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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 THE FRAMEWORK AGREEMENT FOR PURCHASE AND SALE OF COMPREHENSIVE PRODUCTS AND SERVICES

In view of the expiry of the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services on 31 December 2026, the Board has resolved and approved to enter into the Framework Agreement for Purchase and Sale of Comprehensive Products and Services with CHN Energy on 10 November 2026 to renew the aforesaid continuing connected transactions. Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the Group has agreed to provide products and services to CHN Energy and CHN Energy has agreed to provide products and services to the Group. The Framework Agreement for Purchase and Sale of Comprehensive Products and Services shall come into force upon the signature and affixing of the official seals by the legal representatives or authorised representatives of both parties and the approval by the shareholders' meeting of the Company, and shall be effective for a term commencing on 1 January 2027 and expiring on 31 December 2027.

LISTING RULES IMPLICATIONS

As of 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 is a connected person of the Company under Rule 14A.07 of the Listing Rules, and therefore the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios in respect of the mutual provision of products and services between the Group and CHN Energy and its subsidiaries under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services exceed 0.1% but are less than 5%, such transactions are subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules, but are exempt from the Independent Shareholders' approval requirement.

Pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder are still subject to the consideration and approval of the extraordinary shareholders' meeting.

CHN Energy and its associates will abstain from voting on the resolution for the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereunder at the extraordinary shareholders' meeting.

GENERAL

The Board has resolved and approved the resolution in relation to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and its proposed annual caps on 10 November 2026, and authorised chairman of the Board to deal with all matters relating to the entering into of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, making such amendments to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services as he deems appropriate or necessary. Ms. Wang Xuelian and Mr. Zhang Tong, connected Directors of the Company, have abstained from voting on the resolution for the approval of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and its proposed annual caps. Save for the above, none of the other Directors of the Company has a material interest in the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof for 2027. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

Pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, an extraordinary shareholders' meeting will be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof. A circular containing, among other things, (i) further details of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, together with the notice of the extraordinary shareholders' meeting, will be despatched to the Shareholders in due course.

FRAMEWORK AGREEMENT FOR PURCHASE AND SALE OF COMPREHENSIVE PRODUCTS AND SERVICES

In view of the expiry of the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services on 31 December 2026, the Board has resolved and approved to enter into the Framework Agreement for Purchase and Sale of Comprehensive Products and Services with CHN Energy on 10 November 2026 to renew the aforesaid continuing connected transactions. Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the Group has agreed to provide products and services to CHN Energy and CHN Energy has agreed to provide products and services to the Group. The Framework Agreement for Purchase and Sale of Comprehensive Products and Services shall come into force upon the signature and affixing of the official seals by the legal representatives or authorised representatives of both parties and the approval by the shareholders' meeting of the Company, and shall be effective for a term commencing on 1 January 2027 and expiring on 31 December 2027.

The principal terms of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services are set out below:

Date

The Framework Agreement for Purchase and Sale of Comprehensive Products and Services will be entered into before the convening of the extraordinary shareholders' meeting.

Parties

The Company

CHN Energy

Term

The Framework Agreement for Purchase and Sale of Comprehensive Products and Services shall come into force upon the signature and affixing of the official seals by the legal representatives or authorised representatives of both parties and the approval by the extraordinary shareholders' meeting, and shall be effective for a term commencing on 1 January 2027 and expiring on 31 December 2027.

Principal Terms

1. Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the Group will provide products and services to CHN Energy and its subsidiaries (other than the Group in terms of the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the Framework Agreement for Purchase and Sale of Comprehensive Products and Services (same as below)), including:

   (1) in terms of production: electricity trading, power generation rights trading, wind power technical services, resource evaluation of wind power projects, development and technical services of photovoltaic power generation and other related or similar services;

   (2) in terms of supply: sales or leasing of spare parts, technical and design consulting services such as wind power design and consulting services, office supplies, and other related or similar products and services;

   (3) in terms of auxiliary production: engineering general contracting services, software and hardware sales and related technical services, information technology services, logistics services, wind power vocational training, and other related or similar products and services.

2. Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, CHN Energy and its subsidiaries will provide products and services to the Group, including:

   (1) in terms of production: electricity trading, power generation rights trading and other related or similar services;

   (2) in terms of supply: sales or leasing of production equipment and spare parts (unit spare parts, relevant technical services, etc.), office supplies, and other related or similar products and services;

   (3) in terms of auxiliary production: EPC services for projects, engineering construction, logistics services, training, bidding agency services, information technology services, technical consulting, and other related or similar services; and

   (4) in terms of administrative management: social security and pension management services and staff data recording management services and other related or similar services.

The Group and CHN Energy and its subsidiaries will enter into specific transaction agreements setting out the content of the products and/or services to be supplied and the terms and conditions on which such products and/or services will be provided, in accordance with the principles laid down by the Framework Agreement for Purchase and Sale of Comprehensive Products and Services.

The settlement terms shall be determined separately and in line with market practice applicable to each specific transaction. The detailed settlement terms will be set out in specific transaction agreements.

There is no exclusivity arrangement between the Company and CHN Energy under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services. In the event that one party under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services is unable to satisfy the other party's demand for products or services, or if more favourable conditions are offered by an independent third party, the other party will be entitled to enter into a transaction with such independent third party.

If either party violates any term of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services (the "**Defaulting Party**"), the other party (the "**Observant Party**") can notify it in written form about the breach, and require the Defaulting Party to remedy the breach within a reasonable term. If the Defaulting Party fails to make any remedy for the breach within the above term, the Observant Party shall be entitled to terminate the Framework Agreement for Purchase and Sale of Comprehensive Products and Services immediately and reserve the right to claim compensation and any other legally permitted claims against the Defaulting Party.

PRICING POLICY

Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the prices and conditions for the provision of products and services by the Group to CHN Energy and its subsidiaries shall be no less favourable to the Group than the prices and conditions for the provision of similar products and services by the Group to an independent third party; the prices and conditions for the provision of products and services by CHN Energy and its subsidiaries to the Group shall be no less favourable to the Group than the prices and conditions for the provision of similar products and services by an independent third party to the Group.

The prices of the products and services under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services will be determined based on the following principles and order, provided that such determination does not violate the aforementioned pricing policy:

1. Government-prescribed price or government-guided prices: if there are prescribed prices or guided prices applicable to products and services under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, such products or services shall be provided at the applicable government-prescribed prices or as agreed within the scope of government-guided prices.

   For example, for electricity trading, the Company has mainly taken into account the policies issued by NDRC and National Energy Administration for the electricity trading, and the information published from time to time by the power exchange centres jointly set up by local energy competent authorities and local grid companies. In accordance with the Basic Rules for the Medium- and Long-Term Electricity Market (Fa Gai Neng Yuan Gui [2025] No. 1656) (《電力中長期市場基本規則》(發改能源規〔2025〕1656號)) issued by NDRC and National Energy Administration in December 2025, as well as the Implementation Opinions on Improving the National Unified Electricity Market System (《關於完善全國統一電力市場體系的實施意見》) by the General Office of the State Council, the development of the national unified electricity market system continues to advance, mechanisms for routine inter-provincial and inter-regional trading are gradually being implemented, while the rules governing trading products such as electricity contract transfers and green electricity trading are being continuously refined, with new energy participating fully in market transactions. As the level of interconnection within the national electricity market increases, the scope for market participants to engage in diversified collaboration, such as cross-provincial and cross-regional trading, continues to expand, providing a compliant policy framework and market environment for enterprises within CHN Energy to engage in electricity-related collaborative activities as well.

2. Tender and bidding price: if laws and regulations require the application of tendering and bidding procedures, the price shall be determined according to the tendering and bidding procedures. Regarding the tendering and bidding procedures of the Company:

   (1) the Company maintains contact with the suppliers of the Group by way of holding meetings with different suppliers at least once within a month based on purchase needs of the Company in order to keep abreast of the market development and the price trend of the comprehensive services.

