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
ACQUISITION OF KUN U 100M IND PO ER PROJECT IN HENAN

THE TRANSACTION

The Board of the Company approves that, Shanghai Investment Company, a wholly-owned subsidiary of the Company, will enter into the Acquisition Agreement with Xinyuan No.1 Fund, which will be signed no later than 30 September 2026. Pursuant to this, Shanghai Investment Company conditionally agrees to acquire and Xinyuan No.1 Fund conditionally agrees to sell 100% equity interest in the Target Company at a consideration of RMB148,640,000, the final consideration shall not exceed the valuation filed with the state-owned assets supervision and administration authority. The Target Company invests in and operates the Kunwu 100MW Wind Power Project in Henan.

Prior to the completion of the Transaction, the Target Company was not a subsidiary of the Company. Upon completion of the Transaction, the Target Company will become a subsidiary of the Company, and its financial performance will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CHN Energy directly and indirectly holds approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules. Xinyuan No.1 Fund is a subsidiary of CHN Energy, constituting a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

I. INTRODUCTION

The Board of the Company approves that, Shanghai Investment Company, a wholly-owned subsidiary of the Company, will enter into the Acquisition Agreement with Xinyuan No.1 Fund, which will be signed no later than 30 September 2026. Pursuant to this, Shanghai Investment Company conditionally agrees to acquire and Xinyuan No.1 Fund conditionally agrees to sell 100% equity interest in the Target Company at a consideration of RMB148,640,000, the final consideration shall not exceed the valuation filed with the state-owned assets supervision and administration authority. The Target Company invests in and operates the Kunwu 100MW Wind Power Project in Henan.

Prior to the completion of the Transaction, the Target Company was not a subsidiary of the Company. Upon completion of the Transaction, the Target Company will become a subsidiary of the Company, and its financial performance will be consolidated in the financial statements of the Company.

II. ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are as follows:

P

Purchaser: Shanghai Investment Company

Transferor: Xinyuan No.1 Fund

T T

The 100% equity interest in the Target Company held by Xinyuan No.1 Fund

C B D C

According to the Asset Valuation Report issued by China Enterprise Appraisals Consultation Co., Ltd. ("**CEA**"), an independent and qualified asset appraisal institution, for the Target Company, with 30 April 2026 as the benchmark date ("**B D**"), adopting the appraisal results under the income approach, the valuation of the total equity of the Target Company's shareholders was RMB149,448,100.

The consideration shall be RMB148,640,000, and the final consideration shall not exceed the valuation filed with the state-owned assets supervision and administration authority.

The consideration for the Transaction was determined by the Company and Xinyuan No.1 Fund through fair negotiation with reference to the valuation of the equity in the Target Company, considering market conditions and the future business prospects of the Target Company.

P M C

First payment: Shanghai Investment Company shall pay 51% of the total consideration to Xinyuan No.1 Fund within 10 working days upon the satisfaction of the completion conditions precedent to the first payment as set out in the Acquisition Agreement.

Second payment: Shanghai Investment Company shall pay 49% of the total consideration to Xinyuan No.1 Fund within 10 working days upon the satisfaction of the completion conditions precedent to the second payment as set out in the Acquisition Agreement.

C

The date on which the Acquisition Agreement takes effect and the Target Company completes the industrial and commercial change registration formalities for equity transfer shall be deemed the date on which Xinyuan No.1 Fund transfers the real control of the Target Company to Shanghai Investment Company.

A D L

Profits generated by the Target Company from the grid connection of the Kunwu Project to the Valuation Benchmark Date shall belong to Xinyuan No.1 Fund, and profits for such period may be paid by way of shareholder dividends or in cash. From the day following the Valuation Benchmark Date, all profits and losses of the Target Company shall be for the account of Shanghai Investment Company.

D L

If any party to the Acquisition Agreement fails to perform or fully perform any of its undertakings or obligations under the Acquisition Agreement, or any warranty or undertaking made by it under the Acquisition Agreement is untrue or not be fully performed, such party shall be deemed to be in breach of contract. The breaching party shall pay liquidated damages and compensate and bear all losses incurred or suffered by the non-defaulting party as a result of such default.

C P

The Acquisition Agreement shall take effect upon being signed by the legal representative, the representative appointed by the managing partner or their authorised representative of each contracting party and affixed with the official seal.

III. FURTHER INFORMATION ON THE VALUATION

The income approach was adopted in preparing the valuation of 100% equity interest of the Target Company, which constitutes a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**"). For general information, key input parameters and assumptions regarding the valuation of the Target Company (the "**Valuation**") (including the valuation presented by the Company pursuant to Rule 14.60A of the Listing Rules), please refer to Appendix I of this announcement.

