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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)**

## **NOTICE OF 2011 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2011 annual general meeting (“AGM”) of China Longyuan Power Group Corporation Limited\* (the “Company”) will be held at the Conference Room, 22/F, Tower C, International Investment Plaza, 6-9 Fuchengmen North Street, Xicheng District, Beijing, the People’s Republic of China (“PRC”), at 10:00 a.m. on Friday, 18 May 2012 to consider the following matters:

### **ORDINARY RESOLUTIONS**

To consider the following matters as ordinary resolutions:

1. To approve the report of the board of directors of the Company for the year 2011.
2. To approve the report of board of supervisors of the Company for the year 2011.
3. To approve the final financial accounts of the Company for the year ended 31 December 2011.
4. To accept the independent auditor’s report and the Company’s audited financial statements for the year ended 31 December 2011.
5. To approve the budget report of the Company for the year ending 31 December 2012.
6. To approve the profit distribution plan of the Company for the year ended 31 December 2011, namely, the proposal for distribution of a final dividend of RMB0.069 per share (tax inclusive) in cash in an aggregate amount of approximately RMB515,215,000 for the year ended 31 December 2011, and to authorise the Board to implement the aforesaid distribution.

7. To approve the re-appointment of RSM China Certified Public Accountants Co., Ltd. as the Company's PRC auditors for the year 2012 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the audit committee under the Board to determine their remuneration.
8. To approve the re-appointment of KPMG as the Company's international auditors for the year 2012 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the audit committee under the Board to determine their remuneration.
9. To approve the remuneration plan for directors and supervisors of the Company for the year 2012.
10. To approve the appointment of Mr. Huang Qun as an executive director of the Company to fill the vacancy arising from the resignation of Mr. Tian Shicun, effective from the date on which such nomination was approved by the shareholders at the AGM and until the expiration of the term of the current session of the Board. Meanwhile, to approve to authorise the Remuneration and Assessment Committee of the Board to determine, upon the candidate for new director being approved at the AGM, the remuneration of the new director according to the remuneration plan for directors and supervisors of the Company for the year 2012 approved at the AGM, and to authorise the chairman of the Company or any executive Director (excluding the new executive Director) to enter into a service contract with the new director and handle all other relevant matters on behalf of the Company upon the candidate for new director being approved at the AGM.
11. To approve the appointment of Mr. Lv Congmin as an independent non-executive director of the Company to fill the vacancy arising from the resignation of Mr. Li Junfeng, effective from the date on which such nomination was approved by the shareholders at the AGM and until the expiration of the term of the current session of the Board. Meanwhile, to approve to authorise the Remuneration and Assessment Committee of the Board to determine, upon the candidate for new director being approved at the AGM, the remuneration of the new director according to the remuneration plan for directors and supervisors of the Company for the year 2012 approved at the AGM, and to authorise the chairman of the Company or any executive Director (excluding the new executive Director) to enter into a service contract with the new director and handle all other relevant matters on behalf of the Company upon the candidate for new director being approved at the AGM.

## SPECIAL RESOLUTIONS

To consider and approve the following matters as special resolutions:

12. the application to the National Association of Financial Market Institutional Investors of the People's Republic of China (the "PRC") for the quota of the issue of short-term debentures with a principal amount of not exceeding RMB20 billion (including RMB20 billion) within 12 months from the date of obtaining an approval at the AGM, and, according to the requirement of the Company and market condition, to issue in separate tranches on a rolling basis within the effective period, and to authorise the Board and the persons it authorised to deal with all such matters relating to the registration and issue of the aforementioned short-term debentures at their full discretion, subject to relevant laws and regulations, and to approve the delegation of the authority by the Board to the management of the Company to deal with all such specific matters relating to the issue of the aforementioned short-term debenture within the scope of authorization above, with immediate effect upon the above proposal and authorization being approved by the shareholders at the 2011 AGM. The particulars are set out as follows:

- (1) issue size: up to an aggregate of RMB20 billion (including RMB20 billion).
- (2) maturity of issue: each tranche of short-term debentures has a term of not more than 9 months from the date of issue. The actual term shall be as determined in the announcement at the time of issue.
- (3) target subscribers: institutional investors in the PRC inter-bank bond market.
- (4) use of proceeds: replenishment of working capital and replacement of bank loans due of the Company (including its subsidiaries).
- (5) repayment of principal and interest: simple interest with a lump sum payment of interest and principal at maturity.
- (6) source of the funding for repayment: revenue from sales of electricity and investment gains, etc.