   (2) the Group will engage a professional tendering company to organise the tendering procedures, ensuring that connected persons and other independent suppliers will compete on a fair basis;

   (3) normally, when a tender announcement is first published, no fewer than three qualified bidders are required. In reviewing the tender and the bids, the Group will comprehensively consider whether the bidders' commercial and technical proposals meet the requirements of the tendered project. Among these, the commercial factors mainly include the bidders' qualifications, financial position and past performance; the technical factors mainly include the project's technical proposal, service proposal and project implementation capability.

   (4) after the tender results are approved by the Company's senior management team, the Group will enter into contracts with the winning bidders. Accordingly, if the Group can obtain more favourable terms from other suppliers, they will not procure products and comprehensive services from the connected persons of the Company and their associates.

3. Market price: refers to the prices determined according to the following order: (i) the prices charged/paid by at least two independent third parties providing/receiving similar-sized products or services for the time being under normal commercial transactions in the places where such products and services are provided or their vicinity; or (ii) the prices charged/paid by at least two independent third parties providing/receiving applicable products or services under normal commercial transactions for products or services of similar sizes at that time. (Note: The term "prices charged" above applies to the situation where CHN Energy and its subsidiaries provide products or services for the Group, while "prices paid" applies to the situation where the Group provides products or services for CHN Energy and its subsidiaries.)

In addition to the circumstances described above, the market price also refers to the fair purchase and selling price agreed upon between independent third parties for similar products or services.

4. Agreed price: it is determined based on fair negotiations between the parties by adding a reasonable profit margin over a reasonable cost. Reasonable costs refer to the actual costs incurred in providing such products or services by CHN Energy and its subsidiaries to the Group or by the Group to CHN Energy and its subsidiaries, as agreed and recognised by the parties. Reasonable profit margin is determined with reference to at least two comparable deals with independent third parties during the same period. If the agreed price is adopted, the provider shall provide the recipient with the basis for calculating the reasonable costs and reasonable profit in corresponding to the products or services.

   On the basis of the above, the following pricing policies will be adopted for specific types of products or services:

   (1) Engineering construction: if a bidding is required by laws and regulations, the prices shall be determined through the tendering procedures; if there is no requirement for bidding according to laws and regulations, market prices shall be implemented.

   (2) Electricity trading and power generation rights trading: government-guided price if any; unified market-clearing price shall be applicable for the centralised bidding transaction; and the independent negotiated transaction shall refer to transaction price of the recent comparable market deals.

   (3) Hardware and software sales and related technical services: market price (including tender and bidding price).

   (4) Production equipment and spare parts, office products: market price.

   (5) Bidding agency services: price prescribed under relevant rules of NDRC.

   (6) Technical consulting services: agreed price with a profit margin of approximately 10%.

   (7) Information technology services: the budget is reviewed and determined by professional institution(s) with pricing reviewing qualification according to relevant national and industry rules and regulations on construction pricing, pricing mechanism and fee standards, with reference to the market customs of the information technology industry, actual standards and market price, taking into account the actual condition of the Company's information technology construction. The parties negotiate and agree on the service price within the scope of budget.

(8) Logistics services and training services: agreed price (cost plus a profit margin of approximately 5%).

(9) Social security and pension management services and staff data recording management services: agreed price (cost plus a profit margin of approximately 5%).

HISTORICAL AMOUNTS

The actual transaction amounts under the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services for the years ended 31 December 2024, 31 December 2025 and the nine months ended 30 September 2026 are set out below:

Unit: RMB million

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the nine months ended 30 September 2026**
Provision of products and services to CHN Energy and its subsidiaries by the Group	446.85	433.65	145.86
Provision of products and services to the Group by CHN Energy and its subsidiaries	6,290.10	1,178.78	472.77

Note: The above actual amounts incurred for the nine months ended 30 September 2026 are unaudited. The actual transaction amounts for the year ending 31 December 2026 are not expected to exceed the annual caps under the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services.