The reporting accountant of the Company, Baker Tilly Hong Kong Limited ("**Baker Tilly**"), has reviewed the calculation methodology underlying the Valuation of the Target Company and issued a report. The Board has confirmed that the Profit Forecast was prepared after due and careful inquiry. Pursuant to Rule 14.60A of the Listing Rules, the letters issued by Baker Tilly and the Board are set out in Appendix II and Appendix III to this announcement respectively.

E L C

Name	**Qualification**
CEA	Qualified PRC Appraisal Institution
Baker Tilly	Reporting Accountants, Certified Public Accountants, Registered Public Interest Entity Auditors

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, CEA and Baker Tilly are each independent of the Group and its connected persons as third parties. As at the date of this announcement, neither CEA nor Baker Tilly has any interest in any member companies of the Group or any rights (whether legally enforceable or not) to subscribe for or nominate any person to subscribe for any securities of any member companies of the Group. CEA and Baker Tilly have each given their written consents dated 27 August 2026 to the publication of this announcement, agreeing to the inclusion of their names, opinions, recommendations and references to their names (including their qualifications) in the form and context in which they appear in this announcement, and such written consents have not been withdrawn as at the date hereof.

I . RATIONALE AND BENEFITS OF THE TRANSACTION

To optimise the Company’s industrial layout in northern Henan and increase its market share, the Company proposes to complete the acquisition of the Kunwu 100 MW Wind Power Project (the “**K P**”) (昆吾項目) in Puyang City, Henan Province via the Transaction. The Kunwu Project is invested and constructed by the Target Company. As a provincial key wind power project, it has now achieved grid-connected power generation.

Upon completion of the Transaction, the Company will further increase its market share in northern Henan, generate cluster effects together with existing projects and optimise its regional industrial layout.

The Directors (including the independent non-executive Directors) consider that notwithstanding that the Transaction is not in the ordinary course of the Company’s business, the terms of the Transaction are entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Ms. Wang Xuelian and Mr. Zhang Tong, the Directors of the Company, hold positions at CHN Energy and therefore have a material interest in the Transaction. They have abstained from voting on the Board resolution approving the Transaction. Save as disclosed above, none of the other Directors of the Company has any material interest in the Transaction.

. LISTING RULES IMPLICATIONS

As at the date of this announcement, CHN Energy directly and indirectly holds approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules. Xinyuan No.1 Fund is a subsidiary of CHN Energy, constituting a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

I. GENERAL INFORMATION

1. I C

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 and tidal energy. Meanwhile, the Company also provides consultation, repair and maintenance, training and other professional services to wind farms.

2. I S I C

Shanghai Investment Company is a limited liability company incorporated in China. It principally conducts investments in fields permitted for foreign investment by the state in accordance with law; assists or acts as an agent for its invested enterprises in procuring equipment for their own use from domestic sources; provides services for its invested enterprises including technical support, staff training and internal human resources management in the course of product production, sales and market development; balances foreign exchange among its invested enterprises subject to the approval and supervision of foreign exchange administrative authorities; undertakes service outsourcing businesses from its parent company and affiliates; assists its invested enterprises in seeking loans and providing guarantees; and engages in wholesale, import and export, and commission agency (excluding auctions) of wind turbine generator sets and their components, and coal.

3. I N .1 F

Xinyuan No.1 Fund is a limited liability partnership established in the PRC, primarily engaged in investment management and asset management.

4. I T C

The Target Company is a limited liability company incorporated in China, primarily engaged in power generation, power transmission, power supply (distribution) businesses and others. As at the date of this announcement, Xinyuan No.1 Fund holds 100% equity interest in the Target Company. Xinyuan No. 1 Fund's original acquisition cost for 100% equity interest in the Target Company was RMB159.64 million.

The Target Company is responsible for the investment and construction of the Kunwu Project. Located in Puyang County, Puyang City, Henan Province, the Kunwu Project has an installed capacity of 100 MW. One new 110 kV step-up substation has been constructed for the project. The project commenced construction in April 2024 and achieved full-capacity grid connection for power generation in January 2025.

