Right**”), the relevant declaration procedures and indicative timeline.

For the avoidance of doubt, if the Transaction does not proceed, the Dissenting Shareholders of Longyuan Power will not be entitled to exercise their Right as described herein.

Declaration Period of the Right

If any Dissenting Shareholder of Longyuan Power wishes to exercise its/his/her Right, it/he/she must declare its/his/her intention and complete the procedures for exercise as set out below, at 9:00 a.m. – 4:30 p.m. during the period from 10 December 2021 to 14 December 2021 (trading days only) (the “**Declaration Period**”).

Conditions for Exercise of the Right

A Dissenting Shareholder of Longyuan Power (which, in the case of being HKSCC Nominees Limited, shall, where appropriate, in this announcement be deemed to refer to the beneficial owner (the “**Beneficial Owner**”) whose H Shares held in Longyuan Power are deposited in CCASS) must satisfy the following conditions (the “**Conditions for Exercise**”) in order to be entitled to exercise the Right:

- (1) having cast effective dissenting votes in respect of relevant resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and relevant resolutions regarding the entering into of the agreements and supplemental agreements relating to the Transaction at the EGM and the Class Meetings of Longyuan Power for the consideration of the Transaction;

For the avoidance of doubt, a H shareholder of Longyuan Power will only be entitled to exercise its/his/her Right provided that it/he/she has cast an effective dissenting vote in respect of (i) all of resolutions 1 (including each of the sub-resolutions to be voted separately), 2, 3, 4 and 5 at the EGM of Longyuan Power; and (ii) all of resolutions 1 (including each of the sub-resolutions to be voted separately), 2, 3, 4 and 5 at the H Shareholders Class Meeting of Longyuan Power.

As the domestic shareholders of Longyuan Power which attended the EGM and the Domestic Shareholders Class Meeting of Longyuan Power are all connected shareholders, and they have abstained from voting on the relevant resolutions and each of the sub-resolutions to be voted separately regarding the plan for the Transaction and relevant resolutions regarding the entering into of the agreements and supplemental agreements relating to the Transaction, the domestic shareholders of Longyuan Power will not be entitled to exercise the Right, and only the independent H shareholders of Longyuan Power who/which satisfy the Conditions for Exercise will be entitled to exercise the Right;

- (2) having been effectively registered on the register of members of Longyuan Power (and in the case of a Beneficial Owner, having been validly proven to be the Beneficial Owner of the relevant H Shares of Longyuan Power) since the record date of the EGM and the Class Meetings of Longyuan Power held for consideration of the Transaction which is applicable to such class of shareholders (being 23 July 2021) (the “**Record Date**”), and continuing to retain the share certificates (in the case of a Beneficial Owner, the beneficial interest) which will be involved in the exercise of the Put Option until the exercise date of the Put Option (being 24 December 2021) (the “**Exercise Date**”);
- (3) having successfully fulfilled relevant declaration procedures during the Declaration Period of Put Option;
- (4) there is no circumstance that excludes the right to claim the exercise of the Put Option.

The Dissenting Shareholders of Longyuan Power who hold the following Shares have no right to exercise the Put Option for the Shares they hold: (i) those Shares of Longyuan Power with Restriction on Rights, including but not limited to the Shares with transfer restrictions imposed by laws and regulations which are subject to any pledges, other third party’s rights or judicial freeze; (ii) those Shares held by legal holders who have undertaken in writing to Longyuan Power to surrender the Put Option; (iii) other Shares that may not exercise the Put Option under applicable laws.

Provided that the Dissenting Shareholders of Longyuan Power sell their Shares (including but not limited to judicially compulsory deductions, etc.) after the Record Date of the EGM and the Class Meetings held for consideration of the Transaction, the number of Shares entitled to the Put Option shall decrease accordingly; provided that the Dissenting Shareholders of Longyuan Power purchase Shares after the Record Date of the EGM and the Class Meetings held for consideration of the Transaction, the number of Shares entitled to the Put Option shall not increase, and such Shares shall not be entitled to the Put Option.

