
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 and reply slip 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)

**REPORT OF BOARD OF DIRECTORS FOR THE YEAR 2018
REPORT OF SUPERVISORY BOARD FOR THE YEAR 2018
INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S
AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2018
FINAL FINANCIAL ACCOUNTS REPORT FOR THE YEAR 2018
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018
FINANCIAL BUDGET PLAN FOR THE YEAR 2019
DIRECTORS' AND SUPERVISORS' REMUNERATION PLAN FOR THE YEAR 2019
RE-APPOINTMENT OF PRC AUDITOR FOR THE YEAR 2019 AND GRANT OF AUTHORITY
TO THE AUDIT COMMITTEE OF THE BOARD TO DETERMINE ITS REMUNERATION
RE-APPOINTMENT OF INTERNATIONAL AUDITOR FOR THE YEAR 2019 AND
GRANT OF AUTHORITY TO THE AUDIT COMMITTEE OF THE BOARD
TO DETERMINE ITS REMUNERATION
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GENERAL MANDATE TO APPLY FOR REGISTRATION AND ISSUANCE OF
DEBT FINANCING INSTRUMENTS IN THE PRC
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INSTRUMENTS OF NON-FINANCIAL ENTERPRISES IN THE PRC
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF AGM**

The Company will convene the AGM at 10:00 a.m. on Friday, 17 May 2019 at the Conference Room, 22/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, PRC. Notice of AGM is set out 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 and for holders of Domestic Shares, the form of proxy should be returned to the Company's head office in the PRC not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 10:00 a.m. on Thursday, 16 May 2019 (Hong Kong time)) 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 should you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip to (for holders of H Shares) Computershare Hong Kong Investor Services Limited or to (for holders of Domestic Shares) the Company's head office in the PRC on or before Friday, 26 April 2019.

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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 for the year 2018 to be held by the Company at the Conference Room, 22/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, PRC at 10:00 a.m. on Friday, 17 May 2019
“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”	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 PRC and its H Shares are listed on the Hong Kong Stock Exchange
“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Executive Director(s)”	executive director(s) of the Company
“Group”	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司) and its subsidiaries
“H Shares”	overseas listed foreign shares in the Company’s share capital 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 shares of the Company in the Hong Kong Stock Exchange being invested by investors (including enterprises and individuals) in Shanghai Stock Exchange

* For identification purpose only

DEFINITIONS

“Hong Kong” or “HK”	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 Non-executive Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	25 March 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Non-executive Director(s)”	non-executive director(s) of the Company
“Notice of AGM”	the notice convening the AGM
“PRC” or “China”	the People’s Republic of China
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Company’s Domestic Shares and H Shares
“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)

Non-executive Directors:

Mr. Qiao Baoping (*Chairman*)
Mr. Liu Jinhuan
Mr. Luan Baoxing
Mr. Yang Xiangbin

Executive Directors:

Mr. Jia Yanbing
Mr. Huang Qun

Independent Non-executive Directors:

Mr. Zhang Songyi
Mr. Meng Yan
Mr. Han Dechang

Registered office in the PRC:

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

Head office in the PRC:

6 Fuchengmen North Street, Block c
Xicheng District
Beijing
PRC

Principal place of business in Hong Kong:

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

1 April 2019

To the Shareholders

Dear Sir or Madam,

**REPORT OF BOARD OF DIRECTORS FOR THE YEAR 2018
REPORT OF SUPERVISORY BOARD FOR THE YEAR 2018
INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S
AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2018
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* For identification purpose only

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is 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 (among others) to be proposed at the meeting for the following issues, to be approved by way of ordinary or special resolutions:

Ordinary Resolutions

1. Report of Board of Directors for the year 2018;
2. Report of Supervisory Board for the year 2018;
3. Independent auditor's report and the Company's audited financial statements for the year 2018;
4. Final financial accounts report for the year 2018;
5. Profit distribution plan for the year 2018;
6. Financial budget plan for the year 2019;
7. Directors' and Supervisors' remuneration plan for the year 2019;
8. Re-appointment of PRC auditor for the year 2019 and grant of authority to the audit committee of the Board to determine its remuneration; and
9. Re-appointment of international auditor for the year 2019 and grant of authority to the audit committee of the Board to determine its remuneration.