The audited principal financial information of the Target Company prepared under PRC Accounting Standards for Business Enterprises for the two financial years ended 31 December 2025 is set out below:

Unit: RMB

	F 31 D 2025	**F 31 D 2024**
Total profit	8,647,788.99	–
Net profit	8,547,026.72	–

	A 30 A 2026
Total assets	591,879,310.61
Net assets	121,899,767.10

II. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Acquisition Agreement"	Shanghai Investment Company and Xinyuan No.1 Fund will enter into the Acquisition Agreement, pursuant to which Shanghai Investment Company shall acquire the 100% equity interest in Yuanjing New Energy held by Xinyuan No.1 Fund
"Asset Valuation Report"	the "Asset Valuation Report on the Total Equity Value of the Shareholders of Yuanjing New Energy (Puyang) Co., Ltd. Involved in Longyuan Power Group (Shanghai) Investment Co., Ltd.'s Proposed Acquisition of Equity Interests in Yuanjing New Energy (Puyang) Co., Ltd." (No.: Zhong Qi Hua Ping Bao Zi (2026) No. 1728) issued by China Enterprise Appraisals Consultation Co., Ltd.
"Board"	the board of Directors of the Company

“CHN Energy”	China Energy Investment Corporation Co., Ltd. (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 of the Company (approximately 58.72% of the total issued share capital of the Company), and is a controlling shareholder of the Company
“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, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 00916), and the A shares of which are listed on the Shenzhen Stock Exchange (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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kunwu Project”	the Kunwu 100 MW Wind Power Project in Puyang City, Henan Province held by the Target Company, which has achieved grid-connected power generation
“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

"Shanghai Investment Company"	Longyuan Power Group (Shanghai) Investment Co., Ltd. (龍源電力集團(上海)投資有限公司), is the purchaser under the Transaction
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Transaction"	the acquisition by Shanghai Investment Company of 100% equity interest in Yuanjing New Energy held by Xinyuan No.1 Fund pursuant to the Acquisition Agreement
"Xinyuan No.1 Fund"	Beijing Xinyuan No. 1 Equity Investment Fund Partnership (Limited Partnership) (北京新源壹號股權投資基金合夥企業(有限合夥)), is the transferor under the Transaction
"Yuanjing New Energy" or "Target Company"	Yuanjing New Energy (Puyang) Co., Ltd. (濮陽縣遠景新能源有限公司), is the Target Company under the Transaction
"%"	percentage

By order of the Board
C L P G C L *
G
Chairman

Beijing, the PRC
27 August 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*

S A R T E S N E (P) C ., L . I L P G (S) I C ., L .' P A E N E (P) C ., L .– A N T E S N E (P) C ., L . I L P G (S) I C ., L .' P A E N E (P) C ., L .–

China Enterprise Appraisals Consultation Co., Ltd. has evaluated the market value of the total equity of shareholders of Yuanjing New Energy (Puyang) Co., Ltd. as of the Valuation Benchmark Date, in relation to the proposed acquisition of 100% equity interest in Yuanjing New Energy (Puyang) Co., Ltd. by Longyuan Power Group (Shanghai) Investment Co., Ltd.

Subject of Valuation: The total equity value of shareholders in Yuanjing New Energy (Puyang) Co., Ltd. as of the Valuation Benchmark Date

Scope of Valuation: All assets and liabilities of Yuanjing New Energy (Puyang) Co., Ltd.

Valuation Benchmark Date: 30 April 2026

Type of Value: Market value

Valuation Approaches: Income approach and market approach

Valuation Conclusion: In this valuation, the valuers employed both the income approach and market approach to evaluate the subject of valuation, with the income approach being adopted as the final valuation conclusion.

Based on the income approach, the total equity value of shareholders in Yuanjing New Energy (Puyang) Co., Ltd. as of the Valuation Benchmark Date was RMB149.4481 million, compared with its net book assets of RMB121.8998 million, representing an appreciation of RMB27.5483 million and an appreciation rate of 22.60%.

I. ALUATION METHODOLOG

The income approach refers to an appraisal method that capitalises or discounts the expected income of the valuation subject to determine its value.

The market approach refers to an appraisal method that determines the value of a valuation subject by comparing it with comparable listed companies or comparable transaction cases.

The asset-based approach refers to an appraisal method that determines the value of a valuation subject by assessing the values of various on-balance-sheet assets and liabilities as well as identifiable off-balance-sheet assets and liabilities based on the balance sheet of the valuation subject as of the Valuation Benchmark Date.

The valuation methods adopted for this valuation are: the income approach and the market approach. The reasons for selecting these methods are as follows:

As the Yuanjing (Puyang) Kunwu Wind Farm Project invested in and operated by the appraised entity enjoys abundant wind resources and high utilisation hours, the asset-based approach only reflects the replacement cost of the enterprise's existing assets and fails to reflect the comprehensive profit-making capacity of the enterprise's various assets as well as the comprehensive value of resources. Accordingly, the asset-based approach is not applicable. The appraised enterprise has provided information on assets and liabilities within the valuation scope, together with data and materials for future operating income forecasts. Based on the supplied feasibility study reports, technical due diligence documents and other materials, future income can be reasonably forecast. Therefore, the income approach is adopted for this valuation. In recent years, domestic corporate merger and acquisition activities have become increasingly active. Certain specific conditions affecting transaction prices associated with M&A cases and relevant data are available from public transaction announcements to support value analysis, rendering the market approach suitable for this valuation. By analysing the preliminary valuation results derived from the two approaches, a reasonable valuation conclusion is formed on the basis of comprehensive consideration of the reasonableness of different valuation approaches and their preliminary results as well as the quality of data adopted.

