
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Longyuan Power Group Corporation Limited***, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**ANNUAL REPORT FOR THE YEAR 2021
REPORT OF BOARD OF DIRECTORS FOR THE YEAR 2021
REPORT OF SUPERVISORY BOARD FOR THE YEAR 2021
AUDITED FINANCIAL STATEMENTS AND FINAL ACCOUNTS
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PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021
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DEBT FINANCING INSTRUMENTS IN THE PRC
GENERAL MANDATE TO APPLY FOR REGISTRATION AND ISSUANCE OF
DEBT FINANCING INSTRUMENTS OVERSEAS
GENERAL MANDATE TO ISSUE NEW SHARES
AND
NOTICE OF 2021 ANNUAL GENERAL MEETING**

The Company will convene the Annual General Meeting in 2021 (the "AGM") at 9:00 a.m. on Wednesday, 22 June 2022 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China. Notice of AGM is set out on pages 19 to 26 in this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 9:00 a.m. on Tuesday, 21 June 2022) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting.

23 May 2022

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting in 2021 to be held by the Company at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the PRC at 9:00 a.m. on Wednesday, 22 June 2022
“Articles”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“Board of Directors” or “Board”	the board of directors 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)
“Director(s)”	director(s) of the Company
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars, and listed on the Hong Kong Stock Exchange
“H Shares for Southbound Trading”	the H Share in the Hong Kong Stock Exchange being invested by investors (including enterprises and individuals) in Shanghai Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)” or “Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	13 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice of AGM”	the notice of 2021 AGM
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of Shares of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Board”	the board of supervisors of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Zhongjun (*Chairman*)
Mr. Tang Jian

Non-executive Directors:

Mr. Tian Shaolin
Mr. Tang Chaoxiong
Mr. Wang Yiguo
Mr. Ma Bingyan

Independent Non-executive Directors:

Mr. Michael Ngai Ming Tak
Mr. Gao Debu
Ms. Zhao Feng

Registered office in the PRC:

Room 2006, 20th Floor
Block c, 6 Fuchengmen North Street
Xicheng District, Beijing
PRC

Head office in the PRC:

Block c, 6 Fuchengmen North Street
Xicheng District, Beijing
PRC

Principal place of business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

23 May 2022

To the Shareholders

Dear Sirs or Madams,

**ANNUAL REPORT FOR THE YEAR 2021
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LETTER FROM THE BOARD

INTRODUCTION

This circular aims to give you the Notice of AGM and provide you with relevant information, to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

Ordinary Resolutions

1. To consider and approve the Annual Report of the Company for the year 2021
2. To consider and approve the Report of the Board of Directors for the year 2021
3. To consider and approve the Report of the Supervisory Board for the year 2021
4. To consider and approve the Company's audited financial statements and the final accounts report for the year 2021
5. To consider and approve the profit distribution plan of the Company for the year 2021
6. To consider and approve the financial budget plan of the Company for the year 2022
7. To consider and approve the remuneration plan for Directors and Supervisors for the year 2022
8. To consider and approve the re-appointment of PRC auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration
9. To consider and approve the re-appointment of international auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration

Special Resolutions

10. To consider and approve the granting of a general mandate to apply for registration and issuance of debt financing instruments in the PRC
11. To consider and approve the granting of a general mandate to apply for registration and issuance of debt financing instruments overseas
12. To consider and approve the granting of a general mandate to issue new shares

Pursuant to the requirements of the Rules of General Meeting of Listed Companies issued by the China Securities Regulatory Commission, independent directors of listed companies shall present a work report at the annual general meeting. Accordingly, the matter will be reported at the AGM for Shareholders to hear: work report of Independent Directors for the year 2021.

LETTER FROM THE BOARD

1. Annual Report for the year 2021

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year 2021. The Annual Report of the Company for the year 2021 has been published on the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.clypg.com.cn>), and has been dispatched to the Shareholders.

2. Report of Board of Directors for the year 2021

An ordinary resolution will be proposed at the AGM to approve the report of Board of Directors for the year 2021, the full text of which is set out in the annual report of the Company for the year 2021.

3. Report of Supervisory Board for the year 2021

An ordinary resolution will be proposed at the AGM to approve the report of Supervisory Board for the year 2021, the full text of which is set out in the annual report of the Company for the year 2021.

4. Audited financial statements and the final accounts report for the year 2021

An ordinary resolution will be proposed at the AGM to approve the Company's audited financial statements and the final accounts report for the year 2021. The Company's audited financial statements for the year 2021 are set out in the annual report of the Company for the year 2021.

A summary of the Group's 2021 final accounts report prepared under the International Financial Reporting Standards is as follows:

(1) Income and Profit

In 2021, pursuant to the consolidated financial statements, the Group's operating revenue was RMB37,195 million and other net income was RMB1,136 million. Operating expenses amounted to RMB25,774 million, while net finance expenses amounted to RMB3,225 million. Profit before taxation was RMB8,756 million, of which the net profit attributable to equity holders of the Company was RMB6,413 million.

