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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)

CONNECTED TRANSACTION PROVISION OF LOAN TO A CONNECTED PERSON

On 26 April 2018, Hero Asia, a wholly-owned subsidiary of the Company, and Guodian Financial Leasing entered into a loan agreement, pursuant to which, Hero Asia will provide a shareholder loan amounting to RMB500 million to Guodian Financial Leasing for a term of one year.

As at the date of this announcement, Guodian Group directly and indirectly holds approximately 58.44% of the issued share capital of the Company and is the Controlling Shareholder of the Company under the Listing Rules, thus it is a connected person of the Company. Guodian Capital is a wholly-owned subsidiary of Guodian Group, and since Guodian Capital holds 51% equity interest in Guodian Financial Leasing, Guodian Financial Leasing constitutes an associate of Guodian Group, and is therefore a Connected Person of the Company. Accordingly, the provision of a shareholder loan by Hero Asia, a wholly-owned subsidiary of the Company, to Guodian Financial Leasing constitutes a connected transaction of the Company.

As the highest applicable percentage ratio is more than 0.1% but less than 5%, the provision of loan to Guodian Financial Leasing shall be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

LOAN AGREEMENT BETWEEN HERO ASIA AND GUODIAN FINANCIAL LEASING

On 26 April 2018, Hero Asia, a wholly-owned subsidiary of the Company, and Guodian Financial Leasing entered into a loan agreement, pursuant to which, Hero Asia will provide a shareholder loan amounting to RMB500 million to Guodian Financial Leasing for a term of one year.

Principal terms of the loan agreement are as follows:

Date:	26 April 2018
Parties:	Hero Asia, as the lender; and Guodian Financial Leasing, as the borrower
Amount:	RMB500 million
Term:	One year
Interest rate:	4.75%
Repayment of the loan:	The principal and interest of the borrowing is repayable in full on the maturity date

REASONS FOR AND BENEFITS OF PROVISION OF LOAN

The terms of the Loan Agreement, including the interest rate applicable, were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices. The Directors consider that not only can the Company share the shareholders' profit of Guodian Financial Leasing through Hero Asia, but can also earn differences between domestic and overseas interests by way of shareholder loan.

In view of the above, the Directors (including independent non-executive Directors) are of the opinion that the loan arrangements and the terms of loan agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company's non-executive directors, Mr. Qiao Baoping, Mr Wang Baole, Mr. Luan Baoxing and Mr. Yang Xiangbin who hold senior management positions in Guodian Group are considered to be connected Directors. They have abstained from voting. Save as disclosed above, none of Directors of the Company hold any material interest in the provision of loan.

Listing rules implications

As at the date of this announcement, Guodian Group directly and indirectly held approximately 58.44% of the issued share capital of the Company and was the Controlling Shareholder of the Company under the Listing Rules, thus it is a connected person of the Company. Guodian Capital is a wholly-owned subsidiary of Guodian Group, and since Guodian Capital holds 51% equity interest in Guodian Financial Leasing, Guodian Financial Leasing constitutes an associate of Guodian Group, and is therefore a Connected Person of the Company. Accordingly, the provision of a shareholder loan by Hero Asia, a wholly-owned subsidiary of the Company, to Guodian Financial Leasing constitutes a connected transaction of the Company.

As the highest applicable percentage ratio is more than 0.1% but less than 5%, the provision of loan shall be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Information on the Company

The Company is a leading wind power generation company in the PRC. The Group is primarily engaged in the design, development, construction, management and operation of wind farms. In addition to the wind power business, the Group also operates other power projects such as coal power, solar power, tidal, biomass and geothermal energy. Meanwhile, the Group also provides consulting, repair and maintenance, training and other professional services to wind farms, as well as manufactures and sells power equipment used in the power grids, wind farms and coal power plants.

Information on Hero Asia

Hero Asia is a wholly-owned subsidiary of the Company. It was incorporated in March 1994 in British Virgin Islands, mainly engaged in investment and shareholding business.

Information on Guodian Financial Leasing

Guodian Financial Leasing is a Sino-foreign joint venture established by Hero Asia and Guodian Capital in the PRC in March 2014. Guodian Financial Leasing is mainly engaged in businesses of leasing, financial leasing, acquisition of domestic and overseas leasehold properties, disposal and maintenance of the residual value of leasehold properties as well as provision of consultation and guarantee in respect of leasing transactions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“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, the H shares of which are listed on The Stock Exchange of Hong Kong Limited
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Guodian Capital”	中國國電資本控股有限公司 (China Guodian Capital Holdings Ltd.), a limited company incorporated in the PRC and a wholly-owned subsidiary of Guodian Group
“Guodian Financial Leasing”	國電融資租賃有限公司 (China Guodian Financial Leasing Company Ltd.), a Sino-foreign joint venture incorporated in the PRC and is held by Hero Asia and Guodian Capital as to 49% and 51% of its equity interest, respectively
“Guodian Group”	中國國電集團有限公司 (China Guodian Corporation Ltd.), a company with limited liability (solely state-owned) established in the PRC and the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Hero Asia”

雄亞(維爾京)有限公司 (Hero Asia (BVI) Company Limited), a company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company

By Order of the Board

China Longyuan Power Group Corporation Limited*

Jia Nansong

Vice President, Board Secretary and Joint Company Secretary

Beijing, the PRC, 26 April 2018

As at the date of this announcement, the non-executive directors of the Company are Mr. Qiao Baoping, Mr. Wang Baole, Mr. Luan Baoxing and Mr. Yang Xiangbin; the executive directors are Mr. Li Enyi and Mr. Huang Qun; and the independent non-executive directors are Mr. Zhang Songyi, Mr. Meng Yan and Mr. Han Dechang.

* *For identification purpose only*