II. ALUATION ASSUMPTIONS

The assumptions adopted in the analysis and estimation of this assets valuation report are as follows:

1. It is assumed that all targets to be valued are in the process of transaction, and the professional valuer conduct the valuation in a simulated market according to the transaction conditions of assets to be valued;

2. It is assumed that for assets traded or intended to be traded in the market, the parties to the asset transaction shall have equal status, and also have opportunity and time to gain sufficient market information. The transaction acts are voluntary and rational, and the parties can make rational judgements on the functions, purposes and trading prices of the assets;

3. It is assumed that there are no significant changes in the current relevant laws, regulations, policies, and macroeconomic situation of the country, and that there are no significant changes in the political, economic, and social environment of the regions where the parties to the transactions are located;

4. Based on the actual condition of the assets as of the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;

5. It is assumed that, save for known matters, there are no significant changes in interest rates, exchange rates, tax basis and tax rates, policy-related collection fees, etc. related to the appraised entity after the Valuation Benchmark Date;

6. It is assumed that the management of the appraised entity is responsible, stable, and capable of assuming their positions after the Valuation Benchmark Date;

7. Unless otherwise stated, it is assumed that the company fully complies with all relevant laws and regulations;

8. It is assumed that no force majeure or unforeseeable factors have a significant adverse impact on the appraised entity after the Valuation Benchmark Date;

9. It is assumed that the appraised entity will operate normally within the designed life of the power station;

10. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date will be substantially consistent in all material respects with those applied in the preparation of this Asset Valuation Report;

11. It is assumed that, based on its existing management methods and standards, the appraised entity will maintain its business scope and operational approach consistent with the present after the Valuation Benchmark Date.

12. It is assumed that the cash inflow of the appraised entity after the Valuation Benchmark Date is the average inflow, and the cash outflow is the average outflow;

13. It is assumed that the information disclosed by the comparable listed companies is true, accurate and complete;

14. It is assumed that the valuer conducts the valuation based on publicly disclosed relevant information of comparable listed companies, without considering the impact of other non-public factors.

15. As of the Valuation Benchmark Date, the Henan provincial electricity market has commenced the trial operation of continuous spot settlement and the mechanism-based price difference settlement policy. For the purpose of this valuation, forecast electricity prices are formulated with reference to the implementation plan for the market-oriented reform of new energy feed in tariffs in Henan Province, the settlement status of Henan power spot market and the bidding results of incremental projects, combined with on-site interviews. The forecast future mechanism-based electricity price is RMB0.3779/kWh (tax inclusive), the market transaction price is RMB0.275/kWh (tax inclusive), and the market operation fee is RMB-0.025/kWh (tax inclusive). This valuation assumes that there will be no material changes in the electricity prices and trading policies of the appraised entity in future years;

16. The preferential enterprise income tax treatment for the appraised entity refers to the Notice on the Publication of Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment (2008) (《公共基礎設施項目企業所得稅優惠目錄(2008 年版)》), issued by the National Development and Reform Commission pursuant to Cai Shui [2008] No. 116, which provides that "where an enterprise engages in public infrastructure projects approved on or after 1 January 2008 that satisfy the relevant conditions, technical standards and relevant provisions on national investment management as specified in the Catalogue, income derived from the investment and operation of such projects shall be exempted from enterprise income tax for the first three tax years commencing from the tax year in which the project obtains its first production and operation income, and shall be subject to enterprise income tax at half the statutory rate for the fourth to sixth tax years". The enterprise income tax rate applicable to the appraised entity is 0% for 2025 to 2027, 12.5% for 2028 to 2030, and 25% for 2031 and thereafter;

17. As of the Valuation Benchmark Date, the completion final accounts settlement for the Yuanjing (Puyang) Kunwu Wind Farm Project has not yet been finished. Under the income approach valuation for this assignment, valuation parameters including the project's fixed asset investment and project construction period are determined based on contracts, project feasibility study reports and the enterprise's operation plans provided by the appraised entity. This valuation assumes that no material changes will occur to the aforesaid total investment in the future.

