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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)

SUPPLEMENTAL ANNOUNCEMENT PROPOSED CHANGE OF AUDITORS

References are made to the announcement (the "**Announcement**") and circular (the "**Circular**") dated 26 June 2026 of China Longyuan Power Group Corporation Limited* (the "**Company**", together with its subsidiaries, collectively the "**Group**") in relation to the proposed change of auditors. Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

Save for the information set out in the Announcement and the Circular, the Company hereby provides its shareholders and potential investors with the following additional information regarding the proposed change of overseas auditors. The Company and all members of the Board warrant that the information disclosed in this announcement is true, accurate and complete and that there are no false records, misleading statements or material omissions herein.

FACTORS CONSIDERED FOR THE CHANGE OF AUDITORS

Pursuant to the provisions of the Company's procurement management, the Company shall select and appoint auditors through public tender. In 2023, the Company selected and appointed Zhongshen Zhonghuan as its PRC auditor for the years from 2023 to 2025 through a public tender (still subject to re-election by way of ballot at the shareholders' meeting each year). In order to optimise the management arrangements for external audit institutions and ensure that the selection cycles for domestic and international audit institutions are synchronised, the Company set the term of service engagement for the international auditor as the years from 2024 to 2025 when selecting and appointing its international auditor for the year 2024 through a public tender in 2024. As the former auditors' term of appointment has expired, and based on the results of the public tender for external auditors in the new round of selection (still subject to re-election by way of ballot at the shareholders' meeting each year), upon obtaining the recommendation from the Audit Committee, the Board proposed to engage Ernst & Young Hua Ming and Ernst & Young as the PRC auditor and international auditor of the Company for the year 2026, respectively.

The Audit Committee has taken into account all assessment factors set out in the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by the Accounting and Financial Reporting Council (the "**AFRC**") on 16 December 2021 (the "**Guide**"), details of which are as follows:

1. Governance and Leadership

Ernst & Young has established a robust governance framework and quality management system. Its quality management system complies with the requirements set forth in auditing standards such as the International Standard on Quality Management 1 and the Hong Kong Standard on Quality Management 1, and includes annual monitoring and quality management procedures, comprising assessments of its quality management system, annual quality risk assessments, and related compliance reviews.

The Audit Committee has reviewed its governance framework, quality management policies, and leadership oversight mechanisms, and is satisfied that it possesses the capability to deliver high-quality audit services.

2. Compliance with Professional Ethics and Independence Requirements

The Audit Committee has considered Ernst & Young's independence and objectivity, and is of the view that auditor independence is critical to the audit engagement. Based on the information provided by Ernst & Young, it has established appropriate systems and procedures to ensure its independence from the Company, including client acceptance and continuance assessments, independence reviews, and conflict-of-interest checks, to confirm that there is no financial, business, employment or other relationships between Ernst & Young (including its partners and audit team members) and the Company, its directors or substantial shareholders that could impair its independence. The Audit Committee has also considered Ernst & Young's internal quality management and independence safeguard mechanisms, including professional ethical requirements and project partner rotation arrangements, and based on currently available information, has not noted any circumstances that could impair its independence from the Company, and considers that Ernst & Young possesses sufficient independence and objectivity to fulfil its duties as the auditor.

3. Industry Knowledge and Professional Competence

With respect to Ernst & Young's industry knowledge and professional competence, the Audit Committee has considered the relevant information provided by Ernst & Young and is of the view that, given its extensive experience in auditing listed companies and its professional resources, Ernst & Young has the capability to undertake audit engagements for companies of varying sizes and with different business models.

The Audit Committee has also considered Ernst & Young's market reputation and industry standing, and noted that Ernst & Young has been established in Hong Kong for over 45 years and is one of the Big Four international accounting firms. As a member of the Ernst & Young global network, which spans over 150 jurisdictions and comprises more than 403,000 professionals, it possesses the scale and resources necessary to deliver high-quality audit services.