LETTER FROM THE BOARD

(2) Cash flow

In 2021, pursuant to the consolidated financial statements, the Group's net cash inflow of operating activities was RMB16,755 million, net cash outflow from investment activities was RMB18,467 million and net cash inflow from financing activities was RMB95 million. The decrease compared with 2020 of cash at banks and on hand held by the Group for the year was RMB1,610 million.

(3) Assets and liabilities

As at 31 December 2021, pursuant to the consolidated financial statements, the Group's total assets amounted to RMB189,855 million, of which current assets amounted to RMB35,865 million, non-current assets amounted to RMB153,989 million. Total liabilities amounted to RMB117,534 million. Equity attributable to equity holders of the Company amounted to RMB62,933 million.

5. Profit distribution plan for the year 2021

According to the Articles, an ordinary resolution will be proposed at the AGM to approve the Company's profit distribution plan. The Directors proposed the distribution of a final dividend of RMB0.1470 per Share (tax inclusive) in cash for the year ended 31 December 2021. Such dividend will be paid to holders of A Shares in RMB, to holders of H Shares in Hong Kong dollars and to holders of the H Shares for Southbound Trading in RMB. The actual amount of H Share dividend attributable to holders of H Shares (other than H Shares for Southbound Trading) to be distributed and paid in Hong Kong dollars is calculated according to the average benchmark exchange rate of RMB against Hong Kong dollars as published by the People's Bank of China for the five business days preceding the date of AGM. If the proposed profit distribution plan is approved at the AGM, the final dividend will be paid to Shareholders whose names are registered in the Company's register of members on Tuesday, 5 July 2022. The Company expected to pay the dividend on Thursday, 18 August 2022.

In order to determine the holders of Shares who are entitled to receive the above-mentioned final dividend, the register of members for H share of the Company will be closed from Thursday, 30 June 2022 to Tuesday, 5 July 2022, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2021 (subject to the approval of the Company's Shareholders), unregistered holders of H Shares of the Company shall lodge share transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 29 June 2022.

LETTER FROM THE BOARD

The Company recommends Shareholders to authorize the Board to implement the above profit distribution plan, and recommends the Board to further grant its authority to the Company's management for implementing all relevant matters relating to the above profit distribution plan, having obtained the above authority.

Pursuant to the Enterprise Income Tax Law of the PRC (《中國企業所得稅法》) and its implementation rules, which came into effect on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2021 final dividend to non-resident enterprise Shareholders whose names appear on the register of members for H Shares of the Company, it is required to withhold and pay enterprise income tax at the rate of 10%. Any shares registered in the name of non-individual H-share Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as shares being held by non-resident enterprise Shareholders and therefore will be subject to the withholding of the enterprise income tax.

According to regulations by the State Administration of Taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H-share Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the individual holders of H Shares should take the initiative to submit statements to the Company in order to enjoy the agreed treatment, and keep relevant data for inspection. If the information provided is complete, the Company will withhold it in accordance with regulations of the PRC tax laws and agreements. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H-share Shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the

LETTER FROM THE BOARD

investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax by themselves.

The dividend entitlement date, cash dividend payment date and other time arrangements for investors under Southbound Trading Link shall be in line with that of Shareholders of H Shares of the Company.

The Company will determine the resident status of the individual H-share Shareholders based on the registered address as recorded in the register of members of the Company on Tuesday, 5 July 2022 (the “**Registered Address**”). If the resident status of any individual H-share Shareholder is not in consistency with that indicated by the Registered Address, such individual H-share Shareholder shall notify the Company’s H share registrar not later than 4:30 p.m. on Wednesday, 29 June 2022 and provide relevant supporting documents to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Any individual H-share Shareholder who fails to provide relevant supporting documents within the time period stated above, may either personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H-share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H-share Shareholders or any disputes over the withholding mechanism or arrangements.

6. Financial budget plan for the year 2022

An ordinary resolution will be proposed at the AGM to approve the financial budget plan for the year 2022. The financial budget plan for the year 2022 is prepared with reference to the Company’s historical results, development targets for the year 2022 and value maximization principle.

LETTER FROM THE BOARD

7. Remuneration plan for Directors and Supervisors for the year 2022

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Directors and Supervisors for the year ending 31 December 2022, which is formulated according to the Company's internal policies as follows:

- (1) Independent Non-executive Directors will receive their remuneration from the Company. For the year 2022, the Company will pay each Independent Non-executive Director RMB120,000 (after tax, paid on a monthly basis, the Company being responsible for withholding and paying personal income tax). Travel expenses incurred by Independent Non-executive Directors in attending Board meetings of the Company, general meetings and relevant activities organized by the Board will be borne by the Company;
- (2) Non-executive Directors without holding offices in the Company will not receive any remuneration from the Company;
- (3) Executive Directors holding offices in the Company will receive their remuneration from the Company. The remuneration of an Executive Director will be determined based on the position concurrently held by such Executive Director, in accordance with rules relating to the management of remuneration of the Company;
- (4) Supervisors will receive their remuneration from the Company where they currently hold a position. The remuneration of an employee representative Supervisor of the Company will be implemented based on the actual conditions according to the relevant policy of the Company;
- (5) The remuneration of senior management consists of annual remuneration (including basic annual salary and performance-based annual salary) and tenure incentives and special awards (penalties). The basic annual salary is payable on a monthly basis; the performance-based annual salary is determined based on the results of the individual's annual business performance appraisal, the results of the individual's annual comprehensive appraisal and the performance of duties; tenure incentives are determined based on the results of the individual's performance evaluation and the comprehensive evaluation of the term of office; special awards (penalties) are determined based on the completion of key tasks.

