NOTE ON THE REPORT

References

Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities by SASAC;
Sustainability Reporting Guidelines (G4) by Global Reporting Initiative;
ISO 26000: Social Responsibility Guide (2010) by International Organization for Standardization ISO;
the Environmental, Social and Governance (ESG) Reporting Guide issued by Hong Kong Stock Exchange,
and Guidance on Chinese Enterprises' Corporate Social Responsibility （CASS-CSR 4.0）.

Data Sources

The data in the report is subject to the annual reports, statistics and other official documents of Longyuan Power and its subsidiaries which have been approved by the senior management, administrative departments and subordinate entities.

Get A Copy

You can download the report from our website.
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Description Clarification

China Longyuan Power Group Corporation Limited is referred to as “Longyuan Power”, “Longyuan” and “the Company” in the report.

Coverage

This report shares its fulfillment of economic, social and environmental responsibilities by Longyuan Power and its subsidiaries.

Time Frame

January 1 – December 31, 2018. Some content is excluded.

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Qiao Bao Ping
Chairman

MESSAGE FROM THE CHAIRMAN

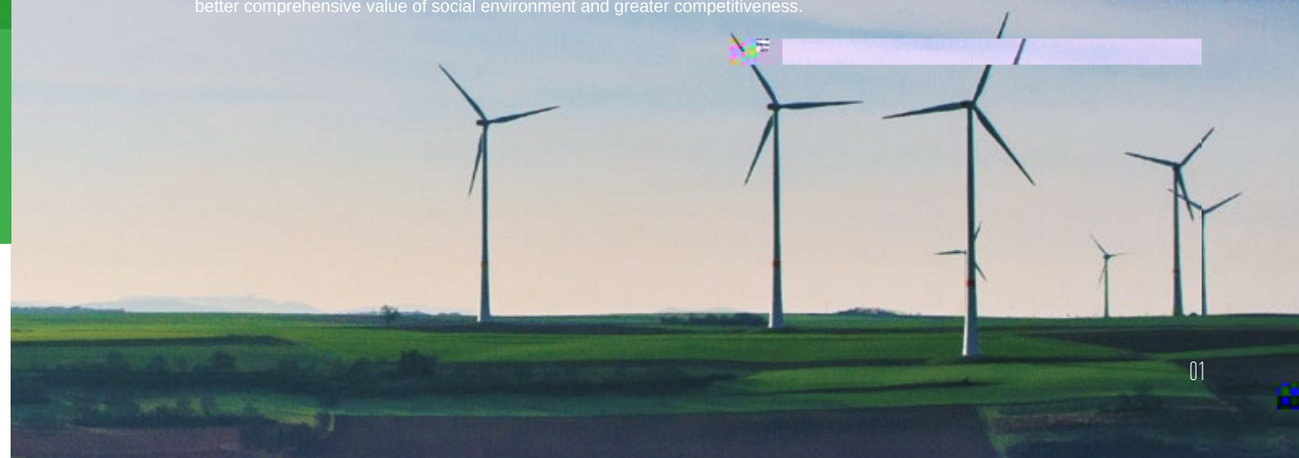
New Era, New Mission, New Responsibility

Nowadays, it has become a global trend for companies to fulfill their social responsibilities. As an important trend of the times, it frames today's business norms and standards, and represents an effective way to innovate corporate management model and increase corporate competitiveness. Longyuan Power promotes its corporate social responsibility not only to meet the needs of domestic and international social responsibility development, but also to compose the key element of building a world-class new energy listed company in an all-round way.

As a leader in China's new energy sector, Longyuan Power upholds its spirit which is characterized as leading the way and pursuing win-win cooperation.We lay stress on corporate social responsibility and regard it as an important component to fulfill our mission to develop clean energy for a beautiful China and to achieve our strategic objective of establishing a world-class new energy company with global competitiveness. Longyuan Power has also been actively exploring the concept and practices of corporate social responsibility and dedicates itself to promoting the mutual complement between corporate social responsibilities and corporate operation. We aim at sustainable development and comprehensive value maximization with all employees' participation and all-round integration. Through transparent and ethical enterprise practices, we fulfill our social responsibility in every decision-making, system and procedure establishment, business operation, daily management and our corporate culture. In the meantime, Longyuan Power constantly promotes its social responsibility to improve its comprehensive value creation, business operation transparency and brand awareness, fostering a core value featuring Endeavor, Efficiency, Innovation and Harmony.