The annual caps of the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services for the years ended 31 December 2024, 31 December 2025 and the year ending 31 December 2026 are set out below:

Unit: RMB million

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ending 31 December 2026**
Provision of products and services to CHN Energy and its subsidiaries by the Group	4,030.46	4,276.28	4,664.43
Provision of products and services to the Group by CHN Energy and its subsidiaries	7,484.21	7,360.14	7,444.47

Regarding the estimated annual cap amounts for the long-term mutual provision of products and services between the Group and CHN Energy and its subsidiaries, such annual cap amounts are determined based on the amount of the maximum demand for the procurement or provision of products and services that may arise between the Group and CHN Energy and its subsidiaries. With respect to the actual utilization of the annual caps, the Group or CHN Energy and its subsidiaries will also consider and compare the prices and conditions offered by independent third-party entities in the market for similar transactions. In the event that an independent third-party entity offers more favourable prices and conditions for similar transactions than the Group or CHN Energy and its subsidiaries, under the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services, either the Group or CHN Energy and its subsidiaries have the right to choose to enter into relevant transactions with the independent third party. Accordingly, the annual caps under the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services have not been fully utilized.

The above arrangement in relation to the right of the Group and CHN Energy and its subsidiaries to select independent third party counterparties in the market for the long-term mutual provision of products and services is also in line with the pricing policy and internal control measures under the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services. Meanwhile, considering that in accordance with the Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the provision of products and services by the Group to CHN Energy and its subsidiaries will generate revenue for the Group and the procurement of products and services by the Group from CHN Energy and its

subsidiaries is also beneficial for the Group to save costs and maintain business and operation stability, the reservation of sufficient balance of the annual cap amounts for the mutual provision of products and services between the Group and CHN Energy and its subsidiaries is conducive to the convenience of the Group's business operation and is in the interests of the Company and its Shareholders as a whole.

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

For the year ending 31 December 2027, the proposed aggregate annual transactions under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services shall not exceed the caps set out below:

Unit: RMB million

	For the year ending 31 December 2027
Proposed annual cap for the provision of products and services to CHN Energy and its subsidiaries by the Group	817.50
Proposed annual cap for the provision of products and services to the Group by CHN Energy and its subsidiaries	1,478.34

The aforesaid annual caps have been determined after taking into account the following factors:

1. Regarding the proposed annual caps for the provision of products and services by the Group to CHN Energy and its subsidiaries, the Company has taken into consideration:

   (1) the proposed annual caps in respect of the provision of products and services to CHN Energy and its subsidiaries by the Group have been determined with reference to the historical transactions and their amounts in respect of the provision of products and services to CHN Energy and its subsidiaries by the Group, estimated business development and actual demand of CHN Energy and its subsidiaries, as well as estimates on contractual amount, etc.

   (2) the Group will provide products and services to CHN Energy and its subsidiaries, including electricity trading, wind power technical services, sales or leasing of spare parts, engineering general contracting services, wind power vocational training and other related or similar products and services. CHN Energy and its subsidiaries have a long-term and stable cooperative relationship with the Group. In 2024 and 2025 and the nine months ended 30 September 2026, the Group provided products and services to CHN Energy and its subsidiaries in amounts of RMB446.85 million, RMB433.65 million, RMB145.86 million, respectively.

The proposed annual caps for the provision of products and services by the Group to CHN Energy and its subsidiaries in 2027 are mainly due to the following considerations:

(i) in the future, the Group will continuously promote the development of green energy and continue to expand its scale. In combination with the Group's development plan, the Group's new energy commissioning plan will maintain a certain growth rate in 2027. Accordingly, the Group expects that there will be opportunities for more cooperation between the Group and CHN Energy and its subsidiaries, and the Group will be able to provide CHN Energy and its subsidiaries with more services in the field of new energy power generation such as electricity trading, power generation rights trading, wind power technical services, engineering general contracting services, logistics services, etc.