Procedures for Exercise of the Right

Any Dissenting Shareholder of Longyuan Power who/which satisfies the Conditions for Exercise and wishes to exercise its/his/her Right should follow the following procedures:

- (1) exercise the Right (and in the case of Beneficial Owners of H Shares of Longyuan Power deposited in CCASS and which are the subject of effective dissenting votes, instruct HKSCC Nominees Limited to exercise the Right on its/his/her behalf (including giving instructions and arranging with the relevant CCASS participant to give instructions and arrange with HKSCC Nominees Limited to exercise the Right)) during the Declaration Period by delivering the relevant documents referred to in (2) below; and
- (2) deliver the following documents (the “**Required Documents**”) by hand to the H share registrar of Longyuan Power, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong in business hours during the Declaration Period (being 9:00 a.m. – 4:30 p.m. during the period from 10 December 2021 to 14 December 2021 (trading days only)) for registration.

For a Dissenting Shareholder of Longyuan Power (i.e. a Beneficial Owner) whose H Shares held in Longyuan Power are deposited in CCASS:

- (i) the exercise notice, the form of which is attached as Schedule One to this announcement, duly executed by HKSCC Nominees Limited as instructed by the Beneficial Owner through the relevant CCASS participant;
- (ii) the declaration and exercise notice, the form of which is attached as Schedule Two to this announcement, duly executed by the Beneficial Owner;
- (iii) proof to be submitted by the Beneficial Owner or on its/his/her behalf that:
 - (a) HKSCC Nominees Limited has been validly registered as a Shareholder on the share register of Longyuan Power for the H Share(s) held in Longyuan Power in respect of which it intends to exercise its/his/her Right (the “**Dissenting Shares**”) since the Record Date, such as:
 - 1) the CCASS shareholding search results or reports stating the number of H Shares of Longyuan Power HKSCC Nominees Limited holds on behalf of the relevant CCASS participant since the Record Date showing that such number is larger than the number of relevant Dissenting Shares. For CCASS participants who do not have access to, thus cannot obtain, such search results or reports, Longyuan Power is prepared to accept the CCASS

activity statement showing the dissenting voting instruction from such CCASS participant to HKSCC Nominees Limited regarding the relevant resolutions in respect of the Merger at the EGM and H Shareholders Class Meeting of Longyuan Power; and

- 2) if a CCASS participant holds the Dissenting Shares on behalf of the Beneficial Owner or the Beneficial Owner's nominee (the "**Nominee**"), a letter from the relevant CCASS participant confirming that it holds the Dissenting Shares on behalf of the Beneficial Owner or the Nominee since the Record Date, or a record from the relevant CCASS participant stating the number of H Shares of Longyuan Power it holds on behalf of the Beneficial Owner or the Nominee since the Record Date showing that such number is larger than the number of relevant Dissenting Shares.

In the case where the relevant CCASS participant holds the Dissenting Shares on behalf of the Nominee, proof is also required to be submitted by the Beneficial Owner or on its/his/her behalf that the Nominee holds the Dissenting Shares on behalf of the Beneficial Owner. If there are multiple layers of holding relationships between the Nominee and the Beneficial Owner, equivalent proof is required for each layer of such relationship; and

- (b) the Beneficial Owner has held the beneficial title to the Dissenting Shares without any trading in such Dissenting Shares since the Record Date, such as the trading details of the Dissenting Shares issued by the relevant CCASS participant showing that there has been no trading in the Dissenting Shares by the Beneficial Owner or the Nominee.

In the case where the relevant CCASS participant holds the Dissenting Shares on behalf of the Nominee, proof is also required to be submitted by the Beneficial Owner or on its/his/her behalf that the Nominee has held the beneficial title to the Dissenting Shares without any trading in such Dissenting Shares since the Record Date. If there are multiple layers of holding relationships between the Nominee and the Beneficial Owner, equivalent proof is required for each layer of such relationship.

- (iv) proof to be submitted by the Beneficial Owner or on its/his/her behalf that it has validly voted against the relevant resolutions in respect of the Transaction as specified above at each of the EGM and H Shareholders Class Meeting of Longyuan Power in respect of the Dissenting Shares, such as its/his/her voting instruction to the relevant CCASS participant as well as the voting instruction from such CCASS participant to HKSCC Nominees Limited regarding the relevant resolutions in respect of the Transaction at the EGM and H Shareholders Class Meeting of Longyuan Power;

- (v) share certificate of the Dissenting Shares provided by HKSCC Nominees Limited; and
- (vi) the transfer form(s) duly executed by HKSCC Nominees Limited.