LETTER FROM THE BOARD

8. Re-appointment of PRC auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration

An ordinary resolution will be proposed at the AGM to approve the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the PRC auditor of the Company for the year 2022, with a term commencing from the conclusion of the AGM to the conclusion of the next annual general meeting of the Company, and authorize the audit committee of the Board to determine its remuneration.

9. Re-appointment of international auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration

An ordinary resolution will be proposed at the AGM to approve the re-appointment of Ernst & Young as the international auditor of the Company for the year 2022, with a term commencing from the conclusion of the AGM to the conclusion of the next annual general meeting of the Company, and authorize the audit committee of the Board to determine its remuneration.

10. General mandate to apply for registration and issuance of debt financing instruments in the PRC

A special resolution will be proposed at the AGM to authorize the Company to issue one or more types of debt financing instruments in one or more tranches. The particulars are set out as follows:

- (1) To register and issue debt financing instruments in one or more tranches by the Company in the PRC with an aggregate amount of not exceeding RMB50 billion (inclusive) under the condition of requirements of maximum issuance of debt financing instruments in compliance with relevant laws and regulations. The types of debt financing instruments include but are not limited to debt financing instruments such as corporate bonds, perpetual bonds, private perpetual bonds, corporate loans, asset-backed securities, real estate investment trusts (REITs, Quasi-REITs), project revenue bonds, consolidated funds and foreign bonds (USD bonds, Euro bonds, Dim Sum bonds, China (Shanghai) Pilot Free Trade Zone and overseas bonds and other offshore bonds);
- (2) To register and issue debt financing instruments with the National Association of Financial Market Institutional Investors in one or more tranches with an aggregate amount of not exceeding RMB100 billion (inclusive) under the condition of requirements of debt financing instruments in compliance with relevant laws and regulations. The types of debt financing instruments include, but not limited to, ultra-short-term financing bonds, short-term financing bonds, medium-term notes (including perpetual medium-term notes), perpetual notes, private placement notes, asset-backed notes, project revenue notes, equity investment notes, etc;

LETTER FROM THE BOARD

- (3) To authorize the Board to resolve and deal with matters in relation to the above issuance of debt financing instruments of the Company, including but not limited to the formulation and adjustment of specific proposals on issuance, determination of the engagement of intermediaries and the contents of relevant agreements on debt financing instruments;
- (4) The validity period of the above granting shall be within a period of 12 months from the date of consideration and approval of the resolution at the AGM. Where the Board has, upon the expiry of the authorization, decided the issuance of debt financing instruments, and provided that the Company has obtained necessary authorization (where appropriate), such as the approval and license and completed the filing or registration with regulatory authorities on the issuance, the Company can still be able, during the validity period of such approval, license, filing or registration, to complete the issuance or partial issuance of debt financing instruments. The Board will continue to deal with such issuance pursuant to the authorization document until full settlement of such debt financing instruments;
- (5) To approve the delegation of authority by the Board to the Office of President of the Company to deal with relevant matters within the scope of authorization above.

11. General mandate to apply for registration and issuance of debt financing instruments overseas

A special resolution will be proposed at the AGM to authorize the Company to issue bonds overseas. The issuer shall be a designated branch or subsidiary of the Company, and the currencies in which the bonds are denominated include but not limited to USD, Euro and RMB. The Company will provide guarantee or keepwell commitment. The particulars are set out as follows:

- (1) To issue bonds overseas with an amount of not exceeding RMB equivalent of 10 billion (inclusive) under the condition of requirements of maximum issuance of debt financing instruments in compliance with relevant laws and regulations, and the currencies in which the bonds are denominated include but not limited to USD, Euro and RMB;
- (2) To authorize the Board to resolve and deal with matters in relation to the above issuance of debt financing instruments of the Company, including but not limited to the formulation and adjustment of specific proposals on issuance, determination of the engagement of intermediaries and the contents of relevant agreements on debt financing instruments;
- (3) The validity period of the above mandate shall be 12 months from the date of consideration and approval of the resolution at the AGM;
- (4) To approve the delegation of authority by the Board to the Office of President of the Company to deal with relevant matters within the scope of authorization above.

LETTER FROM THE BOARD

12. General mandate to issue new shares

The Directors were granted a general mandate at the 2020 annual general meeting of the Company held on 28 May 2021 to issue new Shares. The authorization, if not exercised before the next annual general meeting, shall lapse upon the conclusion of that meeting.