Year 2018 was the first year of China Energy Group consolidation. As an important part of the China Energy Group's new energy sector, Longyuan Power follows the guidance of Xi Jinping Thought on Socialism with Chinese characteristics for a New Era and upholds the spirit of the Nineteenth National Party Congress. Under the leadership of China Energy Group's Leading Party Group and the company's board of directors, Longyuan will conscientiously implement the "1169" strategy, adhere to the general work guideline of making progress while maintaining stability, continue to apply the new development philosophy, and proceed to integrate the concept of social responsibility into corporate mission, strategic goals and daily operations. The continuously strengthened responsibility management and its economic, social and environmental responsibilities have led Longyuan Power to a remarkable responsibility performance and have promoted itself to be the world's largest wind power operator with six consecutive years ranking in Global Top 500 New Energy Enterprises List.

Year 2019 marks the 70th anniversary of the founding of People's Republic of China which also represents a crucial year for us as we endeavor to achieve the first Centenary Goal of building a moderately prosperous society in all respects. Longyuan Power will take Xi Jinping Thought on Socialism with Chinese characteristics for a New Era as guiding ideology, respond to the call of achieving socialism through best endeavors, share responsibility shoulder by shoulder with all social communities. By following national energy strategic deployment and China Energy Group strategy, we will make a big push to set an exemplary role in shouldering our social responsibility, to make new and greater contributions to a beautiful China, accomplish a harmonious development of corporate, staff, society and environment, to achieve higher development quality, better comprehensive value of social environment and greater competitiveness.

