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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)**

**CONTINUING CONNECTED TRANSACTIONS  
ENTERING INTO OF SUPPLEMENTAL AGREEMENT TO  
FINANCIAL SERVICES AGREEMENT**

Reference is made to the announcement of the Company issued on 27 April 2022 in relation to the entering into of the Financial Services Agreement between the Company and China Energy Finance and the annual caps thereunder, pursuant to which, China Energy Finance has agreed to provide the Group with loan services, deposit services and other financial services. The Financial Services Agreement and its corresponding annual caps will become effective from 27 April 2022, and expire on 31 December 2024.

In view of the business development needs of the Company, the Company entered into a Supplemental Agreement with China Energy Finance on 26 October 2023 to amend the maximum daily balance of the loan under the Financial Services Agreement from not more than RMB22 billion to not more than RMB50 billion. Save for the aforesaid amendment, other terms of the Financial Services Agreement remain unchanged.

**LISTING RULES IMPLICATIONS**

As CHN Energy directly and indirectly holds approximately 58.56% of the issued share capital of the Company, it is a controlling shareholder and a connected person of the Company. China Energy Finance is a subsidiary and, by virtue of this, an associate of CHN Energy, and is therefore the connected person of the Company. Accordingly, the Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

In view of the loan services provided by China Energy Finance to the Group are on normal commercial terms which, as far as the Group is concerned, are similar to or more favourable than those offered from independent third parties for comparable services in the PRC, and that no security over the assets of the Group will be granted in respect of the loan services, the loan services are exempt from the annual reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

The Directors, including the independent non-executive Directors, are of the view that the Supplemental Agreement and its annual caps are conducted on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Mr. Tang Chaoxiong, Mr. Wang Yiguo and Mr. Ma Bingyan, being connected Directors of the Company, have abstained from voting on the approval of the relevant resolution. Save as disclosed above, none of the other Directors of the Company has any material interest in the Supplemental Agreement and the transactions contemplated thereunder.

## **I. BACKGROUND**

Reference is made to the announcement of the Company issued on 27 April 2022 in relation to the entering into of the Financial Services Agreement between the Company and China Energy Finance and the annual caps thereunder, pursuant to which, China Energy Finance has agreed to provide the Group with loan services, deposit services and other financial services. The Financial Services Agreement and its corresponding annual caps will become effective from 27 April 2022, and expire on 31 December 2024.

In view of the business development needs of the Company, the Company entered into a Supplemental Agreement with China Energy Finance on 26 October 2023 to amend the maximum daily balance of the loan under the Financial Services Agreement from not more than RMB22 billion to not more than RMB50 billion. Save for the aforesaid amendment, other terms of the Financial Services Agreement remain unchanged.

## **II. SUPPLEMENTAL AGREEMENT**

### **Date**

26 October 2023

### **Parties**

The Company; and

China Energy Finance

## **Material Terms**

During the validity period of the Financial Services Agreement, the maximum daily balance of the loan (including direct loans, credits, bill acceptance and discount, guarantees, letters of guarantee, overdrafts, issuance of letters of credit, etc., inclusive of accrued interest thereon) provided by China Energy Finance to the Group shall not be higher than RMB22 billion was amended to not be higher than RMB50 billion.

### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

The members of the Company have established long-term and stable cooperation with China Energy Finance, and have formed stable business relationships in areas such as deposits, loans, bills, settlement, and agency services. China Energy Finance serves as the financial service platform of CHN Energy. With the premise of ensuring fund safety, the Company entered into the Supplemental Agreement with China Energy Finance, under which China Energy Finance will continue to provide financial services to the members of the Company, which is beneficial in maintaining the continuity of financial services received by the members of the Company, optimizing corporate financial management, improving fund utilization efficiency, and reducing financing costs.

As a professional centralized fund management platform, China Energy Finance generally provides more favorable terms and rates to the members of the Company compared to other financial institutions. Pursuant to the Supplemental Agreement, China Energy Finance provides the members of the Company with loan rates not higher than similar loan rates of major commercial banks on the same term.

The Directors, including the independent non-executive Directors, are of the view that the Supplemental Agreement and its annual caps are conducted on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Mr. Tang Chaoxiong, Mr. Wang Yiguo and Mr. Ma Bingyan, being connected Directors of the Company, have abstained from voting on the approval of the relevant resolution. Save as disclosed above, none of the other Directors of the Company has any material interest in the Supplemental Agreement and the transactions contemplated thereunder.