Special Resolutions

10. Amendments to the Articles of Association of the Company;
11. General mandate to apply for registration and issuance of debt financing instruments in the PRC;
12. Application for issuance of debt financing instruments of non-financial enterprises in the PRC; and
13. General mandate to issue shares.

LETTER FROM THE BOARD

(1) REPORT OF BOARD OF DIRECTORS FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to approve the report of Board of Directors for the year 2018, the full text of which is set out in the Company's annual report.

(2) REPORT OF SUPERVISORY BOARD FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to approve the report of Supervisory Board for the year 2018, the full text of which is set out in the Company's annual report.

(3) INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to approve the independent auditor's report and the Company's audited financial statements for the year 2018, the full texts of which are set out in the Company's annual report.

(4) FINAL FINANCIAL ACCOUNTS REPORT FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to approve the final financial accounts report for the year 2018. A summary of the Group's 2018 final financial accounts report prepared under the International Financial Reporting Standards is as follows:

1. *Income and Profit*

In 2018, pursuant to the consolidated financial statements, the Group's operating revenue was RMB26,388 million and other net income was RMB917 million. Operating expenses amounted to RMB18,063 million, while net finance expenses amounted to RMB3,513 million. Profit before taxation was RMB5,897 million, of which the net profit attributable to equity holders of the Company was RMB4,166 million.

2. *Cash flow*

In 2018, pursuant to the consolidated financial statements, the Group's net cash inflow of operating activities was RMB14,255 million, net cash outflow from investment activities was RMB8,633 million and net cash outflow from financing activities was RMB7,802 million. The net decrease compared with 2017 of cash at banks and on hand held by the Group for the year was RMB2,221 million.

LETTER FROM THE BOARD

3. *Assets and liabilities*

As at 31 December 2018, pursuant to the consolidated financial statements, the Group's total assets amounted to RMB146,504 million, of which current assets amounted to RMB17,786 million, non-current assets amounted to RMB128,718 million. Total liabilities amounted to RMB89,939 million. Equity attributable to equity holders of the Company amounted to RMB49,236 million.

(5) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018

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 RMB0.0977 per Share (tax inclusive) in cash for the year ended 31 December 2018. Such dividend will be paid to holders of Domestic Shares in Renminbi, to holders of H Shares in Hong Kong dollars and to holders of the H Shares for Southbound Trading in Renminbi. 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 Renminbi 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 Thursday, 30 May 2019. The Company expected to pay the dividend on Friday, 26 July 2019.

In order to determine the holders of Shares who are entitled to receive the above-mentioned final dividend, the register of members of the Company will be closed from Saturday, 25 May 2019 to Thursday, 30 May 2019, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2018 (subject to the approval of the Company's Shareholders), unregistered holders of H Shares 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 Friday, 24 May 2019.

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.

LETTER FROM THE BOARD

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 force on 1 January 2008 and other relevant rules, when the Company distributes the proposed 2018 final dividend to non-resident enterprise Shareholders whose names appear on the register of members for H Shares, it is required to withhold enterprise income tax at the rate of 10%. Any H Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as Shares being held by non-resident enterprise Shareholders, and consequently 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 holders of H Shares 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 Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. 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 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 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 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 these Shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《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》) (Caishui [2014] No. 81), 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, 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 shares listed on the Hong Kong Stock Exchange through Shanghai-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 themselves.

LETTER FROM THE BOARD

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 Thursday, 30 May 2019 (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 Friday, 24 May 2019, 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 2019

An ordinary resolution will be proposed at the AGM to approve the financial budget plan for the year 2019. The financial budget plan is prepared with reference to the Company’s historical results, development targets for the year 2019 and value maximization principle.

(7) DIRECTORS’ AND SUPERVISORS’ REMUNERATION PLAN FOR THE YEAR 2019

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Directors and Supervisors for the year ending 31 December 2019, 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 2019, 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;

LETTER FROM THE BOARD

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 senior management 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 determined in accordance with rules relating to the management of remuneration of the Company;
5. The remuneration of senior management comprises of basic salary and performance salary. The basic salary is paid monthly and the performance salary is determined according to the results of the performance appraisal.

(8) RE-APPOINTMENT OF PRC AUDITOR FOR THE YEAR 2019 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 Baker Tilly China Certified Public Accountants LLP as the PRC auditor of the Company for the year 2019, 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 2019 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 2019, 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.