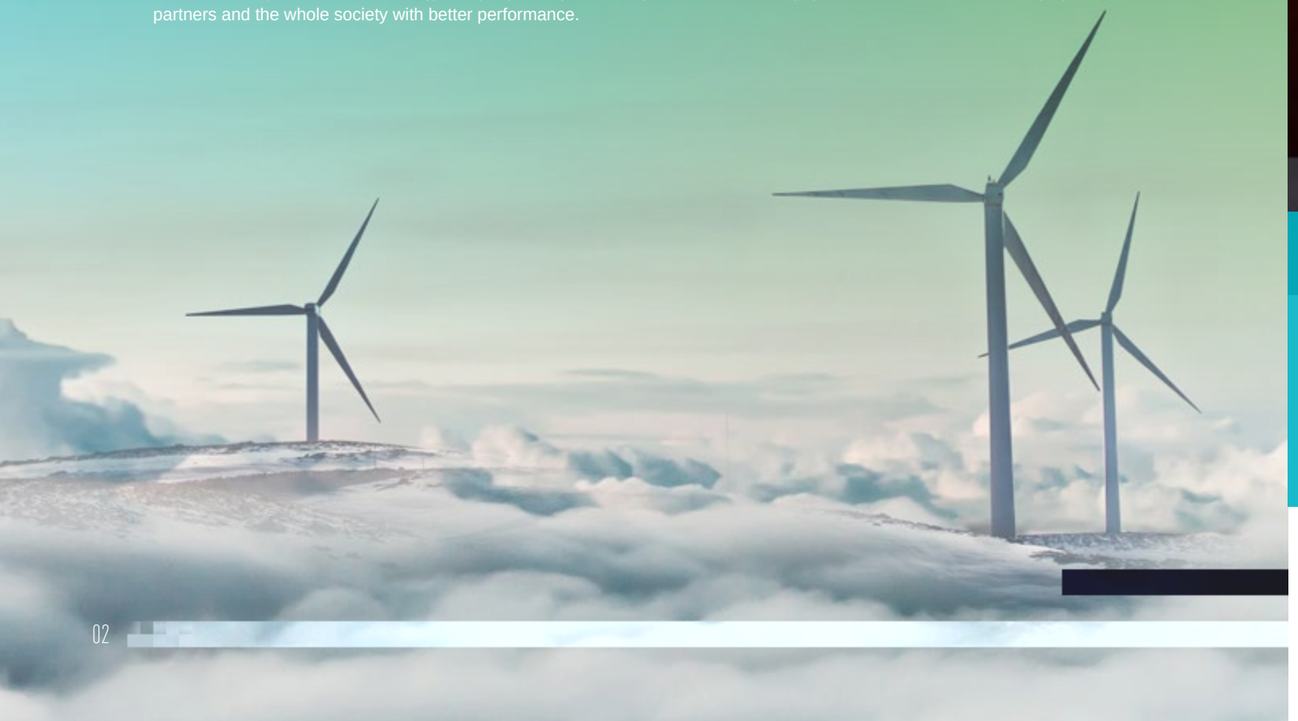


Great Enterprise Is Built From Best Endeavors

Longyuan Power is one of the first companies to develop new energy which leads China's wind power industry for a long time. Guided by the energy strategy of four revolutions and one cooperation as well as under the strong leadership of the Party Committee of China Energy Group and committee of directors, in 2018 Longyuan Power led by “1169” strategy carried out the essence of new-year and mid-year work conferences, firmly adhered to the general work guideline of making progress while maintaining stability, continued to apply the new development philosophy, steadily improved quality and efficiency, resulting in increased profitability, lead utilization hours in districts, continuous optimization of energy layout and distribution, maintaining a sound and steady improvement in operation, ranking as Global Top 500 New Energy Enterprises for six consecutive years.

These achievements are attributed to the company's consistent emphasis on and continuous implementation of social responsibility. For a long time, especially from 2018, the Company regards social responsibility as a nucleus part of the corporate strategy and culture, commits to its promise of sustainable development, improves social responsibility management system, carries forward the concept of responsibility, puts responsibility strategy into practice, strengthens responsibility governance, enhances responsibility communication, and boosts responsibility implementation. It dedicates to achieving maximization of the integrated economic, social and environmental value for the corporate development through issuing regular social responsibility report and disclose complete social responsibility information while embracing social responsibility into business operation and constantly improving social responsibility performance.

Great enterprise is built from best endeavors as achieving Socialism through best endeavors. Longyuan Power has shouldered its social responsibility with actions and endeavors, gradually building a highly responsible brand image in the international arena. Looking ahead to 2019, Longyuan Power will continue to carry out Xi Jinping thought on energy strategy, apply to new development philosophy, put development strategy which takes innovation as its driving force into practice, and comprehensively implement China Energy Group’s working arrangements. We will propel our exemplary social responsibility work to build up a world-class energy company with global competitiveness, and repay to investors, customers, employees, partners and the whole society with better performance.



