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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)

CONNECTED TRANSACTION CAPITAL INCREASE TO GUONENG TENGXIAN

THE TRANSACTION

On 26 June 2026 (after trading hours), the Company and CHN Energy Guangxi Company entered into a Capital Increase Agreement, pursuant to which the Company and CHN Energy Guangxi Company intend to make a pro rata capital increase to Guoneng Tengxian. The Company intends to increase its capital injection of RMB161,314,530 to Guoneng Tengxian in accordance with its 51% shareholding, and CHN Energy Guangxi Company intends to increase its capital injection of RMB154,988,470 to Guoneng Tengxian in accordance with its 49% shareholding (the “**Transaction**”).

Upon completion of the Transaction, the registered capital of Guoneng Tengxian will be increased from RMB1,363,300,000 to RMB1,679,603,000, the shareholding percentage of the Company and CHN Energy Guangxi Company in Guoneng Tengxian will remain unchanged, and Guoneng Tengxian will remain a non-wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CHN Energy, being the controlling shareholder of the Company, directly and indirectly holds approximately 58.72% of the issued share capital of the Company, and CHN Energy Guangxi Company is a subsidiary of CHN Energy and is a connected person of the Company under Rule 14A.07 of the Listing Rules. Guoneng Tengxian is held as to 51% and 49% equity interests by the Company and CHN Energy Guangxi Company, respectively, pursuant to which Guoneng Tengxian is a connected subsidiary of the Company and constitutes a connected person of the Company. Therefore, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) of the Transaction is (are) more than 0.1% but less than 5%, the Transaction shall be subject to the announcement and annual reporting requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

On 26 June 2026 (after trading hours), the Company and CHN Energy Guangxi Company entered into a Capital Increase Agreement, pursuant to which the Company and CHN Energy Guangxi Company intend to make a pro rata capital increase to Guoneng Tengxian. The Company intends to increase its capital injection of RMB161,314,530 to Guoneng Tengxian in accordance with its 51% shareholding, and CHN Energy Guangxi Company intends to increase its capital injection of RMB154,988,470 to Guoneng Tengxian in accordance with its 49% shareholding.

II. CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are as follows:

Date

26 June 2026

Parties

The Company and CHN Energy Guangxi Company

Subject Matter

The Company and CHN Energy Guangxi Company intend to contribute in cash to make a pro rata capital increase to Guoneng Tengxian. The Company intends to increase its capital injection of RMB161,314,530 to Guoneng Tengxian in accordance with its 51% shareholding, and CHN Energy Guangxi Company intends to increase its capital injection of RMB154,988,470 to Guoneng Tengxian in accordance with its 49% shareholding. Upon completion of the Transaction, the registered capital of Guoneng Tengxian will be increased from RMB1,363,300,000 to RMB1,679,603,000, the shareholding percentage of the Company and CHN Energy Guangxi Company in Guoneng Tengxian will remain unchanged, and Guoneng Tengxian will remain a non-wholly-owned subsidiary of the Company after the completion of the Transaction.

Before and after the completion of the capital increase, the subscribed amount of capital contribution and shareholding percentage of Guoneng Tengxian are as follows (Unit: RMB'0,000)

Shareholder	Subscribed capital contribution before the capital increase			Subscribed capital contribution after the capital increase		
	Amount of capital contribution (RMB'0,000)	Method of capital contribution	Shareholding (%)	Amount of capital contribution (RMB'0,000)	Method of capital contribution	Shareholding (%)
The Company	69,528.30	Cash	51	85,659.753	Cash	51
CHN Energy Guangxi Company	66,801.70	Cash	49	82,300.547	Cash	49
Total	<u>136,330.00</u>		100	<u>167,960.30</u>		100

The capital increase of the Company to Guoneng Tengxian will be financed by internal funds.

Basis for Determining the Amount of the Capital Increase

Guoneng Tengxian's registered capital is RMB1,363,300,000. The capital increase relates to six wind power projects, including Dongli, Dali and Baihuashan, with an installed capacity of 820,000 kilowatts. Based on the progress of the final settlement for each project, cumulative investment amounted to RMB4,448,452,100, of which the capital demand is RMB1,296,423,000, and an additional capital increase shall be RMB316,303,000 after deducting the paid-up capital of RMB980,120,000.

Use of the Amount of the Capital Increase

The capital increase proceeds shall be mainly used to cover the construction and installation works of the Company's various projects as well as the payment for equipment procurement.

Time of Actual Capital Increase

1. The time of actual capital injection shall be determined in accordance with the progress of the project, and shall be no later than 31 March 2027.
2. The Company and CHN Energy Guangxi Company shall pay the capital increase contribution in full and on time. If either party fails to pay its subscribed capital increase contribution in full by the due date as stipulated under this agreement, such defaulting party shall be liable for breach of contract to the shareholders who have fully settled their capital increase contributions, and shall pay the subscribed capital increase contribution in full within a specified time limit.