To ensure flexibility and discretion of the Board to issue new Shares, the Company proposes to grant the new general mandate to the Board by way of a special resolution to be passed by the Shareholders at the AGM to issue, allot or deal with additional A Shares and H Shares not exceeding 20% of the total number of the A Shares and H Shares respectively in issue of the Company on the date of passing such resolution, to authorize the Board during the relevant period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the expiry of the relevant period, and to authorize the Board to make corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure upon the issuance, allotment of or dealing with shares under these authorizations. As at the Latest Practicable Date, the issued share capital of the Company comprised 5,041,934,164 A Shares and 3,340,029,000 H Shares. Subject to the passing of the resolution related to the granting of the general mandate and assuming that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 1,008,386,832 A Shares and 668,005,800 H Shares in accordance with the general mandate.

The general mandate shall be effective from the time when the resolution is passed until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or other applicable laws to be held; or
- (iii) the date of revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Company in a general meeting.

Any exercise of the power by the Board under the general mandate shall comply with relevant requirements of the Listing Rules, the Articles and relevant laws and regulations of the PRC. The Board has no plan to issue new Shares pursuant to the general mandate at present.

LETTER FROM THE BOARD

AGM

The Company will convene the AGM at 9:00 a.m. on Wednesday, 22 June 2022 at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China. Notice of AGM is set out on pages 19 to 26 in this circular.

In order to determine the holders of Shares who are eligible to attend and vote at the AGM, the H Share register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022, both days inclusive. To be eligible to attend and vote at the AGM, unregistered holders of the H Shares of the Company shall lodge share transfer documents with (for holders of H Shares) the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 16 June 2022.

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned in person or by post to Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 9:00 a.m. on Tuesday, 21 June 2022) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting.

VOTING BY POLL AT AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders of a listed issuer at the issuer's general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will therefore demand a poll for each resolution put to the vote at the AGM pursuant to Article 89 of the Articles.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it used in the same manner.

RECOMMENDATION

The Board considers that all the resolutions set out in the Notice of AGM for consideration and approval by the Shareholders are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the resolutions set out in the Notice of AGM which are to be proposed at the AGM.

By order of the Board

China Longyuan Power Group Corporation Limited*

Li Zhongjun

Chairman

* *For identification purpose only*

WORK REPORT OF INDEPENDENT DIRECTORS FOR THE YEAR 2021

As the Independent Directors of China Longyuan Power Group Corporation Limited* (the “**Company**” or “**Longyuan Power**”), in 2021, we diligently, faithfully performed the duties of Independent Directors with due diligence, timely understood the Company’s production, operation and development by actively attending relevant meetings, carefully considering various resolutions of the Board, expressing independent opinions on relevant resolutions, thus to safeguard the interests of the Company as a whole and the legitimate rights and interests of all Shareholders, especially minority Shareholders, and strive to play the independent role of Independent Directors under the principle of objectivity, fairness and independence in strict compliance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws, regulations, rules and regulatory documents, as well as the requirements of the Articles and other rules and regulations. The duty performance for the year 2021 is now presented as follows.

I. ATTENDANCE OF MEETINGS

In 2021, the Company convened a total of 5 general meetings, 1 domestic Shareholders’ class meeting, 1 H Shareholders’ class meeting, 14 Board meetings, 5 audit committee meetings, 6 nomination committee meetings and 1 remuneration and assessment committee meeting. We actively participate in meetings by regulating and reasonably exercising voting rights. Details of the attendance of Independent Directors are as follows:

Independent Non-executive Directors of the fourth session of the Board (Term of Office Expired in November 2021)

Independent Non-executive Director	Position	Annual General Meeting	Extraordinary General Meeting	Domestic Shareholders’ Class Meeting	H Shareholders’ Class Meeting	Board	Remuneration and		
							Audit Committee	Nomination Committee	Assessment Committee
Zhang Songyi	Member of the audit committee, Chairman of the remuneration and assessment committee	0	0	0	0	12	4	-	1
Meng Yan	Chairman of the audit committee, Member of the nomination committee	0	0	0	0	12	4	5	-
Han Dechang	Member of the nomination committee, Member of the remuneration and assessment committee	1	2	1	1	12	-	5	1

Independent Non-executive Directors of the fifth session of the Board (Term of Office Commenced from November 2021)

Michael Ngai	Member of the audit committee,	-	-	-	-	2	1	-	-
Ming Tak	Chairman of the remuneration and assessment committee								
Gao Debu	Member of the nomination committee and the remuneration and assessment committee	-	-	-	-	2	-	1	-
Zhao Feng	Chairman of the audit committee, Member of the nomination committee	-	-	-	-	2	1	1	-

All the meetings of the Board and the general meetings of the Company held in 2021 were in compliance with statutory procedures, and the matters considered were in compliance with relevant procedures and were legal and valid. In 2021, we voted for all resolutions and other matters of the Board of Directors with no matters to be against with, nor objections or abstentions.