The valuation conclusion set out in the Asset Valuation Report is valid as at the Valuation Benchmark Date subject to the aforesaid assumptions. Should there be any material change to such assumptions, the undersigned asset valuer and the valuation institution shall not be liable for any different valuation conclusion derived from such changed assumptions.

III. KE PARAMETER FORECAST METHODOLOG FOR THE ALUATION

(I) I

This Asset Valuation Report adopts the Free Cash Flow to Equity (FCFE) discount model under the discounted cash flow method. Specifically, based on the free cash flow to equity generated over several future years, the present value of free cash flow to equity is calculated by aggregating the amounts discounted at an appropriate discount rate. The value of entire shareholders' equity is then derived by adding the value of surplus assets and non-operating assets thereto.

Value of entire shareholders' equity= value of operating assets + value of surplus assets + value of non-operating assets

1.

Operating assets refer to the assets and liabilities, related to the production and operation of the appraised entity and involved in the equity free cash flow forecast after the Valuation Benchmark Date. The formula for calculating the value of operating assets is detailed as follows:

$$P = \sum_{t=1}^{n} \frac{R_t}{(1+i)^t}$$

Where, P: The value of enterprise's operating assets on the Valuation Benchmark Date

R_t: The expected free cash flow of the enterprise for the t th year in the future

i: Discount rate

t: Forecast year

n: The duration of forecast period

In accordance with the principle of consistency between the income measure and the discount rate, the income measure for this valuation is free cash flow to equity. Accordingly, the cost of equity is calculated by using the Capital Asset Pricing Model ("**CAPM**").

The calculation formula is as follows:

$K_e = r_f + MRP \times \beta + r_c$

Where, r_f: Risk-free rate；

MRP: Market risk premium;

β: Systematic risk coefficient for equity;

r_c: Company-specific Risk Adjustment Factor.

2. D

Surplus assets refer to assets in excess of the enterprise's production and operation requirements as at the Valuation Benchmark Date, which are not covered in the forecast of equity cash flows subsequent to the Valuation Benchmark Date. The surplus assets of the appraised entity consist of monetary funds, which are valued using the cost approach in this valuation.

3.

Non-operating assets and non-operating liabilities refer to assets and liabilities that are unrelated to the production and operation of the appraised entity and not covered in the forecast of equity cash flows after the Valuation Benchmark Date. They mainly include other receivables, fixed assets (the outgoing transmission lines (including system-side bays) proposed to be repurchased by State Grid Puyang Power Supply Company), accounts payable, other payables and non-current liabilities due within one year. The cost approach is adopted for this valuation.

(II) C

1. F

The principal business of the appraised entity is wind power generation, and its revenue is derived from electricity sales.

Revenue from electricity sales = mechanism-based electricity volume × mechanism-based electricity price (tax exclusive) + market-based on-grid electricity volume × market-based electricity sales price (tax exclusive) + market operation fees

(1) Forecast of electricity volume

The on-grid electricity volume is mainly related to the installed capacity, utilisation hours, curtailment rate and overall efficiency.

On-grid electricity volume = installed capacity × utilisation hours of power generation × (1 – ration limitation rate and overall lines loss rate)

For this valuation, the forecast utilisation hours are mainly based on the power-generation utilisation hours set out in the Technical Due Diligence Report for Yuanjing (Puyang) Kunwu Wind Farm Project (《遠景濮陽昆吾風電場項目技術盡職調查報告》). Energy losses such as auxiliary power consumption and line losses have already been factored into the equivalent utilisation hours in the technical due diligence report with respect to the overall lines loss rate, and shall not be separately considered. In respect of curtailment, the future curtailment rate adopted in this valuation is forecast with reference to the historical local curtailment level of the project, combined with projected consumption conditions. Namely: the curtailment rate for 2026 to 2029 is set at 6% by reference to the actual curtailment level of surrounding commissioned projects; the curtailment rate will gradually decrease from 2030 onwards.

Given the relatively short operation period since the commissioning of this project, the proportion of mechanism-based electricity volume for the purpose of this valuation is forecast at 69.8%, after taking into account the actual settlement ratio of the project itself, the settlement ratios of similar commissioned wind power projects in the region, the impact of inter-provincial deep peak-shaving electricity volume, as well as references to enterprise interviews.

This project was connected to the grid and commissioned in January 2025 as an existing stock project. Henan Province falls under Class IV resource zone, with a reasonable full life-cycle utilisation hour figure of 36,000 hours for wind power. Pursuant to the prevailing policies, the implementation period for the mechanism-based electricity price shall be the earlier of (i) the number of years converted based on the remaining reasonable full life cycle utilisation hours and (ii) 20 years from the commissioning date. As from January 2026, new energy power generation projects in Henan Province are subject to full volume market-oriented access. Non-mechanism-based electricity volume may voluntarily participate in the medium- and long-term power market, while all residual electricity volume shall enter the Henan power spot market and be settled at the real time spot clearing price.

