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龍源電力集團股份有限公司

CHINA LONGYUAN POWER GROUP CORPORATION LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00916)

ANNOUNCEMENT IN RELATION TO PROVISION FOR IMPAIRMENT FOR 2024

The board of directors (the “**Board**”) of China Longyuan Power Group Corporation Limited* (the “**Company**”) hereby announces that the Proposal on Provision for Asset Impairment of China Longyuan Power Group Corporation Limited* for 2024 has been considered and approved at the Board meeting and the meeting of the supervisory board (the “**Supervisory Board**”) held on 28 March 2025. The Company made provision for impairment of RMB1,109 million on assets in total in 2024. It is expected that the Company’s total profit for 2024 will be decreased by RMB1,109 million. The details are as follows:

I. OVERVIEW OF THE PROVISION FOR IMPAIRMENT OF ASSETS

In accordance with the PRC Accounting Standards for Business Enterprises (《企業會計準則》), the Guidelines for Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 1 – Standardized Operation of Mainboard Listed Companies, the Shenzhen Stock Exchange Listing Rules and other provisions, the provision for impairment of assets amounted to RMB1,109 million in total in 2024. The scope of the provision for impairment of assets includes accounts receivable, inventories, fixed assets, intangible assets, construction in progress, etc., which is detailed below:

Item	Amount of provisions for 2024 (RMB'00 million)
Provision for bad debts of accounts receivable	1.30
Provision for impairment of inventories	0.03
Provision for impairment of fixed assets	6.02
Provision for impairment of intangible assets	3.25
Provision for impairment of construction in progress	0.49
Total	11.09

The reporting period in which the provision for asset impairment is included starts from 1 January 2024 to 31 December 2024.

II. DETAILS OF THE PROVISION FOR IMPAIRMENT OF ASSETS

(I) Provision for Accounts Receivable, Inventories, etc.

Pursuant to relevant requirements of the PRC Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, given the credit risk characteristics for items including accounts receivables and other receivables, the Company calculates the expected credit loss based on portfolio. The Company recognizes the expected credit loss of the duration and estimates the expected credit loss in accordance with its experience and changes of historical credit loss, the current situation and its forecast of the future economic condition. According to the Article 54 of the PRC Accounting Systems for Business Enterprises (《企業會計制度》), enterprises shall inspect the inventories in full at the end of the period. If the cost of inventories is higher than the net realizable value for reasons like the inventories being damaged, becoming completely or partially obsolete or being sold at a price lower than cost, the provision for impairment of inventories shall be made at the net realizable value lower than the cost of inventories.

In accordance with the above rules, the Company made provision for bad debts of accounts receivable of RMB130 million, which was mainly due to the impairment of upfront fees; and made provision for impairment of inventories of RMB3 million in 2024.

(II) Provision for Impairment of Long-term Assets

Pursuant to relevant requirements of PRC Accounting Standards for Business Enterprises No. 8 – Assets Impairment, for long-term equity investments, fixed assets, construction in progress and intangible assets with finite useful lives and other long-term assets, if there are any indications of impairment as at the balance sheet date, recoverable amount shall be estimated. Goodwill arising from business combinations and intangible assets with an indefinite useful life will be tested for impairment every year, regardless of whether there is any indication of impairment. Impairment test is performed on goodwill together with its relevant asset group or asset group portfolio. If the recoverable amounts of the above-mentioned long-term assets are lower than their book values, the differences are recognised as provision for asset impairment and recorded in current profit or loss.

In accordance with the above rules, the Company conducted a comprehensive impairment test on assets of the subsidiaries to properly manage the value of assets. In 2024, the Company made provision for impairment of fixed assets of RMB602 million, made provision for impairment of intangible assets of RMB325 million, and made provision for impairment of construction in progress of RMB49 million, which mainly include:

The Company is carrying out the “replacing small-capacity units with large capacity units” project to upgrade old wind farms in some projects in the Guangdong and Jiangsu regions. This year, the Company made a provision for impairment of fixed assets of RMB28 million for old units to be retired in projects in the Guangdong region, and a provision for impairment of intangible assets of RMB127 million for old units to be retired in concession projects in the Jiangsu region.