For the avoidance of doubt, items (i), (v) and (vi) above may be separately delivered to H share registrar of Longyuan Power by HKSCC Nominees Limited and do not have to be delivered by the Beneficial Owner.

For a Dissenting Shareholder of Longyuan Power whose H Shares held in Longyuan Power are not deposited in CCASS:

- (i) the declaration and exercise notice, the forms of which are attached as Schedule Two to this announcement, duly executed by the Dissenting Shareholder of Longyuan Power;
- (ii) proof that:
 - (a) it has been validly registered as a Shareholder on the H share register of Longyuan Power in respect of the Dissenting Shares since the Record Date; and
 - (b) it has held the Dissenting Shares without any transfer of title in such Dissenting Shares since the Record Date;
- (iii) proof that it has validly voted against the relevant resolutions in respect of the Transaction as specified above at each of the EGM and H Shareholders Class Meeting of Longyuan Power in respect of the Dissenting Shares;
- (iv) share certificate(s) of the Dissenting Shares; and
- (v) the transfer form(s) duly executed by the Dissenting Shareholder of Longyuan Power.

Registration for exercise of the Right in respect of any part of H Shares of Longyuan Power which does not satisfy the Conditions for Exercise will be void. A Dissenting Shareholder of Longyuan Power (and, if applicable, the Beneficial Owner) holding H Shares in Longyuan Power who/which has not completed the above procedure during the Declaration Period or does not satisfy the Conditions for Exercise for whatever reasons will not be entitled to exercise its/his/her Right. In case of any related question on the satisfaction of the Conditions for Exercise, the valid exercise of the Right or submission of the Required Documents, Longyuan Power has the absolute discretion to determine the answer to such question. Any Dissenting Shareholder of Longyuan Power who/which wishes to clarify the above declaration procedures should contact Computershare Hong Kong Investor Services Limited at (852)2862 8555.

All the H Shares of Longyuan Power in respect of which the Right has been validly exercised will be transferred to the Put Option Provider on the Exercise Date. For the Dissenting Shareholders of Longyuan Power who/which have validly exercised their Right to require acquisition of H Shares held by them in Longyuan Power, Hong Kong stamp duty is payable at the rate of 0.13% of the amount of the consideration or the value of the Dissenting Shares at the date on which the contract note for the transfer of the Dissenting Shares falls to be executed. The stamp duty payable will be deducted from the cash received by the Dissenting Shareholders of Longyuan Power who/which have validly exercised the Right. A Dissenting Shareholder of Longyuan Power should consult its/his/her own professional adviser to understand the possible tax implications of exercising the Right. Dissenting Shareholders of Longyuan Power who/which have validly exercised their Right to require acquisition of their H Shares held in Longyuan Power will also need to bear any other applicable tax, fees, levies, costs and expenses arising out of the exercise of their Right and the transfer of their H Shares held in Longyuan Power to the Put Option Provider, which may be deducted from the cash received by the Dissenting Shareholders of Longyuan Power who/which have validly exercised the Right.

In the event of there being multiple declarations and exercise notices of the Right and/or withdrawal of previously submitted declaration(s) and exercise notice(s) of the Right by the same Dissenting Shareholder of Longyuan Power, the number of H Shares of Longyuan Power effectively declared for the exercise of the Right by such Dissenting Shareholder of Longyuan Power will be determined by the last declaration and exercise notice and/or withdrawal of declaration and exercise notice (as applicable) submitted during the Declaration Period.

Procedures after Any Exercise of the Right

If any Dissenting Shareholder of Longyuan Power has validly exercised its/his/her Right, the Dissenting Shares held by such Dissenting Shareholder of Longyuan Power will be transferred to CHN Energy, the Put Option Provider, at a price of HK\$13.84 per Share (the “**Price**”). CHN Energy will pay the transfer price in US dollars, and the price of the Put Option of the Dissenting Shareholders shall be US\$1.77 per Share.