(ii) the amount of the proposed annual caps for the provision of products and services by the Group to CHN Energy and its subsidiaries has been determined based on the amount of the maximum demand for transactions that may arise between the Group and CHN Energy and its subsidiaries. In June 2026, NDRC and National Energy Administration jointly issued the 15th Five-Year Plan for the Development of a New Energy System (《新型能源體系建設「十五五」規劃》). It clarifies that a clean, low-carbon, safe and efficient new energy system will be initially established by 2030, and sets core targets of lifting the share of non-fossil energy consumption to 25% and raising the proportion of wind and solar installed capacity above 50%. In line with the provisions of the national 15th Five-Year Plan for Renewable Energy Development (《可再生能源發展「十五五」規劃》), the aggregated additional wind and solar installed capacity nationwide during the 15th Five-Year Plan period is expected to be approximately 1 billion kW. With the accelerated implementation of large-scale bases in deserts, Gobi and wastelands, offshore wind power and new energy storage projects, renewable energy has become the main driver of growth in installed power generation capacity, shifting from a phase of rapid expansion in scale to one of high-quality operation. Based on the national policy support and the development trend of the new energy industry, the provision of products and services by the Group to CHN Energy and its subsidiaries will generate revenue for the Group. The Company is of the view that reserving a sufficient balance of the annual caps will help the Group to flexibly respond to the development of the new energy industry or policy, facilitate the conduct of business and enhance its competitiveness in the market, and will be in the interests of the Company and its Shareholders as a whole.

(3) the Group will continue to expand its scale in the future. Based on the Group's development plan, the installed capacity will continue to grow steadily in 2027. With the growth of installed capacity and the incentive orientation of national policies, the transaction scale of electricity will gradually expand. At the same time, the Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading (For Trial Implementation) (《溫室氣體自願減排交易管理辦法(試行)》), jointly revised by the Ministry of Ecology and Environment and the State Administration for Market Regulation, came into force in September 2026. The national Chinese Certified Emission Reduction (CCER) market regulatory framework continues to be refined, while project development opportunities and trading volumes are steadily expanding. In the future, the Company will vigorously develop the CCER project development and trading related works, and continuously enhance its ability to provide power trading and CCER-related services to CHN Energy and its subsidiaries. In addition, the General Office of the State Council issued the Implementation Opinions on Improving the National Unified Electricity Market System (《關於完善全國統一電力市場體系的實施意見》) in February 2026, which set out measures to refine the green electricity market system, expand the scale of green electricity consumption, establish a green certificate consumption system combining mandatory and voluntary elements, and promote multi-year green electricity trading and cross-provincial and cross-regional green electricity trading and other trading arrangements; NDRC and National Energy Administration have also successively issued documents such as the Opinions on Promoting the High-Quality Development of the Renewable Energy Green Power Certificate Market (《促進可再生能源綠色電力證書市場高質量發展的意見》) and the Basic Rules for the Medium- and Long-Term Electricity Market (《電力中長期市場基本規則》), driving the normalised operation of green electricity trading while continuously refining the mechanism for realising the environmental value of green electricity. As the green and low-carbon transition of CHN Energy continues to advance, the demand for green electricity procurement and carbon emission reduction compliance is constantly increasing, and the scope for related trading services continues to expand. Accordingly, based on the demand for market transactions such as power trading, green power deals and green certificate trading expected to take place between the Group and CHN Energy and its subsidiaries in 2027, it is expected that for the year 2027, the scale of relevant transactions between the Group and CHN Energy and its subsidiaries will remain substantial.

(4) taking into comprehensive consideration factors including the increased demand for synergistic businesses and equipment operation, maintenance and overhaul services arising from the continued growth in the business scale of CHN Energy and its subsidiaries, the Group's continuously enhanced product supply and service support capabilities, as well as reasonable increases in commodity prices and labor costs, it is estimated that the cap amount of products and services provided by the Group to CHN Energy and its subsidiaries in 2027 will be RMB817.50 million.