Based on the aforesaid forecast ideas, the forecast results of on-grid electricity volume for future years of the Yuanjing (Puyang) Kunwu Wind Farm Project are set out below:

I	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Mechanism-based electricity volume (10,000 kWh)	10,436.68	15,655.02	15,655.02	15,655.02	15,754.95	15,844.88	15,925.82
Market-based transaction electricity volume (10,000 kWh)	4,515.58	6,773.38	6,773.38	6,773.38	6,816.61	6,855.52	6,890.54
I	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**
Mechanism-based electricity volume (10,000 kWh)	15,998.67	16,064.23	16,123.23	16,176.34	16,224.13	16,267.15	16,305.86
Market-based transaction electricity volume (10,000 kWh)	6,922.06	6,950.43	6,975.96	6,998.93	7,019.61	7,038.22	7,054.97
I	**2040**	**2041**	**2042**	**2043**	**2044**		
Mechanism-based electricity volume (10,000 kWh)	16,340.70	0.00	0.00	0.00	0.00		
Market-based transaction electricity volume (10,000 kWh)	7,070.05	23,455.67	23,496.11	23,532.50	23,565.25		

(2) Determination of on-grid electricity price

① Mechanism-based electricity price

Henan's provincial electricity market has launched the trial operation of continuous spot settlement and the policy for mechanism-based price difference settlement. Pursuant to the Implementation Plan for the Market-oriented Reform of On-grid Electricity Prices for New energy Projects in Henan Province (河南省新能源上網電價市場化改革實施方案), the mechanism-based electricity price for existing wind power projects is RMB0.3779/kWh (tax inclusive).

② Market transaction price

The market-oriented electricity price is comprehensively determined by reference to the actual average market-based settlement price of existing wind power projects in the surrounding area of the project, the transaction prices under Henan's power spot market operation, the bidding transaction levels for mechanism-based electricity volume of incremental new energy projects within the province, together with enterprise interviews. For this valuation, the forecast market-oriented transaction electricity price is set at RMB0.275/kWh (tax inclusive).

③ Market operation fees

Market operation fees cover auxiliary services, the two rules, system operation fees and apportioned expenses. By taking into account the policy requirements for market-oriented electricity pricing for new energy projects in Henan Province, the fluctuation trend of regional power transaction prices in recent years and enterprise interviews, the market operation fees for the forecast period are projected at RMB -0.025/kWh (tax inclusive).

2. F

Operating costs of principal activities include depreciation and amortization, material expenses, energy storage rental fees, repair expenses and other expenses.

(1) Depreciation and amortisation

It includes depreciation and amortisation provisions for fixed assets, intangible assets and the like. It is predicted with reference to the relevant depreciation and amortisation policies implemented by the enterprise in this valuation.

(2) Material expenses

They represent the material procurement costs incurred by the appraised entity in operating the power station, and are predicted based on the industry standards and enterprise interviews in this valuation.

(3) Energy storage rental fees

The total energy storage capacity for this project is 50 MW/100 MWh. The energy storage system is provided on a lease basis, and the annual energy storage rental fees are predicted at RMB9.1 million based on the Energy Storage Project Capacity Lease Agreement (《儲能項目容量租賃協議》).

(4) Repair expenses

They represent the repair and maintenance costs incurred by the appraised entity for equipment maintenance in operating the power station, and are predicted based on management planning and enterprise interviews in this valuation.

(5) Other expenses

They represent other expenses incurred by the appraised entity in operating and managing the power stations, and are predicted based on management planning and industrial expense standards in this valuation.

3. F

Taxes and surcharges of the appraised entity include: urban construction tax, education surtax, local education surtax and stamp duty. Among others, the urban maintenance and construction tax is 1%, the education surtax 3%, the local education surtax 2%, and the stamp duty 0.03%. The appraised entity is expected to have input tax pending deduction of RMB45.9658 million during the construction period. For the input tax pending deduction in this valuation, based on the forecast results of output value-added tax and input tax for future years, the current-period deductible input tax and payable value-added tax are forecast, so as to derive the forecast of taxes and surcharges for the current period.

4. S

For this valuation, selling expenses are not forecast separately and are incorporated into the forecast of operating costs of principal activities.

5. A

For this valuation, administrative expenses are not forecast separately and are incorporated into the forecast of operating costs of principal activities.

6. F

The financial expenses of the appraised entity mainly consist of interest expenses arising from long-term borrowings from financial institutions for fund raising in respect of project construction.