Affected by factors such as expiration of subsidy period, changes in policy of electricity price and local consumption, Longyuan (Bayannaer) Wind Power Co., Ltd., Yunnan Longyuan New Energy Co., Ltd., Longyuan Dali Wind Power Co., Ltd., Longyuan Tibet New Energy Co., Ltd., Longyuan Tibet Shigatse New Energy Co., Ltd., and Longyuan (Baotou) Wind Power Generation Co., Ltd., subsidiaries of the Company, are expected to decline in their future profitability, and provision for impairment of fixed assets of RMB567 million and provision for impairment of intangible assets of RMB198 million were made for the existing operational impairment situations.

Due to certain projects’ long-term suspension and delay of construction, subsidiaries of the Company such as Longyuan (Lai’an) New Energy Co., Ltd., Anhui Longyuan New Energy Co., Ltd., Hunan Longyuan New Energy Development Co., Ltd. and Guizhou Longyuan New Energy Co., Ltd., anticipated significant uncertainty in project restart in the future, made provision for impairment of fixed assets of RMB7 million, and made provision for impairment of construction in progress of RMB49 million.

III. EXPLANATION BY THE BOARD ON THE RATIONALITY OF THE PROVISION FOR IMPAIRMENT OF ASSETS

The Board of the Company believes that the provision for impairment of assets made by the Company complies with the relevant provisions of the PRC Accounting Standards for Business Enterprises and the Company's accounting policies, reflects the principle of prudence in accounting treatment, has sufficient basis for provision, and may more fairly reflect the financial position, asset value, and operating results of the Company as of 31 December 2024. The Board agreed to make this provision for impairment of assets.

IV. IMPACT ON THE COMPANY OF THE PROVISION FOR ASSET IMPAIRMENT

Provision for asset impairment totally amounted to RMB1,109 million, reducing the total profit of the Company for 2024 by RMB1,109 million, reducing the net profit attributable to shareholders of the listed company by RMB1,000 million and correspondingly reducing the net assets attributable to shareholders of the listed company by RMB1,000 million at the end of 2024. The above provision for asset impairment of the Company has been audited by an accounting firm and been fully reflected in the financial report for 2024.

V. EXPLANATION OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS ON THE REASONABLENESS OF PROVISION FOR ASSET IMPAIRMENT OF THE COMPANY IN 2024

The Proposal on Provision for Asset Impairment of China Longyuan Power Group Corporation Limited* for 2024 was considered and passed at the second meeting of the audit committee of the fifth session of the Board held on 21 March 2025. The audit committee of the Board is of the view that the provision for asset impairment to be made by the Company for the year 2024 is in compliance with the requirements of the Accounting Standards for Business Enterprises and the relevant accounting policies of the Company, reflects the principle of prudence in accounting, is well-founded, fairly reflects the consolidated financial position of the Company as at 31 December 2024 and the consolidated operating results for the year 2024, and is conducive to providing investors with more reliable accounting information.

VI. OPINION OF THE SUPERVISORY BOARD

The Company considered and approved the Proposal on Provision for Asset Impairment of China Longyuan Power Group Corporation Limited* for 2024 at the first meeting of the fifth session of the Supervisory Board in 2025 held on 28 March 2025. The Supervisory Board of the Company is in the view that: the provision for impairment of the relevant assets is in compliance with the relevant requirements under the existing PRC Accounting Standards for Business Enterprises; the procedures are in compliance and the accounting treatment is accurate, enabling more accurate reflection of the Company's operation results and financial conditions during the reporting period, and facilitating the Company provide more truthful and reliable accounting information to the market, which will not harm the interests of the Company and shareholders, the minority shareholders in particular. The Supervisory Board of the Company agreed to make provision for impairment of assets totaling RMB1,109 million in 2024.

By order of the Board
China Longyuan Power Group Corporation Limited*
Gong Yufei
Chairman

Beijing, the PRC, 28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Gong Yufei and Mr. Wang Liqiang; the non-executive directors are Ms. Wang Xuelian, Ms. Chen Jie, Mr. Zhang Tong and Mr. Wang Yong; and the independent non-executive directors are Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.

* *For identification purpose only*