As the Chairman and members of the audit committee, the remuneration and assessment committee and the nomination committee of the Board, we actively organized and attended various meetings in accordance with the requirements of the Articles, the Terms of Reference of the Board and the Terms of Reference of the special committees, made use of professional knowledge and experience to make suggestions for the development of the Company, assisted the Board in making professional decisions, and ensured the accuracy of the decision-making of the Board. During the reporting period, the convening, holding and consideration and voting procedures of all meetings of the special committees were in compliance with laws and regulations, and the meeting materials were standardized and appropriate. We voted for all resolutions and other matters with no matters to be against with, nor objections or abstentions.

II. INDEPENDENT OPINIONS EXPRESSED

During the reporting period, as Independent Directors, we performed our duties diligently and conscientiously, and expressed independent opinions on relevant matters considered by the Board in accordance with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which played a positive role in the scientific and objective decision-making of the Board and the development of the Company. We have expressed our independent opinion on the following connected transactions which constitute connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

1. ABSORPTION AND MERGER OF PINGZHUANG ENERGY THROUGH SHARE SWAP AND MATERIAL ASSETS DISPOSAL AND PURCHASE OF ASSETS THROUGH CASH PAYMENT

On 15 January 2021, the Company entered into the Agreement on Absorption and Merger through Share Swap, the Assets Disposal Agreement and the Agreement on Purchase of Assets through Cash Payment, respectively, in relation to the absorption and merger of Inner Mongolia Pingzhuang Energy Co., Ltd. (“**Pingzhuang Energy**”) through share swap and material assets disposal and the purchase of assets through cash payment. The transaction involves the issuance of a total of 345,574,164 A Shares by the Company to all conversion shareholders of Pingzhuang Energy in exchange for the A shares of Pingzhuang Energy held by such shareholders. The total consideration for the share swap is RMB3,904,988,064.50. Pingzhuang Energy will transfer the Assets to be Disposed of to Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限責任公司)(“**Pingzhuang Coal Group**”) at a total transaction price of RMB3,436,725,600. The Company purchased assets from other subsidiaries of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)(“**CHN Energy**”), and the total transaction price of the assets to be purchased was RMB5,774,000,000.

2. CAPITAL INJECTION INTO GUODIAN UNITED POWER

On 16 June 2021, the Company, CHN Energy, Guodian Technology & Environment Group Corporation Limited (“**Guodian Technology & Environment**”) and Guodian United Power Technology Co., Ltd. (“**Guodian United Power**”) entered into the Equity Transfer and Capital Injection Agreement. CHN Energy conditionally agreed to contribute RMB407,681,944 to acquire approximately 15.68% equity interest in Guodian United Power held by Guodian Technology & Environment. Immediately upon completion of the acquisition, CHN Energy made capital injection to Guodian United Power of RMB1,474,662,400 and the Company made capital injection to Guodian United Power of RMB631,998,172.

3. ESTABLISHMENT OF BEIJING GUONENG GREEN AND LOW-CARBON DEVELOPMENT INVESTMENT FUND

On 27 August 2021, the Company entered into the Partnership Agreement with China Shenhua Energy Company Limited (“**China Shenhua**”), GD Power Development Co., Ltd. (“**GD Power**”), China Energy Capital Holdings Co., Ltd. (“**China Energy Capital Holdings**”) (as limited partners) and National Energy (Beijing) Private Equity Fund Management Co., Ltd. (國能(北京)私募基金管理有限公司) (“**Guoneng Fund Management Company**”) (as general partner and fund manager) to jointly establish the Partnership. The Company, as a limited partner, contributed RMB1,000,000,000 to participate in the establishment of the Partnership, holding 16.66% equity interest in the Partnership; China Shenhua contributed RMB2,000,000,000, holding 33.33% equity interest in the Partnership; GD Power contributed RMB1,000,000,000, holding 16.66% equity interest in the Partnership; China Energy Capital Holdings contributed RMB2,000,000,000, holding 33.33% equity interest in the Partnership; Guoneng Fund Management Company contributed RMB1,000,000, holding 0.02% equity interest in the Partnership.

4. DISPOSAL OF TARGET ASSETS BY FUJIAN LONGYUAN AND LONGYUAN PUTIAN, SUBSIDIARIES OF THE COMPANY, TO GUODIAN FUJIAN

On 26 September 2021, Fujian Longyuan Wind Power Generation Co., Ltd. (“**Fujian Longyuan**”) and Longyuan (Putian) Wind Power Generation Co., Ltd. (“**Longyuan Putian**”), subsidiaries of the Company, entered into the Assets Transfer Agreements with Fujian Guodian Wind Power Generation Co., Ltd. (“**Guodian Fujian**”), a subsidiary of CHN Energy, respectively. Pursuant to the Asset Transfer Agreement, the subsidiaries of the Company agreed to sell the Target Assets to Guodian Fujian at a consideration of RMB214,000,000. The Target Assets comprise a total of 4 items of assets including parcels of land which are occupied by 15 draught fans owned by Longyuan Putian and the above-ground appurtenances; and a total of 2 items of assets including the parcels of land which are occupied by the 1 booster station owned by Fujian Longyuan and the above-ground appurtenances.