LETTER FROM THE BOARD

(10) AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Reference is made to the announcement of the Company dated 19 March 2019 in respect of the proposed amendments to the Articles. The Company amended the relevant articles of the Articles due to the change of legal residence and other relevant information of the Company. The details are set out as follows:

Original Articles	Amended Articles
Chapter 1 General Provisions	
<p>Article 2</p> <p>The Company is a joint stock limited company incorporated pursuant to the Company Law, the Special Regulations and other relevant laws in PRC and administrative regulations.</p> <p>The Company was established with the approval of the State-owned Assets Supervision and Administration Commission of the State Council, as evidenced by the approval document Guo Zi Gai Ge [2009] No. 468, the Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person's business license on 9 July 2009. The number of its corporate legal person's business license is: 100000000012769.</p> <p>The promoters of the Company include China Guodian Corporation Ltd. and Guodian Northeast Power Co., Ltd.</p>	<p>Article 2</p> <p>The Company is a joint stock limited company incorporated pursuant to the Company Law, the Special Regulations and other relevant laws in PRC and administrative regulations.</p> <p>The Company was established with the approval of the State-owned Assets Supervision and Administration Commission of the State Council, as evidenced by the approval document Guo Zi Gai Ge [2009] No. 468, the Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person's business license on 9 July 2009. <u>The unified social credit code of the Company is: 911100001000127624.</u></p> <p>The promoters of the Company include China Guodian Corporation Ltd. and Guodian Northeast Power Co., Ltd.</p>
<p>Article 4</p> <p>The Company's legal residence: Room 1206, 12th Floor, Science and Technology Building, (理工科技大厦) No. 7, Baishiqiao Street, Haidian District, Beijing</p> <p>Postcode: 100081</p> <p>Telephone: 010-6657-9803</p> <p>Facsimile: 010-6657-9899</p>	<p>Article 4</p> <p>The Company's legal residence: <u>Room 2006, 20th Floor, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing</u></p> <p>Postcode: <u>100034</u></p> <p>Telephone: <u>010-6388-7602</u></p> <p>Facsimile: <u>010-6388-7666</u></p>

LETTER FROM THE BOARD

(11) GENERAL MANDATE TO APPLY FOR REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS IN THE PRC

In order to enhance the capital operation efficiency, thoroughly utilize the financing functions of the bond market, adjust the debt structure and minimize finance costs, 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. With a view to seizing the favorable opportunities that arise in the market, the Company intends to apply for the general mandate to issue the aforesaid debt financing instruments. 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 RMB40 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 direct debt financing instruments such as corporate bonds (including non-public issuance), corporate loans, asset-backed securities, project revenue notes;
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 granting shall be within a period of 12 months from the date of consideration and approval of the resolution at the general meeting. 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;
4. To approve the delegation of authority by the Board to the Office of General Manager of the Company to deal with relevant matters within the scope of authorization above.

LETTER FROM THE BOARD

(12) APPLICATION FOR ISSUANCE OF DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES IN THE PRC

A special resolution will be proposed at the AGM to approve the general and unconditional authorization to the Board to decide and deal with relevant matters in relation to the issuance of debt financing instruments of non-financial enterprises with not exceeding RMB40 billion (inclusive) from the National Association of Financial Market Institutional Investors by the Company. The types of debt financing instruments include but are not limited to direct debt financial instruments such as ultra short-term financing bonds, short-term financing bonds and mid-term notes, perpetual medium term notes, asset-backed notes. The proceeds raised are utilized for meeting the demands of production and operation, adjustment of debt structure, swap of indebtedness of projects under development, repayment of part of the loans, replenishment of working capital and/or project investment, etc., and to approve the delegation of authority by the Board to the Office of General Manager of the Company to deal with relevant matters within the scope of authorization above.

(13) GENERAL MANDATE TO ISSUE SHARES

The Directors had been granted a general mandate at the 2017 annual general meeting of the Company held on 25 May 2018 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 Domestic Shares and H Shares not exceeding 20% of the total number of the Domestic Shares and H Shares respectively in issue on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 4,696,360,000 Domestic 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 939,272,000 Domestic 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 10:00 a.m. on Friday, 17 May 2019 at the Conference Room, 22/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the PRC. Notice of AGM is set out in this circular.