The Dissenting Shareholders of Longyuan Power may face the following circumstances:

- (1) If they accept the Price, their Dissenting Shares will be acquired by the CHN Energy. Upon completion of the acquisition of the Shares in Longyuan Power held by the Dissenting Shareholders of Longyuan Power by CHN Energy, the Dissenting Shareholders of Longyuan Power will no longer be entitled to make any request to Longyuan Power and/or CHN Energy.

- (2) If they do not accept the Price, they may:
- (a) sell off their Dissenting Shares on the secondary market; or
 - (b) continue to hold their Dissenting Shares. They may consult their own professional advisers if necessary.

The above will not affect the implementation of the Transaction pursuant to the agreement on the merger.

Timeline

Event	Date
Declaration Period	
Dissenting Shareholders of Longyuan Power to exercise their Rights and deliver all the Required Documents to the H share registrar of Longyuan Power by hand	9:00 a.m. – 4:30 p.m. during the period from 10 December 2021 to 14 December 2021 (trading days only)
The latest time for Dissenting Shareholders of Longyuan Power to deliver all the Required Documents to the H share registrar of Longyuan Power by hand for the exercise of the Right	4:30 p.m. on 14 December 2021
Announcement of the results of the exercise of the Right	14 December 2021
Posting of remittances for the amounts due to the Dissenting Shareholders of Longyuan Power who/which have validly exercised their Rights (i.e. the Exercise Date) (if applicable) ^(Note 1)	24 December 2021
Transfer of title of the relevant H Shares of Longyuan Power by Dissenting Shareholders of Longyuan Power who/which have validly exercised their Rights to the Put Option Provider (if applicable)	

Note:

1. Remittances in respect of the amounts due to Dissenting Shareholders of Longyuan Power who/ which have validly exercised their Rights will be posted to the relevant Dissenting Shareholders of Longyuan Power by ordinary post at their own risk and subject to receipt by the H share registrar of Longyuan Power, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, of all the relevant documents which render the exercise of Right complete and valid (including but not limited to the Required Documents).

The Dissenting Shareholders of the Company are advised to consider carefully whether to exercise the Put Option,

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

Beijing, the PRC, 9 December 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. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.

* *For identification purpose only*

SCHEDULE ONE
DISSENTING SHAREHOLDER EXERCISE NOTICE

Unless otherwise defined herein, terms used in this notice shall have the same meanings as those defined in the circular of China Longyuan Power Group Corporation Limited* (“**Longyuan Power**”) dated 8 July 2021.

We, HKSCC Nominees Limited, have been instructed by the relevant CCASS participant(s) to hereby submit this exercise notice to the H share registrar of Longyuan Power, Computershare Hong Kong Investor Services Limited, for the purpose of exercising our Right and transferring the title of our Dissenting Shares.

Information on the Dissenting Shareholder(s) of Longyuan Power	
Name	
Number of H Shares of Longyuan Power held for which effective dissenting votes have been casted at the EGM and the H Shareholders Class Meeting of Longyuan Power	
Number of H Shares of Longyuan Power currently held	
Number of H Shares of Longyuan Power in respect of which the Right is exercised	
Contact person and phone number	
Signature(s)	
(Please also affix company chop for corporate Shareholders, if applicable)	 <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> Title:
Date	

SCHEDULE TWO
DISSENTING SHAREHOLDER DECLARATION AND EXERCISE NOTICE¹

Declaration

Unless otherwise defined herein, terms used in this notice shall have the same meanings as those defined in the circular of China Longyuan Power Group Corporation Limited* (“**Longyuan Power**”) dated 8 July 2021.