On the same date, the Company entered into the Shareholders' Voting Right Exercise Agreement with CHN Energy Shandong Electric Power Company Limited ("**Guoneng Shandong Company**"). Pursuant to which, both parties agreed that, during the period when the Company is a shareholder of Guodian Shandong Longyuan Linqu Wind Power Generation Co., Ltd. ("**Longyuan Linqu**"), it shall be consistent with Guoneng Shandong Company when exercising its proposal rights by Longyuan Linqu in respect of the operating and financial policy matters such as project expenses, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, cash and asset management, or procure the directors appointed by it to be consistent with the directors appointed by Guoneng Shandong Company when exercising its voting rights at the Board meetings. Based on this, Guoneng Shandong Company will conduct consolidated statement management of Longyuan Linqu.

5. PARTICIPATION IN THE ESTABLISHMENT OF THE PARTNERSHIP, XINYUAN NO.1 FUND

On 27 October 2021, the Board approved the Company to enter into the Partnership Agreement with China Life Investment Insurance Asset Management Company Limited ("**China Life Investment**"), Guoneng Green and Low-Carbon Development Investment Fund (Limited Partnership) ("**Guoneng Low-carbon Fund**") (as a limited partner), Guangzhou Jinhong Asset Management Co., Ltd. ("**Guangzhou Jinhong**") (as the Executive Partner A) and National Energy (Beijing) Private Equity Fund Management Co., Ltd. ("**Guoneng Fund Management Company**") (as the Executive Partner B). Pursuant to the Partnership Agreement, the Company agreed to contribute RMB500,000,000 to participate in the establishment of the Partnership, holding 16.66% of the shares of the Partnership; China Life Investment contributed RMB1,500,000,000, holding 49.97% of the shares of the Partnership; Guoneng Low-carbon Fund will contribute RMB1,000,000,000, holding 33.31% of the shares of the Partnership; Guangzhou Jinhong contributed RMB1,000,000, holding 0.03% of the shares of the Partnership; Guoneng Fund Management Company contributed RMB1,000,000, holding 0.03% of the shares of the Partnership.

The Independent Directors have carefully reviewed the above connected transactions and confirmed that the transactions were conducted in the ordinary and usual course of business of the Company, the terms of which were fair and reasonable, on normal commercial terms or on terms no less favourable than terms available to or from independent third parties, and in the interests of the Company and its shareholders as a whole, and in compliance with the disclosure requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

III. OTHER WORK IN PROTECTING THE LEGITIMATE RIGHTS AND INTERESTS OF SHAREHOLDERS

During the reporting period, we continued to pay attention to the information disclosure of the Company, supervised and verified the truthfulness, accuracy, timeliness and completeness of the information disclosure of the Company, and effectively protected the interests of public shareholders. The Company has formulated the Information Disclosure Management Regulations to ensure that information disclosure is timely and fairly provided to investors with comprehensive and accurate information. The Company's website is widely used for information dissemination to ensure that all shareholders have timely and fair access to important information about the Company. The Company's financial reports, power generation, and other company news and exchange announcements can be easily accessed on the Company's website. In 2021, the Company published a total of 216 exchange information. The information disclosure was in compliance with laws and regulations, and there were no false records, misleading statements or material omissions.

In 2022, we will continue to faithfully perform our duties in the spirit of diligence, care and integrity, continue to strengthen communication with the Directors, Supervisors and management of the Company, strengthen the learning of relevant laws and regulations, make full use of our professional knowledge to make suggestions for the Company's operation and development, play the role of Independent Directors, protect the interests of small and medium investors, and promote the sustainable and stable development of the Company.

NOTICE OF 2021 AGM



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)

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “**AGM**”) of China Longyuan Power Group Corporation Limited* (the “**Company**”) will be held at the Conference Room, 3/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People’s Republic of China (the “**PRC**”), at 9:00 a.m. on Wednesday, 22 June 2022 for consideration and approval of the following matters:

ORDINARY RESOLUTIONS

1. To consider and approve the Annual Report of the Company for the year 2021
2. To consider and approve the Report of the Board of Directors of the Company for the year 2021
3. To consider and approve the Report of the Supervisory Board of the Company for the year 2021
4. To consider and approve the Company’s audited financial statements and the final accounts report for the year 2021
5. To consider and approve the profit distribution plan of the Company for the year 2021
6. To consider and approve the financial budget plan of the Company for the year 2022
7. To consider and approve the remuneration plan for Directors and Supervisors of the Company for the year 2022
8. To consider and approve the re-appointment of PRC auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration
9. To consider and approve the re-appointment of international auditor for the year 2022 and grant of authority to the audit committee of the Board to determine its remuneration

* *For identification purpose only*

NOTICE OF 2021 AGM

SPECIAL RESOLUTIONS

10. To consider and approve the granting of a general mandate to apply for registration and issuance of debt financing instruments in the PRC

“THAT:

A special resolution will be proposed at the AGM to authorize the Company to issue one or more types of debt financing instruments in one or more tranches. The particulars are set out as follows:

- (1) To register and issue debt financing instruments in one or more tranches by the Company in the PRC with an aggregate amount of not exceeding RMB50 billion (inclusive) under the condition of requirements of maximum issuance of debt financing instruments in compliance with relevant laws and regulations. The types of debt financing instruments include but are not limited to debt financing instruments such as corporate bonds, perpetual bonds, private perpetual bonds, corporate loans, asset-backed securities, real estate investment trusts (REITs, Quasi-REITs), project revenue bonds, consolidated funds and foreign bonds (USD bonds, Euro bonds, Dim Sum bonds, China (Shanghai) Pilot Free Trade Zone and overseas bonds and other offshore bonds);
- (2) To register and issue debt financing instruments with the National Association of Financial Market Institutional Investors in one or more tranches with an aggregate amount of not exceeding RMB100 billion (inclusive) under the condition of requirements of debt financing instruments in compliance with relevant laws and regulations. The types of debt financing instruments include, but not limited to, ultra-short-term financing bonds, short-term financing bonds, medium-term notes (including perpetual medium-term notes), perpetual notes, private placement notes, asset-backed notes, project revenue notes, equity investment notes, etc;
- (3) To authorize the Board to resolve and deal with matters in relation to the above issuance of debt financing instruments of the Company, including but not limited to the formulation and adjustment of specific proposals on issuance, determination of the engagement of intermediaries and the contents of relevant agreements on debt financing instruments;
- (4) The validity period of the above granting shall be within a period of 12 months from the date of consideration and approval of the resolution at the AGM. Where the Board has, upon the expiry of the authorization, decided the issuance of debt financing instruments, and provided that the Company has obtained necessary authorization (where appropriate), such as the approval and license and completed the filing or registration with regulatory authorities on the issuance, the Company can still be able, during the validity period of such approval, license, filing or registration, to complete the issuance or partial issuance of relevant debt financing instruments. The Board will continue to deal with such issuance pursuant to the authorization document until full settlement of such debt financing instruments;

NOTICE OF 2021 AGM

(5) To approve the delegation of authority by the Board to the Office of President of the Company to deal with relevant matters within the scope of authorization above.”

11. To consider and approve the granting of a general mandate to apply for registration and issuance of debt financing instruments overseas

“THAT:

A special resolution will be proposed at the AGM to authorize the Company to issue bonds overseas. The issuer shall be a designated branch or subsidiary of the Company, and the currencies in which the bonds are denominated include but not limited to USD, Euro and RMB. The Company will provide guarantee or keepwell commitment. The particulars are set out as follows:

- (1) To issue bonds overseas with an amount of not exceeding equivalent RMB10 billion (inclusive) under the condition of requirements of maximum issuance of debt financing instruments in compliance with relevant laws and regulations, and the currencies in which the bonds are denominated include but not limited to USD, Euro and RMB;
- (2) To authorize the Board to resolve and deal with matters in relation to the issuance of above debt financing instruments of the Company, including but not limited to the formulation and adjustment of specific proposals on issuance, determination of the engagement of intermediaries and the contents of relevant agreements on debt financing instruments;
- (3) The validity period of the above mandate shall be 12 months from the date of consideration and approval of the resolution at the AGM;
- (4) To approve the delegation of authority by the Board to the Office of President of the Company to deal with relevant matters within the scope of authorization above.”

12. To consider and approve the granting of a general mandate to the Board to issue, allot and deal with additional A Shares and H Shares not exceeding 20% of each of the total number of the A Shares and H Shares of the Company respectively in issue, grant the Board to enter into or grant the rights of proposals, agreements, options and rights to exchange or convert shares during the Relevant Period which might require the exercise of such powers after the Relevant Period has expired, and to authorize the Board to make amendments to the Articles as it thinks fit so as to reflect the new share capital structure upon the issuance or allotment of additional shares pursuant to such mandate

NOTICE OF 2021 AGM

“THAT:

- (1) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles and relevant laws and regulations of the PRC, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with, either separately or concurrently, additional A Shares and H Shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might be required for the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Board during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) each of the total number of A Shares and H Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether by an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the total number of A Shares and H Shares of the Company respectively in issue as at the date of passing of this resolution;
- (d) the Board will only exercise the above powers in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and when all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government departments are obtained; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or other applicable laws to be held; or

NOTICE OF 2021 AGM

- (iii) the date of revocation or variation of the authority given under this resolution by a special resolution of Shareholders of the Company at a general meeting.
- (2) the Board be authorized to make relevant amendments to the Articles as necessary so as to reflect the new share capital structure of the Company upon the issue or allotment of shares pursuant to this resolution.”

ORDINARY RESOLUTION

13. To consider and approve the proposal(s) (if any) put forward at the AGM of the Company by shareholders holding 3% or more of the shares carrying the right to vote

AS REPORTING DOCUMENT

14. Work report of independent directors for the year 2021

By order of the Board
China Longyuan Power Group Corporation Limited*
Li Zhongjun
Chairman

Beijing, the PRC, 23 May 2022

As at the date of this notice, the executive directors of the Company are Mr. Li Zhongjun and Mr. Tang Jian; the non-executive directors are Mr. Tian Shaolin, 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.