7. F

Income tax is calculated based on taxable income. The taxable income of this project represents the balance derived from power generation income less costs, taxes and surcharges, and financial expenses. The income tax rate is forecast with reference to relevant laws and regulations. The enterprise income tax rate of the appraised entity is 0% for 2025 to 2027, 12.5% for 2028 to 2030, and 25% for 2031 and subsequent years.

8. F

It is determined in accordance with the enterprise's expected future fixed assets and intangible assets based on the enterprise's accounting policies for depreciation and amortisation, so as to forecast depreciation and amortisation for future years.

9. F

Given that no new build projects are expected to be undertaken by the appraised entity in the future, no separate forecast of capital expenditure is made in this valuation, and routine maintenance expenditures are incorporated into operating costs.

10. F

(i) Working capital as at the Valuation Benchmark Date

The enterprise's working capital as at the Valuation Benchmark Date is determined based on the valuation results under the cost approach after eliminating surplus assets, interest-bearing debt, non-operating assets and liabilities and other adjustments. The working capital for future years is forecast based on the electricity payment collection of the enterprise, taking into account the business condition of the enterprise and the operation characteristics of the industry and after communicating with the financial personnel of the enterprise.

Based on the above calculation, the working capital as at the Valuation Benchmark Date is RMB3,445,900.

(2) Forecast of increase in working capital

Working capital to be added for subsequent years = working capital required for the current year – working capital required for the preceding year

After the valuers conducted interviews with the enterprise and understood its settlement methods, the working capital for the forecast period of this project is mainly predicted based on capital requirements, with the forecast results as set out below:

Unit: RMB0'000

I	D M 2026	2027	2028	2029	2030	2031	2032
Changes in working capital	27.70	-151.42	-23.47	-1.95	1.04	-30.15	-1.86
I	2033	2034	2035	2036	2037	2038	2039
Changes in working capital	5.17	-2.48	-2.62	-2.75	-2.86	-2.97	2.94
I	2040	2041	2042	2043	2044	E	
Changes in working capital	-2.17	-78.89	0.58	0.42	-2.00	-76.86	0.00

11. F

Asset recovery at the end of the period mainly considers the value recovery of working capital, fixed assets and intangible assets.

12. B

They are forecast based on the financing plan and capital requirement of projects.

13. F

Based on the foregoing forecasts, the free cash flows for each subsequent year are determined on a comprehensive basis.

(III) D

1. D

The yield on treasury bonds is usually considered to be risk-free since the risk that the treasury bonds cannot be redeemed when due is small and negligible. According to the information disclosed in the WIND information system, the annual yield to maturity of 10-year treasury bonds on the Valuation Benchmark Date was 1.75%, and 1.75% has been used as the risk-free rate of return in this Assets Valuation Report.

2. D

The formula for calculating the equity systematic risk coefficient of the appraised entity is set out below:

$$\beta_{L}=[1+(1-t)\times D/E]\times \beta_{u}$$

Where: β_{l}: Systematic risk coefficient for equity with financial leverage;

β_{u}: Systematic risk coefficient for equity without financial leverage;

t: Income tax rate of the appraised enterprise;

D/E: Capital structure of the appraised enterprise.

Based on the business characteristics of the appraised entity, with the business of comparable companies being similar to the business of the appraised entities as the criterion, the valuers have enquired the values of comparable listed companies as at 30 April 2026 through the WIND information system, and then converted them into the β_u value based on the income tax rate and capital structure of comparable listed companies and took the average value of 0.5567 as the β_u value of the appraised entity.

Prediction of the enterprise's capital structure shall be made with reference to the actual capital structure of the appraised entity.

Put the determined parameters into the formula to arrive the equity systematic risk coefficient of the appraised entity.

3. D

Market risk premium is the difference between the market rate of return on investment and the risk-free rate of return. In particular, the market rate of return on investment on the Valuation Benchmark Date is determined by comprehensively analysing the weighted average of the annualised weekly returns from 1992 to the Valuation Benchmark Date selected on the basis of the stock trading price indices of the Shanghai Stock Exchange and the Shenzhen Stock Exchange. As calculated, the market rate of return on investment is 8.86%. The yield to maturity on 10-year treasury bonds of 1.75% on the Valuation Benchmark Date has been taken as the risk-free rate of return. The market risk premium is 7.11%.

4. D

The enterprise individual risk adjustment coefficient refers to an adjustment coefficient based on the differences between the enterprise to be appraised and the selected comparable enterprises in terms of the enterprise's special operating environment, date of establishment of the enterprise, enterprise scale, operation and management, risks-resistant capability, and strengths and weaknesses arising from special factors, etc. The risk adjustment coefficient specific to the appraised entity shall be determined to be 1% after taking into account the existing governance structure, management standard, and resistance to industry risks.