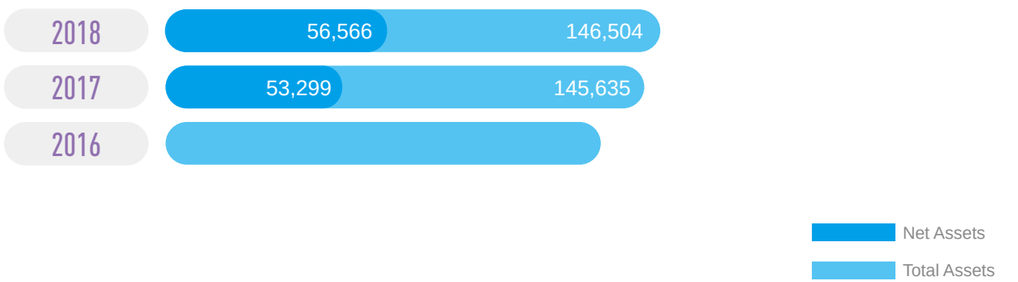
MESSAGE FROM THE PRESIDENT

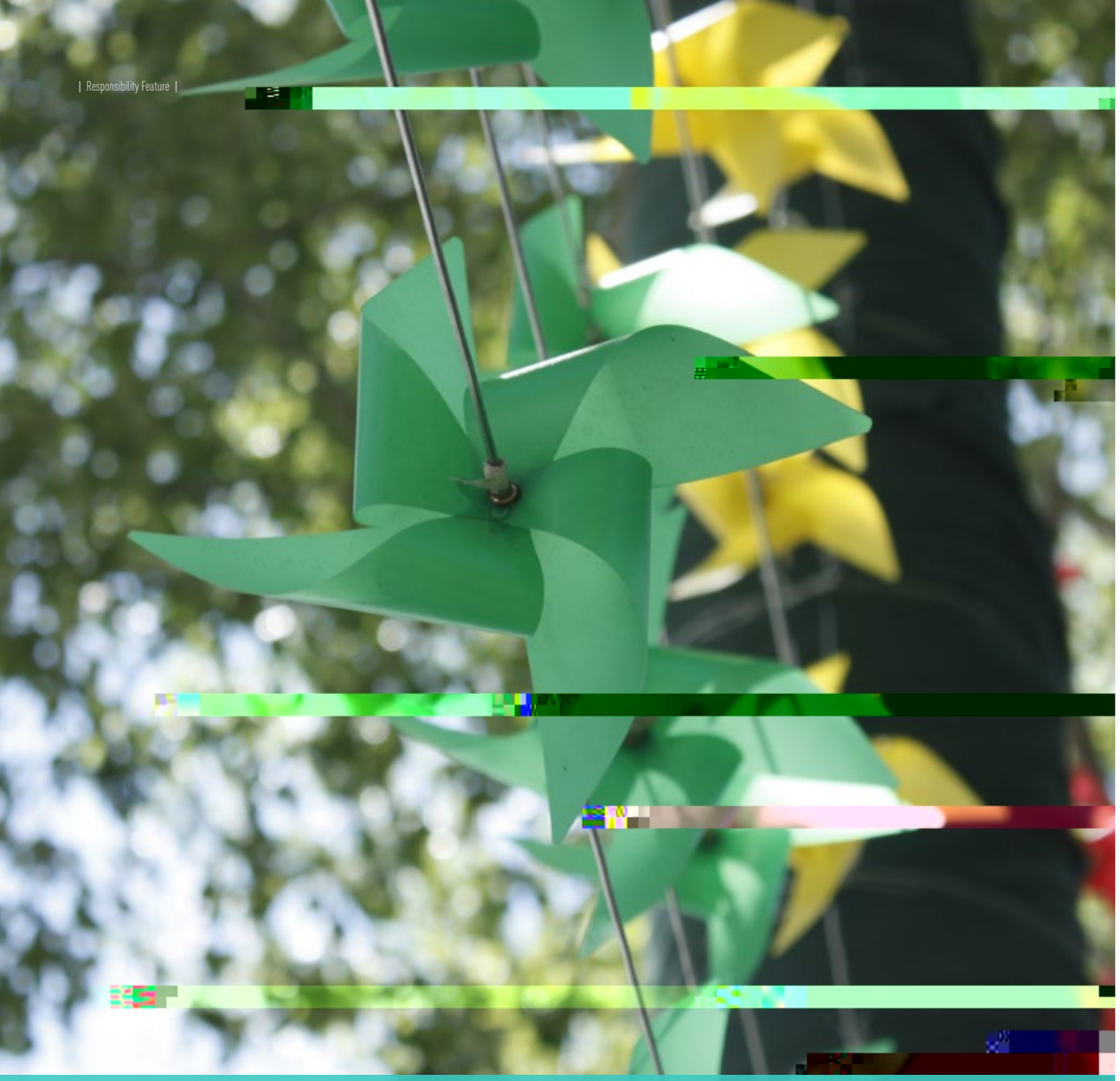
COMPANY PROFILE

Founded in 1993, Longyuan Power was originally affiliated to the National Energy Administration of the PRC and became an affiliated corporation of former Ministry of Power Industry, former State Power Corporation and Guodian Group successively. It is currently affiliated to China Energy Group and a pioneer specialised in wind power development in the PRC. In 2009, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange, which made it known as the “First Listed New Energy Company in the PRC”. Currently, Longyuan Power has developed into a large-scale power generation conglomerate focusing on new energy. It possesses over 300 wind farms as well as PV, biomass, tidal, geothermal and coal power generation projects, distributed in 32 provinces and municipalities of the PRC and other countries such as Canada and South Africa.

As of the end of 2018, the installed capacity of Longyuan Power holdings reached 21,044 megawatts, of which the wind power was 18,919 megawatts, maintaining its lead in world's largest wind power operators. Based on good business performance, the Company has been awarded grand prizes such as the "National Civilized Unit", “National May 1st Labor Award”, "Best Listed Company in Corporate Governance ", “The Listed Company with the Most Investment Value during the 13th Five-Year Plan period", " Listed Company with Best Brand Value ", and "Best Listed Company”. It has been listed the “Global Top 500 New Energy Enterprise” for six consecutive years.

KEY PERFORMANCE





RESPONSIBILITY FEATURE

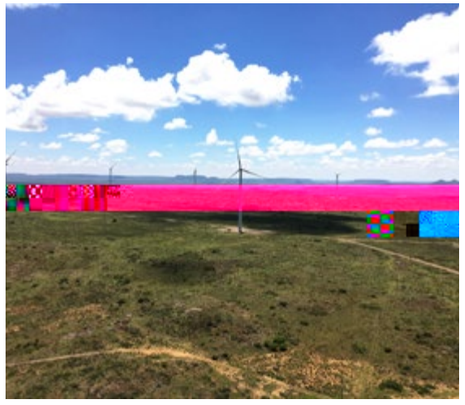
Responsibility feature plays the most important role of corporate social responsibility. Longyuan Power analyzes and ranks the influence on the Company's operations and on stakeholders, selects the most substantive feature of the company's responsibility for the public.

Performing Duties Overseas

In accordance with the requirements of high-quality development, Longyuan Power actively participated in the "Belt and Road Initiative", steadily implemented "Going Global" strategy, focused on oversea wind power and photovoltaic market, steadily promoted oversea business, built up its overseas business card on performing duties, and set up a good enterprise image.