Notes:

1. Important: Shareholders of the Company (“**Shareholders**”) who wish to appoint a proxy to attend and vote at the AGM shall first read the Company’s annual report for the year 2021 published on the websites of The Stock Exchange of Hong Kong Limited and the Company, or dispatched to relevant Shareholders. The annual report for the year 2021 included the Report of Board of Directors for the year 2021, the Report of Supervisory Board for the year 2021, the audited financial statements and the auditor’s report for the year 2021.
2. In order to determine the holders of shares who are eligible to attend and vote at the AGM, the H share register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022, both days inclusive. No registration of the Company’s H shares will be accepted during the period. To be eligible to attend the AGM, all H share transfer documents accompanied by relevant share certificates must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2022.

NOTICE OF 2021 AGM

In order to determine the holders of shares who are entitled to receive the proposed 2021 final dividend, the H share register of members of the Company will be closed from Thursday, 30 June 2022 to Tuesday, 5 July 2022, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2021 (subject to the approval of the Shareholders), unregistered holders of H shares of the Company shall lodge share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 29 June 2022.

Pursuant to the Enterprise Income Tax Law of the PRC (《中國企業所得稅法》) and its implementation rules, which came into effect on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2021 final dividend to non-resident enterprise shareholders whose names appear on the register of members for H shares, it is required to withhold and pay enterprise income tax at the rate of 10%. Any shares registered in the name of non-individual H-share Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as shares being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax.

According to regulations by the State Administration of Taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H-share Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10%. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the individual holders of H Shares should take the initiative to submit statements to the Company in order to enjoy the agreed treatment, and keep relevant data for inspection. If the information provided is complete, the Company will withhold it in accordance with regulations of the PRC tax laws and agreements. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20%.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax by themselves.

The dividend entitlement date, cash dividend payment date and other time arrangements for investors under Southbound Trading Link shall be in line with that of Shareholders of H Shares of the Company.

NOTICE OF 2021 AGM

The Company will determine the resident status of the individual H-share Shareholders based on the registered address as recorded in the register of members of the Company on Tuesday, 5 July 2022 (the “**Registered Address**”). If the resident status of any individual H-share Shareholder is not in consistency with that indicated by the Registered Address, such individual H-share Shareholder shall notify the Company’s H share registrar not later than 4:30 p.m. on Wednesday, 29 June 2022 and provide relevant supporting documents to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Any individual H-share Shareholder who fails to provide relevant supporting documents within the time period stated above, may either personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H-share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H-share Shareholders or any disputes over the withholding mechanism or arrangements.

3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the AGM on his, her or its behalf.
4. The instrument to appoint a proxy shall be signed by the appointer or his/her attorney duly authorized in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its director or attorney duly authorized.
5. To be valid, the form of proxy must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) not less than 24 hours prior to the holding of the AGM (i.e. not later than 9:00 a.m. on Tuesday, 21 June 2022). If such form of proxy is signed by another person under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized by a notary. The notarized power of attorney or other authorization documents shall, together with the form of proxy, be deposited at the specified place at the time set out in such form of proxy.
6. If the appointer is a legal person, its legal representative or any person authorised by resolution of its board or other governing bodies may attend the AGM on behalf of the appointer.
7. The Company has the rights to request a Shareholder or a proxy who attends the AGM on behalf of a Shareholder to provide proof of identity.
8. The AGM is expected to take less than half a day. Shareholders who attend the AGM shall be responsible for their own travel and accommodation expenses.

NOTICE OF 2021 AGM

9. Notes for the AGM

To prevent and control the COVID-19 pneumonia pandemic and maintain public health, the Company encourages the Shareholders to consider appointing the chairman of the AGM to serve as their proxy to attend the AGM and vote on related resolutions. To attend the AGM on site, a Shareholder must pay attention to the following matters:

- (1) In order to prevent the COVID-19 pneumonia pandemic and ensure the safety of participants, the Shareholders wishing to attend the AGM on site must pay attention to and strictly abide by the regulations and requirements of Beijing on health declaration, quarantine and observation during the epidemic prevention and control. The Company will strictly comply with the epidemic prevention and control requirements of relevant government departments and take appropriate epidemic prevention and control measures for the Shareholders attending the AGM under the guidance and supervision of relevant government departments. Shareholders who have fever and other symptoms or do not meet the requirements of epidemic prevention and control will not be able to enter the site of the AGM.
- (2) Please contact the Company no later than two days before the AGM (i.e. before 9:00 a.m. on Monday, 20 June 2022, Beijing Time) to communicate and register the health status, recent travel and other information, so as to facilitate entering the venue on the date of the AGM. The contact of the Company is as follows:

Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the PRC
Securities Affairs and Investor Relationship Department
Telephone number: (86)10 6388 8199

- (3) After arriving at the AGM venue on that date, please cooperate to implement the epidemic prevention requirements such as participation registration, health information inquiry and certification, body temperature detection, and strictly abide by the epidemic prevention regulations of local government departments. During the meeting, please wear a mask and keep a necessary distance according to the meeting arrangement.

* *For identification purpose only*