2. Regarding the proposed annual caps for the provision of products and services by CHN Energy and its subsidiaries to the Group, the Company has taken into consideration:

(1) the proposed annual caps in respect of the provision of products and services to the Group by CHN Energy and its subsidiaries have been determined with reference to the historical transactions and their amounts in respect of the provision of products and services to the Group by CHN Energy and its subsidiaries, estimated business development and actual demand of the Group, as well as estimates on contractual amount, etc.

(2) CHN Energy and its subsidiaries will provide products and services to the Group, including sales or leasing of production equipment and spare parts, power generation rights trading, and other related or similar products and services. Given the long-term cooperative relationship between the Group and CHN Energy and its subsidiaries, CHN Energy has business advantages and good reputation, and is able to provide production materials and auxiliary services to the Group at fair and reasonable prices. In 2024 and 2025 and the nine months ended 30 September 2026, CHN Energy and its subsidiaries provided products and services to the Group in amounts of RMB6,290.10 million, RMB1,178.78 million, RMB472.77 million, respectively.

(3) in the future, the Company will adhere to the path of high-quality, large-scale development in the new energy sector, and steadily advance the development and construction of key projects such as large-scale wind and solar power bases in deserts, Gobi and wastelands, as well as offshore wind power, with demand for the operation and maintenance of existing infrastructure and additional construction projects in parallel, driving a corresponding increase in demand for internal synergistic services such as engineering and technical consultancy, spare parts for production, operation and maintenance, and safety management services. CHN Energy possesses a complete industrial chain covering energy development, engineering construction, equipment manufacturing, logistics and transport, and technical services, which features a mature supply system, consistent product and service quality, and robust delivery capabilities. By purchasing from entities within CHN Energy, the

Company can leverage CHN Energy's integrated economies of scale to effectively control procurement costs, shorten delivery cycle, and ensure the continuity of project construction and production operations, thereby meeting the practical needs of the Company's business development. Meanwhile, in the next year, the warranty period of wind turbine units of approximately 3,500 MW is expected to expire, resulting in significant increase in the Group's demand for spare parts for daily units maintenance, regular maintenance, and emergency repair.

(4) in summary, the expenditure on purchasing production equipment and services, engineering construction services, material supply, and technical services from CHN Energy and its subsidiaries is expected to increase in 2027. Considering the impact of business growth, rising prices and labor costs, it is estimated that the cap amount of products and services provided by CHN Energy and its subsidiaries to the Group in 2027 will be RMB1,478.34 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT FOR PURCHASE AND SALE OF COMPREHENSIVE PRODUCTS AND SERVICES

The transactions under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services are and will continue to be based on the normal business needs of the Group and carried out in the ordinary and usual course of business of the Group and such transactions will continue to be agreed on based on arm's length negotiations and on terms that are fair and reasonable to the Group. The Group does not rely on such transactions, and such transactions will not have a material adverse effect on the Group's going concern and independence. The prices and conditions at which the Group and CHN Energy and its subsidiaries will provide products and services to each other under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services will be no less favourable than the prices and conditions at which the Group enters into similar transactions with the independent third parties.

The mutual provision of products and services between the Group and CHN Energy and its subsidiaries is conducive to the operation and development of the Company's business, enables the Company to conduct its business more extensively and gain a comprehensive understanding of industry development information, and enhances the Company's operating efficiency while reducing its operating costs and risks.

INTERNAL CONTROL MEASURES

In order to ensure that the prices and terms on which the Group enters into specific transactions are entered into on normal commercial terms and that the terms of the relevant specific transactions, in particular the pricing terms, have complied with the pricing policy under the framework agreement for the continuing connected transactions, the Company has adopted the following regulatory and internal control procedures:

1. The Company has adopted and implemented a set of connected transactions administration rules. To be specific, the Company has established a connected transaction management team, which is responsible for managing the connected transaction affairs of the Group and for providing guidance, supervision and inspection of the connected transaction management work of its subsidiaries and branches. The team is led by the general manager of the Company, with deputy team leaders comprising the senior management members in charge of securities affairs and financial affairs. The members of the connected transaction management team are drawn from the relevant business departments, including planning, production, finance, legal, securities, audit and procurement. They are respectively responsible for specific tasks such as formulating and supervising the internal control systems and procedures for continuing connected transactions, reviewing the pricing policies and transaction amounts of connected transactions, and monitoring the implementation and aggregate amounts of continuing connected transactions, so as to ensure that connected transactions are conducted in compliance with applicable laws and regulations, that the transaction prices and terms are fair and reasonable, and that they are in the interests of the Company.