In order to determine the holders of Shares who are eligible to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 17 April 2019 to Friday, 17 May 2019, both days inclusive. To be eligible to attend and vote at the AGM, unregistered holders of H Shares shall lodge relevant 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 Tuesday, 16 April 2019.

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 to Computershare Hong Kong Investor Services Limited and for holders of Domestic Shares, the form of proxy should be returned to the Company's head office in the PRC in person or by post not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 10:00 a.m. on Thursday, 16 May 2019 (Hong Kong time)) or any adjourned meeting (as the case may be).

Shareholders who intend to attend the AGM in person or by proxy shall complete and return the accompanying AGM reply slip to the Company's head office in the PRC by hand, by post or by fax (fax number: (86) 10-6388 7780) (for holders of Domestic Shares), or return the AGM reply slip to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by hand or by post (for holders of H Shares) on or before Friday, 26 April 2019.

LETTER FROM THE BOARD

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 every resolution put to the vote at the AGM pursuant to Article 81 of the Articles.

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 resolutions set out in the Notice of AGM for Shareholders' consideration and approval are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the said 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*
Qiao Baoping
Chairman of the Board

* *For identification purpose only*

NOTICE OF 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 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “AGM”) of China Longyuan Power Group Corporation Limited* (the “Company”) will be held at the Conference Room, 22/F, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing, the People's Republic of China (the “PRC”), at 10:00 a.m. on Friday, 17 May 2019 for the following purposes:

ORDINARY RESOLUTIONS

To consider and approve the following matters for passing as ordinary resolutions:

1. To approve the Report of the Board of Directors of the Company for the year 2018;
2. To approve the Report of the Supervisory Board of the Company for the year 2018;
3. To accept the independent auditor's report and the Company's audited financial statements for the year 2018;
4. To approve the final financial accounts report of the Company for the year 2018;
5. To approve the profit distribution plan of the Company for the year 2018;
6. To approve the financial budget plan of the Company for the year 2019;
7. To approve the Directors' and Supervisors' remuneration plan for the year 2019;
8. To approve the re-appointment of PRC auditor for the year 2019 and grant of authority to the audit committee of the Board to determine its remuneration; and
9. To approve the re-appointment of international auditor for the year 2019 and grant of authority to the audit committee of the Board to determine its remuneration.

* *For identification purpose only*

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SPECIAL RESOLUTIONS

To consider and approve the following matters for passing as special resolutions:

10. To approve the amendments to the Articles of Association of the Company;

“THAT:

The Company amended the relevant articles of the Articles due to the change of legal residence and other relevant information of the Company. The details are set out as follows:

Original Articles	Amended Articles
Chapter 1 General Provisions	
Article 2 The Company is a joint stock limited company incorporated pursuant to the Company Law, the Special Regulations and other relevant laws in PRC and administrative regulations. The Company was established with the approval of the State-owned Assets Supervision and Administration Commission of the State Council, as evidenced by the approval document Guo Zi Gai Ge [2009] No. 468, the Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person's business license on 9 July 2009. The number of its corporate legal person's business license is: 100000000012769. The promoters of the Company include China Guodian Corporation Ltd. and Guodian Northeast Power Co., Ltd.	Article 2 The Company is a joint stock limited company incorporated pursuant to the Company Law, the Special Regulations and other relevant laws in PRC and administrative regulations. The Company was established with the approval of the State-owned Assets Supervision and Administration Commission of the State Council, as evidenced by the approval document Guo Zi Gai Ge [2009] No. 468, the Company was registered with the State Administration for Industry and Commerce and was granted the corporate legal person's business license on 9 July 2009. <u>The unified social credit code of the Company is: 911100001000127624.</u> The promoters of the Company include China Guodian Corporation Ltd. and Guodian Northeast Power Co., Ltd.
Article 4 The Company's legal residence: Room 1206, 12th Floor, Science and Technology Building, (理工科技大厦) No. 7, Baishiqiao Street, Haidian District, Beijing Postcode: 100081 Telephone: 010-6657-9803 Facsimile: 010-6657-9899	Article 4 The Company's legal residence: <u>Room 2006, 20th Floor, Block c, 6 Fuchengmen North Street, Xicheng District, Beijing</u> Postcode: <u>100034</u> Telephone: <u>010-6388-7602</u> Facsimile: <u>010-6388-7666</u>