- (7) coupon rate: determined with reference to the actual term and the market capital, and based on the weekly rate announced by the National Association of Financial Market Institutional Investors. The actual coupon rate shall be as determined in the announcement in respect of such issue.
13. the application for registration of multiple tranches of private debt financing instruments with an aggregate principal amount of up to RMB10 billion (including RMB10 billion) in inter-bank market of the PRC and seek chances to issue such private debt financing instruments, and to authorise the Board and its authorised persons to deal with all relevant matters relating to the issue of private debt financing instruments and to approve the delegation of the authority by the Board to the management of the Company to deal with all such matters relating to the issue of private debt financing instruments within the scope of authorisation aforementioned and with immediate effect. The particulars are set out as follows:
- (1). issue size: up to RMB10 billion (including RMB10 billion).
  - (2). maturity of issue: not exceeding 5 years (inclusive).
  - (3). interest rate: not higher than the preferential interest rate of the bank loans prescribed by the People's Bank of China over the same period.
  - (4). method of issuance: private issue, multiple registrations and multiple tranches.
  - (5). target subscribers: investors in the inter-bank market of the PRC.
  - (6). use of proceeds: including but not limited to working capital, replacement of bank loans, investment in fixed assets, project acquisitions and etc.
14. 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 aggregate nominal values of the domestic shares and H shares of the Company respectively in issue, and to authorise the Board to make amendments to the articles of association of the Company as it thinks fit so as to reflect the new share capital structure upon the allotment or issue 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 of association of the Company 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 require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise 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 aggregate nominal values of domestic shares and H shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the aggregate nominal values of domestic shares and H shares of the Company respectively in issue at the date of passing 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 only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities 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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company 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 the Company in general meeting.

(B) the Board be authorised to make amendments to the articles of association of the Company as necessary so as to reflect the new share capital structure of the Company upon the allotment or issue of shares pursuant to the sub-paragraph (A) (a) of this resolution.”

## **ORDINARY RESOLUTION**

15. To consider and approve the proposals (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\***

**Zhu Yongpeng**

*Chairman of the Board*

Beijing, the PRC, 1 April 2012

*As at the date of this notice, the executive Directors of the Company are Mr. Xie Changjun and Mr. Tian Shicun; the non-executive Directors are Mr. Zhu Yongpeng, Mr. Wang Baole, Mr. Chen Bin and Mr. Luan Baoxing; and the independent non-executive Directors are Mr. Li Junfeng, Mr. Zhang Songyi and Mr. Meng Yan.*

\* *For identification purpose only*

*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 2011 in due course. Shareholders of the Company ("Shareholders") who wish to appoint a proxy shall first read the Company's annual report for 2011 published on the websites of The Stock Exchange of Hong Kong Limited and the Company, or dispatched to relevant Shareholders. The annual report for 2011 included the directors' report for 2011, the supervisory board's report for 2011, the audited financial statements and the auditors' report for 2011.
2. In order to determine the holders of shares who are eligible to attend and vote at the annual general meeting to be held on Friday, 18 May 2012, the register of members of the Company will be closed from Wednesday, 18 April 2012 to Friday, 18 May 2012, both days inclusive. To be eligible to attend and vote at the annual general meeting, unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shop 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, 17 April 2012.

In order to determine the holders of shares who are entitled to the receipt of the final dividend, the register of members of the Company will be closed from Thursday, 24 May 2012 to Tuesday, 29 May 2012, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2011 (subject to the approval of the Company's shareholders), unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shop 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, 23 May 2012.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2011 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 organisations 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 No.[2011] 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 finally withhold and pay individual income tax at the rate of 10% on behalf of these shareholders. 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 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 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 these shareholders.

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 29 May 2012 (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, 23 May 2012, 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 or her behalf.
4. The instrument to appoint a proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.

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. If such instrument is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation 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 the Board or other governing bodies may attend the AGM on behalf of the appointer.
7. The Company has the rights to request a proxy who attends the AGM on behalf of a shareholder to provide proof of identity.
8. Shareholders intending to attend the AGM must 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)10-6609 1661), or (for holders of H shares of the Company) 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 on or before Friday, 27 April 2012.
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:

Tower C, International Investment Plaza

6-9 Fuchengmen North Street

Xicheng District

Beijing, the PRC

Contact person: Mr. Jia Nansong

Telephone number: (8610) 6657 9825