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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)**

## **ANNOUNCEMENT**

### **UPDATE ON ABSORPTION AND MERGER OF PINGZHUANG ENERGY THROUGH SHARE SWAP, DISPOSAL OF MATERIAL ASSETS AND PURCHASE OF ASSETS THROUGH CASH PAYMENT**

Reference is made to the announcement of China Longyuan Power Group Corporation Limited\* (“**Longyuan Power**”) dated 15 January 2021, in relation to, amongst others, the proposed absorption and merger of Inner Mongolia Pingzhuang Energy Co., Ltd. (“**Pingzhuang Energy**”) by the Company through share swap, and the proposed disposal of all or part of the assets and liabilities of Pingzhuang Energy to CHN Energy Inner Mongolia Power Co., Ltd., a wholly-owned subsidiary of China Energy Investment Corporation Limited (“**CHN Energy**”) or its subsidiaries, and the proposed purchase of certain new energy business assets held by other subsidiaries of CHN Energy by the Company through cash payment (collectively, the “**Transaction**”).

Recently, the Company was informed that CHN Energy has received the Approval on Matters Related to the Absorption and Merger of Inner Mongolia Pingzhuang Energy Co., Ltd. by China Longyuan Power Group Corporation Limited (Guo Zi Chan Quan [2021] No. 239) (《關於龍源電力集團股份有限公司吸收合併內蒙古平莊能源股份有限公司有關事項的批覆》(國資產權[2021]239號)) issued by the State-owned Assets Supervision and Administration Commission of the State Council (the “**SASAC**”), and the SASAC approved in principle the overall plan for the absorption and merger of Pingzhuang Energy by the Company.

As at the date of this announcement, the Transaction is subject to the necessary internal decision-making procedures and its implementation is subject to the approval of the competent regulatory authorities. The obtaining of the abovementioned approval and the time to obtain it finally will be subject to uncertainties. Relevant information shall be referred to the announcement(s) to be published by the Company as appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Longyuan Power Group Corporation Limited\***  
**Tang Jian**  
*Executive Director and President*

Beijing, the PRC, 4 June 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Jia Yanbing and Mr. Tang Jian; the non-executive directors are Mr. Liu Jinhuan, Mr. Yang Xiangbin and Mr. Tian Shaolin; and the independent non-executive directors are Mr. Zhang Songyi, Mr. Meng Yan and Mr. Han Dechang.*

*\* For identification purpose only*