”

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

“THAT:

In order to enhance the capital operation efficiency, thoroughly utilize the financing functions of the bond market, adjust the debt structure and minimize finance costs, 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. With a view to seizing the favorable opportunities that arise in the market, the Company intends to apply for the general mandate to issue the aforesaid debt financing instruments. 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 RMB40 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 direct debt financing instruments such as corporate bonds (including non-public issuance), corporate loans, asset-backed securities, project revenue notes;
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 granting shall be within a period of 12 months from the date of consideration and approval of the resolution at the general meeting. 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;
4. To approve the delegation of authority by the Board to the Office of General Manager of the Company to deal with relevant matters within the scope of authorization above.”

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12. To approve the application for issuance of debt financing instruments of non-financial enterprises in the PRC, and generally and unconditionally authorize the Board to decide and deal with relevant matters in relation to the issuance of debt financing instruments of non-financial enterprises with not exceeding RMB40 billion (inclusive) from the National Association of Financial Market Institutional Investors by the Company. The types of debt financing instruments include but not limited to direct debt financial instruments such as ultra short-term financing bonds, short-term financing bonds and mid-term notes, perpetual medium term notes, asset-backed notes.
13. To approve the granting of a general mandate to the Board to issue, allot and deal with additional domestic shares and H shares not exceeding 20% of each of the total number of the domestic shares and H shares of the Company respectively in issue, and to authorize the Board to make amendments to the Articles of the Company as it thinks fit so as to reflect the new share capital structure upon the issue or allotment of additional shares pursuant to such mandate:

“THAT:

- (A) (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 domestic 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 domestic 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 domestic shares and H shares of the Company respectively in issue as at the date of passing of this resolution;

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(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
- (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.

(B) 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

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

By order of the Board

China Longyuan Power Group Corporation Limited*

Qiao Baoping

Chairman of the Board

Beijing, the PRC, 1 April 2019

* For identification purpose only

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Notes:

1. Important: A circular setting out further details of the resolutions, the form of proxy and the AGM reply slip will be dispatched and published by the Company in due course. The Company will also dispatch and publish the Company's annual report for 2018 in due course. 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 2018 published on the websites of The Stock Exchange of Hong Kong Limited and the Company, or dispatched to relevant Shareholders. The annual report for 2018 included the Report of Board of Directors for 2018, the Report of Supervisory Board for 2018, the audited financial statements and the auditor's report for 2018, etc.
2. In order to determine the holders of shares who are eligible to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 17 April 2019 to Friday, 17 May 2019, both days inclusive. To be eligible to attend and vote at the AGM, 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 Tuesday, 16 April 2019.

In order to determine the holders of shares who are entitled to receive the proposed 2018 final dividend, the register of members of the Company will be closed from Saturday, 25 May 2019 to Thursday, 30 May 2019, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2018 (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 Friday, 24 May 2019.

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 force on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2018 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 enterprise income tax at the rate of 10%. Any H shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise Shareholders, and consequently 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 holders of H shares 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 Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. 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 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 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 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 these Shareholders.

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Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《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》) (Caishui [2014] No. 81), for dividends received by domestic individual investors from investing in H shares listed on The Stock Exchange of Hong Kong Limited through Shanghai-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 shares listed on The Stock Exchange of Hong Kong Limited through Shanghai-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 themselves.

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 Thursday, 30 May 2019 (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 Friday, 24 May 2019 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) or the Company’s head office in the PRC (for holders of domestic shares of the Company) not less than 24 hours prior to the holding of the AGM (i.e. not later than 10:00 a.m. on Thursday, 16 May 2019 (Hong Kong time)). If such instrument 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. 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 resolutions 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. Shareholders who intend to attend the AGM in person or by proxy shall return the AGM reply slip to the Company’s head office in the PRC (for holders of domestic shares of the Company) by hand, by post or by fax (fax number: (86) 10-6388 7780), or return the AGM reply slip 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 by hand or by post (for holders of H shares of the Company) on or before Friday, 26 April 2019.

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9. 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.

10. The contact of the Company is as follows:

Address: 6 Fuchengmen North Street, Block c
Xicheng District
Beijing, the PRC
Contact person: Mr. Jia Nansong
Telephone number: (86)10-6388 8008