01/ Longyuan Power South Africa Renewables (Longyuan South Africa) Performing Duties

In 2018, Longyuan South Africa actively carried out corporate social responsibility while conducting operations in South Africa. It set up a good Chinese enterprise image of serving local communities and making contributions in economic and social development, in environmental protection, and in social welfare.



Extended Reading

From July 25 to 27, 2018, BRICS Summit was held in Johannesburg, South Africa. President Xi Jinping attended the tenth BRICS leaders meeting. In order to show the world China's "Belt and Road Initiative", CCTV International broadcasted "Belt and Road Initiative" South Africa Specials during the summit, including episodes "De Aar Town – Story about the Wind" and " Coming to the southernmost tip of the African continent" which illustrated Longyuan South Africa De Aar project through its overseas development achievements in terms of project operation and performing social responsibility.

Extended Reading

On October 14, 2018, Xiao Yaqing, director of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council and deputy secretary of the party committee of SASAC, went to Longyuan South Africa Renewables. Xiao Yaqing fully recognized the achievements made by the Longyuan South Africa in terms of business development and Party building, and highly praised wind power project in South Africa as well as Longyuan Power "Going Global" strategy.

Safety production and management improvement. With reference to the high standards of safety management in South Africa combined with domestic sophisticated experience, we build a practical safety management mechanism to guarantee the implementation of safety and security measures. We actively promote the integration of culture and management, regularly carry out safety production training for all Chinese and international employees on a monthly basis, realizing continuous 426 days of safety production. We specify management roles, optimize automatic alarm system, and lift workload on supervision in semi-unattended mode. We improve response efficiency from equipment failure and reduced energy loss under the premise of not increasing the number of production personnel.