5. D

Substitute the afore-mentioned determined parameters into the equity cost formula, and the cost of equity of the appraised entity is thereby calculated.

$K_e = r_f + MRP \times \beta + r_c$

It is calculated that the discount rates of the appraised entity from 2026 to 2044 range from 17.52% to 6.71%.

(I) C

The annual net cash flows within the forecast period are assumed to inflow and outflow evenly at the mid-year point. The discount rate for each year is applied to discount such cash flows to their present values as at 30 April 2026, which are aggregated to derive the value of operating assets of the enterprise. The operating value of the project over the forecast period is RMB106.5436 million.

( ) D

Surplus assets refer to assets that are in excess of the requirements for the production and operation of the enterprise as at the Valuation Benchmark Date and are not covered by the equity free cash flow forecast after the Valuation Benchmark Date. Monetary funds of the appraised entity in excess of the minimum cash holdings are normally considered as surplus assets.

(I) D - ( )

The value of non-operating assets refers to the net value of assets and liabilities that are unrelated to the normal operation of the enterprise and are not covered by the enterprise's free cash flow forecast. Non-operating assets and liabilities are valued adopting the cost method.

I . ALUATION CONCLUSION

The book value of total assets of Yuanjing New Energy (Puyang) Co., Ltd. as at the Valuation Benchmark Date is RMB591.8793 million; the book value of total liabilities is RMB469.9795 million; and the book value of net assets is RMB121.8998 million.

The value of entire shareholders' equity after valuation under the income approach is RMB149.4481 million, with a valuation appreciation of RMB27.5483 million and an appreciation rate of 22.6%.

I A R C D C F F C 100% E I N E (P) C ., L . (濮陽縣遠景新能源有限公司)

T B D C L P G C L (C)

We have examined the calculations of the discounted cash flow forecast (the "**F**") on which the valuation prepared by China Enterprise Appraisals Consultation Co., Ltd.* dated 10 June 2026 in respect of the appraisal of the fair value of 100% equity interest in the Target Company as at 30 April 2026 (the "") is based. The Valuation, prepared based on the Forecast, is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**L R**").

D ' R

The directors of the Company (the "**D**") are responsible for the preparation of the Forecast in accordance with the basis and assumptions (the "**A**") determined by the Directors as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the Forecast for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

O I Q M

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

O R

Our responsibility is to form an assurance conclusion on the arithmetical accuracy of the calculations of the Forecast on which the Valuation is based and to report solely to you, as a body, as required by Rules 14.60A(2) of the Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Directors have properly compiled the Forecast based upon the Assumptions. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

O

In our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled, in all material aspects, based upon the Assumptions.

O M

The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from those used in the Valuation and the variation may be material. Our opinion is not qualified in respect of this matter.

For the purpose of this engagement, we do not review the accounting policies for the Valuation as the Valuation relates to discounted future cash flows and no accounting policies have been adopted in the preparation of the Valuation. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

Yours faithfully,

B T H K L
Certified Public Accountants
Hong Kong, 27 August 2026
C S H
Practising certificate number P07705

Dear Sirs:

Reference is made to the announcement (the "**Announcement**") dated 27 August 2026 by China Longyuan Power Group Corporation Limited (the "**Company**") in relation to (among others) (i) the acquisition by Shanghai Investment Company, a subsidiary of the Company, of 100% equity interest in Yuanjing New Energy held by Xinyuan No.1 Fund (the "**Transaction**"); and (ii) the asset valuation report ("**Asset Valuation Report**") issued by China Enterprise Appraisals Consultation Co., Ltd. ("**Valuer**") in respect of the Transaction, which valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules of The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange). Unless otherwise defined herein, terms used in this letter shall have the same meanings as those defined in the Announcement.

We have reviewed the bases and assumptions adopted by the Valuer in conducting the valuation, and have reviewed the valuation performed by the Valuer. We have also considered the letter dated 27 August 2026 issued by Baker Tilly Hong Kong Limited, the reporting accountants of the Company, regarding the accuracy of the forecast-related calculations in the valuation and whether the forecasts comply with the basis and assumptions set out in the Asset Valuation Report. We note that the calculations in the valuation forecasts are accurate and consistent with the basis and assumptions set out in the Asset Valuation Report.

Based on the foregoing, we are of the opinion that the profit forecast has been prepared after due and careful inquiry.

China Longyuan Power Group Corporation Limited*
The Board

27 August 2026

* *For identification purpose only*