The Audit Committee has further considered the proposed engagement team to be assigned by Ernst & Young. The team comprises approximately six core partners, including an engagement partner and an engagement quality control partner. The engagement partner is a Hong Kong practising accountant, and both the engagement partner and the engagement quality control partner are registered as responsible individuals for public interest entity engagements with the AFRC. In addition, the engagement team is supported by specialist teams in areas such as taxation and information technology.

Furthermore, the Audit Committee has considered Ernst & Young's experience in providing audit services to Hong Kong listed companies (including the qualifications and experience of the proposed engagement partner and other engagement team members), its internal quality management procedures, its experience in auditing public interest entities, and its extensive audit experience in the power industry. After considering the above factors collectively, the Audit Committee is satisfied that Ernst & Young possesses the industry knowledge, professional experience and technical capabilities required to support the Group's audit engagement.

4. Engagement Execution

The Audit Committee has reviewed the engagement team proposed to be assigned by Ernst & Young, the resources to be deployed, and the audit arrangements. Ernst & Young proposes to assign a dedicated engagement team to be responsible for the Company's audit, comprising approximately six core partners and other experienced professionals.

5. Communication and Interaction with the Audit Committee and Monitoring Procedures

Based on the information provided by Ernst & Young, the Audit Committee has reviewed the proposed communication plan and interaction arrangements between Ernst & Young and the Audit Committee. Upon formal appointment, Ernst & Young will maintain ongoing communication with the Audit Committee and the Company's management regarding the audit progress, to ensure that key audit matters are properly addressed in a timely manner. The Audit Committee is of the view that such communication arrangements will facilitate timely and effective two-way communication on significant financial reporting and audit matters, and are in compliance with the relevant requirements of the Corporate Governance Code.

Ernst & Young has established robust quality monitoring procedures, and its quality management system complies with the requirements of the International Standard on Quality Management 1 and the Hong Kong Standard on Quality Management 1, with annual monitoring and quality review procedures in place. Based on the inspection results of the AFRC in respect of Ernst & Young, Ernst & Young has not been subject to any sanctions or disciplinary actions in the past five years, and the relevant inspection results demonstrate that Ernst & Young has consistently complied with applicable professional standards, thereby reducing the risk of deficiencies that could affect audit quality. The records of the Hong Kong Institute of Certified Public Accountants also show that the engagement partner and other key audit team members maintain good compliance records.

Based on the foregoing factors, the Audit Committee is satisfied that the quality monitoring procedures established by Ernst & Young are conducive to the consistent delivery of high-quality audit services and demonstrate its ability to sustain audit quality in accordance with applicable professional standards and regulatory requirements.

6. Key Considerations for Assessing Audit Fees

As disclosed in the Announcement, the Company expects that each of the audit fees of the PRC and international auditors for the year 2026 will be no more than RMB7.65 million (tax inclusive), respectively, which are determined on the basis of the Company's asset size, audit scope and workload, and in accordance with the principle of fairness, and on the assumption that there will be no material changes in the Group's business and operations, accounting policies or regulatory environment, and that the Group will provide appropriate assistance and data in a timely manner as required for the audit. For the year 2025, the audit fees of the Company's PRC and international auditors were RMB16.9422 million (tax inclusive) and RMB14.80 million (tax inclusive), respectively. The main reason for the decrease in the estimated audit fees for 2026 as compared to 2025 is that the aforesaid audit fees for 2025 included the fees for issuing statutory final accounts audit reports and other special audit reports for subsidiaries, whereas the audit fees for the engagement of the auditors for 2026 do not include such fees.

After considering the aforesaid factors, the Board and the Audit Committee confirm that the new auditors possess the independence, professional competence, and adequate resources (including staffing, professional qualifications, time allocation, and other supporting resources) necessary to perform a high-quality audit. The proposed change of auditors is in the overall interests of the Company and its shareholders.

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

Beijing, the PRC
14 July 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*