On November 30, 2018, employees of the company's safety supervision department went to De Aar wind farm in Longyuan South Africa for safety inspection.

Letter of Acknowledgement from Municipal Government.

Generate power and increase revenue.Under the circumstance that the annual average wind speed is lower than the speed in feasibility study, the annual utilization hours has reached 3,120 hours, 16% higher than that in feasibility study. The electricity generating capacity achieved its annual goal one month ahead, reaching 763 million kWh for the year with 79.99 million kWh surplus.

All electric transmission and transformation equipment are procured locally, increasing job opportunities for equipment manufactures and local community.

Serve local community and boost employment. The Longyuan South Africa project has promoted abundant direct and indirect employment opportunities, with more than 700 jobs during project construction, more than 100 long-term jobs per year during operation; all of these have principally increased the employment rate of black people in South Africa, especially those from local communities.

Improve the environment and engage in public welfare. The Longyuan South Africa supports local public services, facilitates local infrastructure, eliminates community poverty, improves local environment, and helps local small-size black businesses. We fund for local schools, improve local education environment, and subsidize poverty-stricken students for education. We keep our promise of the supporting plan made with local government before project implementation, accumulating five-million-yuan expenditure in 2018.

PETRUSVILLE

ERSKOOL

HIGH SCHOOL

04 April 2018

Longyuan Mulilo Wind Power (SF) (PTY)Ltd

De Aar

RE: Letter of Appreciation for funding

Dear Sir/Madam

The School Governing Body (SGB) and the School Management Team (SMT) of Petrusville High school wish to express deepest thanks that the school was selected to receive funding from your company.
The total funding of R100 760.00 was paid to the following suppliers for the services that they rendered to the school:

1. SEBOMA CONSTRUCTION AND PROJECTS (PTY) LTD : R23 535.00 for fixing and repairing the ablution facility of the learners.
2. CME ETATOCARIBS: R83 231.40 for the supply of seventy (70) single condensation decks.

Please see the attached photos of evidence.

Generous contributions from companies like yours (LONGYUAN MULILO) provide the financial and moral support needed to ensure that the vision and mission of the school is realised. With your faithful financial contribution, you have demonstrated your deepest commitment towards uplifting your communities.

We look forward to a continuing partnership with you.

Thank you

Yours Faithfully
F. Solengila (Principal)

Appreciation Letter from Local School.

02/ Longyuan Canada Renewables (Longyuan Canada) Performing Duties

In 2018, Longyuan Canada strengthens wind farms safety management, improves the quality of wind turbine operation and maintenance with 272 GWh power generated in Dufferin Wind Farm. As of December 31, 2018, it has been 1,492 consecutive days of safety production.

Longyuan Canada donates food to local poverty relief agencies and shows care to families in poverty strive every year before Christmas.

Longyuan Canada became local junior hockey team jerseys sponsor from 2018, planning to reach a total of 12,000 Canadian dollars in three years. As hockey being the most favorable sport in Canada, we build a good relationship with and show our social responsibility to local community by sponsoring local junior hockey team.