2. In compliance with the Listing Rules, the Company's independent non-executive Directors have reviewed and will continue to review each of the Group's connected transaction agreements and the implementation of the transactions to ensure that such transactions and their terms are fair and reasonable, on normal or better commercial terms and in the interests of the Company and its Shareholders as a whole. The auditors of the Company also conduct annual review of the agreements, pricing policies and transaction amounts of each continuing connected transaction of the Group.

DIRECTORS' CONFIRMATION AND INDEPENDENT SHAREHOLDERS' APPROVAL

The Board has resolved and approved the resolution in relation to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and its proposed annual caps on 10 November 2026, and authorised chairman of the Board to deal with all matters relating to the entering into of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, making such amendments to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services as he deems appropriate or necessary. Ms. Wang Xuelian and Mr. Zhang Tong, connected Directors of the Company, have abstained from voting on the resolution for the approval of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and its proposed annual caps. Save for the above, none of the other Directors of the Company has a material interest in the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) consider that the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and its proposed annual caps are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

In addition, the Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof for 2027. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

Pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, an extraordinary shareholders' meeting will be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof. A circular containing, among other things, (i) further details of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, together with the notice of the extraordinary shareholders' meeting, will be despatched to the Shareholders in due course.

IMPLICATIONS UNDER THE LISTING RULES

As of 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 is a connected person of the Company under Rule 14A.07 of the Listing Rules, and therefore the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios in respect of the mutual provision of products and services between the Group and CHN Energy and its subsidiaries under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services exceed 0.1% but are less than 5%, such transactions are subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules, but are exempt from the Independent Shareholders' approval requirement.

Pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder are still subject to the consideration and approval of the extraordinary shareholders' meeting.

CHN Energy and its associates will abstain from voting on the resolution for the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereunder at the extraordinary shareholders' meeting.

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 and tidal power generation. Meanwhile, the Company also provides consultation, repair and maintenance, training and other professional services to wind farms. As of the date of the announcement, the ultimate beneficial owner of the Company is CHN Energy.

(2) 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 business segments including coal, thermal power, new energy, hydropower, transportation, chemicals, environmental technologies and finance. As of the date of the announcement, the ultimate beneficial owner of CHN Energy is the State-owned Assets Supervision and Administration Commission of the State Council.

DEFINITIONS

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

"A Shares"	the ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange
"Board"	board of directors of the Company
"CHN Energy"	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), as of 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
"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 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)"	director(s) of the Company
"Existing Framework Agreement for Purchase and Sale of Comprehensive Products and Services"	the framework agreement on the mutual supply of materials, products and services dated 12 November 2023 entered into by the Company and CHN Energy
"Framework Agreement for Purchase and Sale of Comprehensive Products and Services"	the framework agreement for purchase and sale of comprehensive products and services for 2027 to be entered into by the Company and CHN Energy
"Group"	the Company and its subsidiaries

"H Shares"	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	the independent committee of the Board, comprising Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng, the independent non-executive Directors of the Company, established to advise the Independent Shareholders in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof for 2027
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof for 2027
"Independent Shareholders"	Shareholders who are not required under the Listing Rules to abstain from voting on the relevant resolutions to be proposed at the extraordinary shareholders' meeting for consideration in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the proposed annual caps thereof for 2027
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"NDRC"	the National Development and Reform Commission of the PRC
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shareholder(s)"	holder(s) of Shares of the Company
"Shares"	share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

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

Beijing, the PRC, 10 November 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*