#### **IV. LISTING RULES IMPLICATIONS**

As CHN Energy directly and indirectly holds approximately 58.56% of the issued share capital of the Company, it is a controlling shareholder and a connected person of the Company. China Energy Finance is a subsidiary and, by virtue of this, an associate of CHN Energy, and is therefore the connected person of the Company. Accordingly, the Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

In view of the loan services provided by China Energy Finance to the Group are on normal commercial terms which, as far as the Group is concerned, are similar to or more favourable than those offered from independent third parties for comparable services in the PRC, and that no security over the assets of the Group will be granted in respect of the loan services, the loan services are exempt from the annual reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

#### **V. GENERAL INFORMATION**

##### **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 coal power, solar power, tidal, biomass and geothermal energy. Meanwhile, the Company also provides consultation, repair and maintenance, training and other professional services to wind farms, as well as manufactures and sells power equipment used in the power grids, wind farms and coal power plants. As at the date of this announcement, the ultimate beneficial owner of the Company is CHN Energy.

##### **Information on China Energy Finance**

China Energy Finance is a non-banking financial institution approved by the People's Bank of China to provide financial services to members of CHN Energy as a principal business. China Energy Finance was established on 27 November 2000 with current registered capital of RMB17.5 billion. It is principally engaged in "accepting deposits from members; provision of loans to members; provision of bill discount to members; provision of fund settlement and collection and payment to members; provision of entrusted loans, bond underwriting, non-financing letters of guarantee, financial consultation services, credit appraisal and consultation and agency services to members; provision of inter-bank lending; provision of bill acceptance to members; provision of buyers' credit and consumption credit for products of members; investments in fixed-income and marketable securities; other businesses approved by the National Administration of Financial Regulation".

As at the date of this announcement, CHN Energy holds 60% of the equity interests in China Energy Finance, China Shenhua and its subsidiaries together hold 40% of the equity interests in China Energy Finance (among which, China Shenhua directly holds 32.57% of the equity interests in China Energy Finance, Guoneng Shuohuang Railway Development Co., Ltd. (國能朔黃鐵路發展有限公司) holds 2.86% of the equity interests in China Energy Finance, Shenhua Zhunge'er Energy Co., Ltd. (神華準格爾能源有限責任公司) holds 2.86% of the equity interests in China Energy Finance and China Energy Baoshen Railway Co., Ltd. (國能包神鐵路有限責任公司) holds 1.71% of the equity interests in China Energy Finance).

### **Information on CHN Energy**

As a state-owned enterprise established in accordance with the laws of the PRC, CHN Energy is the controlling shareholder of the Company, and operates eight business segments including coal, thermal power, new energy, hydropower, transportation, chemicals, environmental technologies and finance. It is the world's largest producer of coal, thermal power, wind power, as well as coal-to-liquids and coal chemical products.

## **VI. DEFINITIONS**

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

“Board”	the board of Directors of the Company
“China Energy Finance”	China Energy Finance Co., Ltd.* (國家能源集團財務有限公司), a limited liability company incorporated in the PRC
“China Shenhua”	China Shenhua Energy Company Limited (中國神華能源股份有限公司), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 01088) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601088), which is a subsidiary of CHN Energy

“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 in aggregate directly and indirectly holds 4,908,598,141 shares (representing approximately 58.56% of the total issued share capital of the Company) in the Company, and is the 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
“continuing connected transactions”	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
“Financial Services Agreement”	the financial services agreement entered into between the Company and China Energy Finance on 27 April 2022
“Group”	the Company and its subsidiaries
“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
“RMB”	Renminbi, the lawful currency of the PRC

“subsidiary” or “subsidiaries” has the meaning ascribed to it under the Listing Rules

“Supplemental Agreement” the supplemental agreement to the Financial Services Agreement entered into between the Company and China Energy Finance on 26 October 2023

“%” percentage

By order of the Board  
**China Longyuan Power Group Corporation Limited\***  
**Tang Jian**  
*Chairman*

Beijing, the PRC, 26 October 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Tang Jian and Mr. Gong Yufei; the non-executive directors are Mr. Tang Chaoxiong, Mr. Wang Yiguo and Mr. Ma Bingyan; and the independent non-executive directors are Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.*

\* *For identification purpose only*