Conditions Precedent

The Capital Increase Agreement shall become effective upon the fulfilment of all of the following conditions:

1. The Capital Increase Agreement shall become effective on the date when it is signed by the legal representatives of both parties to the agreement or their authorised representatives and stamped with the official seals of the entities.
2. The Capital Increase Agreement shall become effective on the date when all of the following conditions are fulfilled:
 1. The capital increase was approved by the competent decision-making bodies of both parties to the agreement (including but not limited to the shareholders' meeting and the board of directors);
 2. The Transaction was approved by the shareholders' meeting of Guoneng Tengxian.

III. REASONS FOR AND BENEFITS OF THE TRANSACTION

Based on the progress of the completion and final settlement of the Guoneng Tengxian Wind Power Project and the cumulative amount of investment already completed, Guoneng Tengxian is required to increase its registered capital. Following this capital increase, the registered capital of Guoneng Tengxian will be raised from RMB1,363,300,000 to RMB1,679,603,000, with the shareholding ratios remaining unchanged. It will remain a non-wholly-owned subsidiary of the Company, and the Transaction will not have a material impact on the financial position and operating results of the Company. The connected transaction between the Company and CHN Energy Guangxi Company has been conducted on a voluntary, equal and fair basis. CHN Energy Guangxi Company maintains sound financial standing and possesses reliable performance capacity.

The Directors (including independent non-executive Directors) consider that the terms of the Transaction are determined on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Ms. Wang Xuelian and Mr. Zhang Tong, being Directors, hold positions in CHN Energy and have material interests in the Transaction. They have abstained from voting on the resolution for the approval of the Transaction at the Board meeting. Save as disclosed above, there are no other Directors who have any material interests in the Transaction.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, CHN Energy, being the controlling shareholder of the Company, directly and indirectly holds approximately 58.72% of the issued share capital of the Company, and CHN Energy Guangxi Company is a subsidiary of CHN Energy and is a connected person of the Company under Rule 14A.07 of the Listing Rules. Guoneng Tengxian is held as to 51% and 49% equity interests by the Company and CHN Energy Guangxi Company, respectively, pursuant to which Guoneng Tengxian is a connected subsidiary of the Company and constitutes a connected person of the Company. Therefore, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) of the Transaction is (are) more than 0.1% but less than 5%, the Transaction shall be subject to the announcement and annual reporting requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

V. GENERAL INFORMATION

1. Information on the Company

The Company is a leading wind power generation company in the PRC, primarily engaged in the design, development, construction, management and operation of wind farms. In addition to the wind power business, the Company also operates other power projects such as solar power, tidal, biomass and geothermal energy. Meanwhile, the Company also provides consultation, repair and maintenance, training and other professional services to wind farms.

2. Information on CHN Energy Guangxi Company

CHN Energy Guangxi Company is a limited liability company incorporated under the laws of the PRC and is principally engaged in the investment and management of power plants, electricity (heat) production, coal, power generation equipment, new energy, transportation, high and new technology, environmental protection industry and land development. As at the date of this announcement, CHN Energy Guangxi Company is a wholly-owned subsidiary of CHN Energy, and the ultimate beneficial owner of CHN Energy is the SASAC.

3. Information on Guoneng Tengxian

Guoneng Tengxian is a company incorporated in the PRC with limited liability and is principally engaged in new energy development and operation. As at the date of this announcement, Guoneng Tengxian is held as to 51% and 49% equity interests by the Company and CHN Energy Guangxi Company, respectively.

The audited key financial information of Guoneng Tengxian for the two financial years ended 31 December 2025 prepared in accordance with China Accounting Standards for Business Enterprises is set out below:

Unit: RMB0'000

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit before tax	4,324.66	16,111.06
Net profit after tax	<u>4,255.71</u>	<u>16,111.06</u>

As at 31 December 2025

Total assets	525,344.34
Net assets	<u>144,637.98</u>

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“Capital Increase Agreement”	On 26 June 2026, the Company and CHN Energy Guangxi Company entered into a Capital Increase Agreement, pursuant to which the Company and CHN Energy Guangxi Company will make a pro rata capital increase to Guoneng Tengxian
“CHN Energy”	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), as at the date of this announcement, CHN Energy directly and indirectly holds 4,908,598,141 shares (representing approximately 58.72% of the total issued share capital of the Company) in the Company in aggregate, and is the controlling shareholder of the Company
“CHN Energy Guangxi Company”	CHN Energy Guangxi Electric Power Co., Ltd. (國家能源集團廣西電力有限公司), being one of the parties to the capital increase of the Transaction
“Company”	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 SZSE (Stock Code: 001289)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	all the directors of the Company
“Group”	the Company and its subsidiaries
“Guoneng Tengxian”	Guoneng Tengxian Energy Development Co., Ltd.*(國能藤縣能源發展有限公司), being the target company in the Transaction

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“SZSE”	the Shenzhen Stock Exchange
“Transaction”	the Company and CHN Energy Guangxi Company intend to make a pro rata capital increase to Guoneng Tengxian, in accordance with the Capital Increase Agreement
“%”	per cent

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

Beijing, the PRC,
26 June 2026

As at the date of this announcement, 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.

* *For identification purpose only*