I/we hereby declare:

1. I/We (where I/we am/are a Beneficial Owner(s), through my/our CCASS participant and HKSCC Nominees Limited) have validly voted against (i) all of resolutions No. 1 (each of the sub-resolutions to be voted separately), 2, 3, 4 and 5 at the EGM of Longyuan Power; and (ii) all of resolutions No. 1 (each of the sub-resolutions to be voted separately), 2, 3, 4 and 5 at the H Shareholders Class Meeting of Longyuan Power and enclose a copy of the relevant proof thereof.
2. I/We have (where I/we am/are a Beneficial Owner(s), HKSCC Nominees Limited has) been validly registered as a shareholder on the share register of Longyuan Power since the record date for the EGM and H Shareholders Class Meeting of Longyuan Power (being 23 July 2021) (the “**Record Date**”) and have held such Shares of Longyuan Power in respect of which I/we intend to exercise my/our right (the “**Dissenting Shares**”) until the date of this notice.
3. I/We (where I/we am/are a Beneficial Owner(s), HKSCC Nominees Limited) will remain validly registered as a shareholder(s) on the share register of Longyuan Power and hold the Dissenting Shares until the date on which the Put Option Provider (the “**Put Option Provider(s)**”) pays cash consideration to me/us and has the H Shares of Longyuan Power held and effectively declared by me/us transferred to it (the “**Exercise Date**”).
4. There was no trading in the Dissenting Shares from the Record Date until the date of this notice and I/we enclose the relevant proof.

5. The Dissenting Shares

- (i) The Dissenting Shares held by me/us are not subject to any encumbrances including but not limited to lien, pledge, security rights, other third-party rights or judicial moratorium. The Dissenting Shares will be sold free from all encumbrances and together with all rights and benefits attaching to them as at the Exercise Date or subsequently becoming attached to them;

- (ii) I/We have not undertaken to Longyuan Power to waive the right as a Dissenting Shareholder(s) in respect of the Dissenting Shares held by me/us (the “**Right**”); and
- (iii) All applicable laws and requirements have been complied with by me/us and the Right is exercisable in accordance with applicable laws and requirements of the relevant jurisdiction.

6. Tax and other expenses

- (i) I/We understand that Hong Kong stamp duty is payable at the rate of 0.13% of the amount of the consideration or the value of the Dissenting Shares at the date on which the contract note for the transfer of the Dissenting Shares has been entered into and such stamp duty will be deducted from the cash received by me/us; and
- (ii) I/We will bear other applicable tax, fees, levies, costs and expenses arising out of or in relation to the exercise of my/our Right and the transfer of the Dissenting Shares held by me/us to the Put Option Provider, which may be deducted from the cash received by me/us.

7. I/We understand that:

- (i) Registration for exercise of the Right in respect of any part of H Shares of Longyuan Power which does not satisfy the Conditions for Exercise will be void;
- (ii) A Dissenting Shareholder of Longyuan Power holding H Shares of Longyuan Power which has not completed the registration procedure in accordance with the announcement of Longyuan Power dated 9 December 2021 during the Declaration Period or does not satisfy the Conditions for Exercise for whatever reasons will not be entitled to exercise its/his/her Right;
- (iii) If the Transaction does not proceed, I/we will not be entitled to exercise my/our Right; and
- (iv) In case of any question on the satisfaction of the Conditions for Exercise, the valid exercise of the Right or submission of the Required Documents, Longyuan Power has the absolute discretion to determine the answer to such question.

¹ Applicable to Beneficial Owners or Dissenting Shareholders whose Dissenting Shares have not been deposited in the CCASS

8. I/We exercise the Right with full understanding of the Conditions for Exercise, having considered all relevant circumstances.

Exercise Notice

I/We, as a Dissenting Shareholder(s) of Longyuan Power holding H Shares of Longyuan Power and satisfying the Conditions for Exercise, hereby (where I/we am/are a Beneficial Owner(s), have instructed my/our CCASS participant to instruct HKSCC Nominees Limited to) exercise the Right in relation to my/our Dissenting Shares set out below.

Information on the Dissenting Shareholder(s) of Longyuan Power	
Name	
Number of H Shares of Longyuan Power held for which effective dissenting votes have been casted at the EGM and the H Shareholders Class Meeting of Longyuan Power	
Number of H Shares of Longyuan Power currently held	
Number of H Shares of Longyuan Power in respect of which the Right is exercised	
HKID number or business registration number	
Contact phone number	
Address	
Name, participant ID (if any) and contact phone number of CCASS participant holding Dissenting Shares	
Type of CCASS participant holding Dissenting Shares (market intermediary or investor participant)	
Signature(s) (Please also affix company chop for corporate shareholders, if applicable)	 <hr/> Title:
Date	