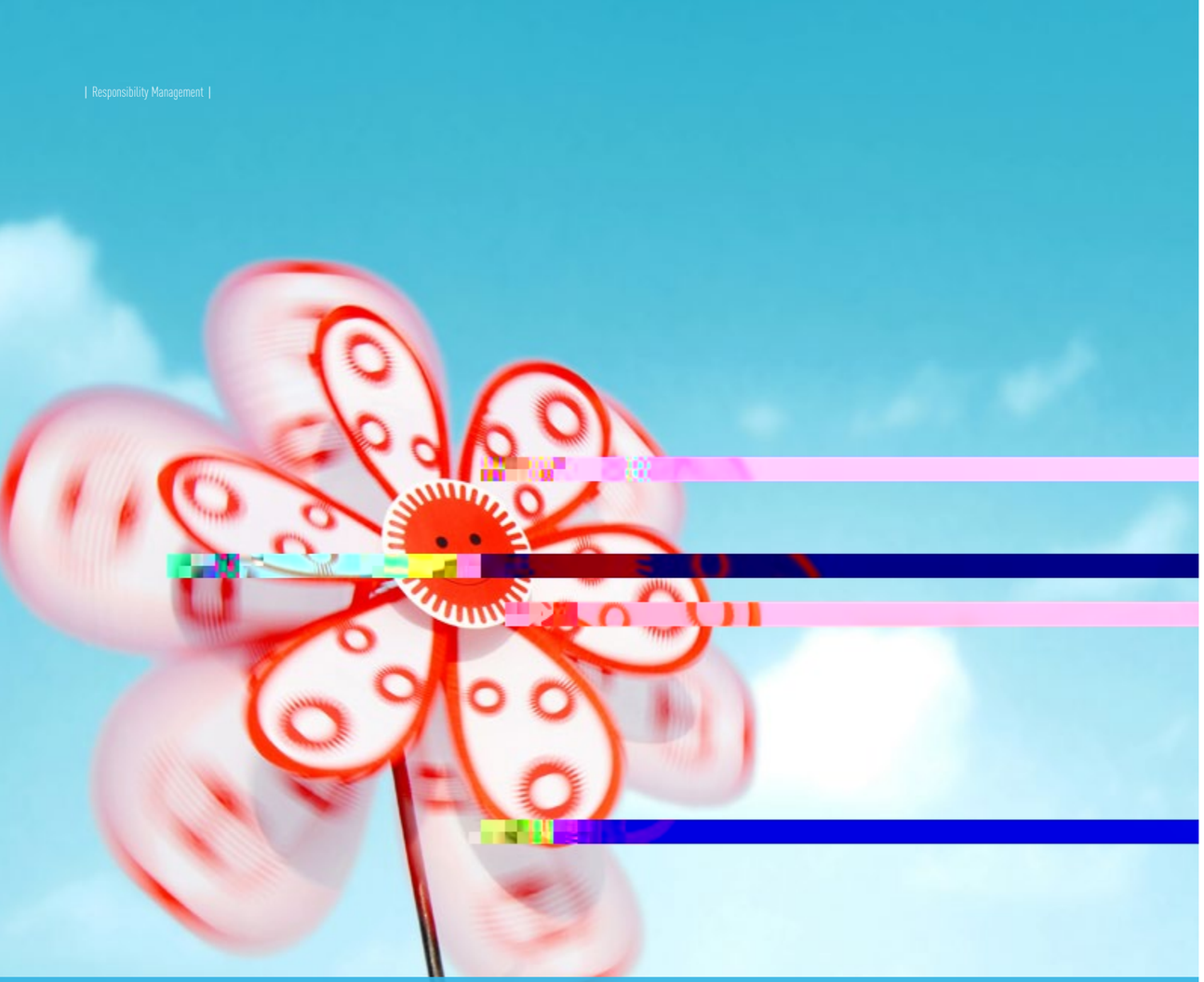
In the past five years, Longyuan Canada has sponsored many local activities and has established close ties with local government, community and aboriginal tribes, setting up a good image of fulfilling its social responsibility.

Extended Reading

On July 17, 2018, Lu Shaye, Chinese Ambassador to Canada, visited the Dufferin Wind Farm, and spoke highly of Longyuan's achievements in developing new energy in Canada. He specified that Chinese enterprises invest in Canada where the wind power projects are environmentally friendly, provide clean electricity to local area, create job opportunities and bring economic benefits to local community, setting a positive image of Chinese companies in Canada.

Longyuan Power ranks in “Global Top 500 New Energy Enterprises List” for six consecutive years

On December 12, 2018, the International Energy Summit Forum & the 8th Global Top 500 New Energy Enterprises Summit were held at People's Daily. At the summit, the 2018 Global Top 500 New Energy Enterprises list was released, and Longyuan Power continued to rank on the list for six consecutive years.

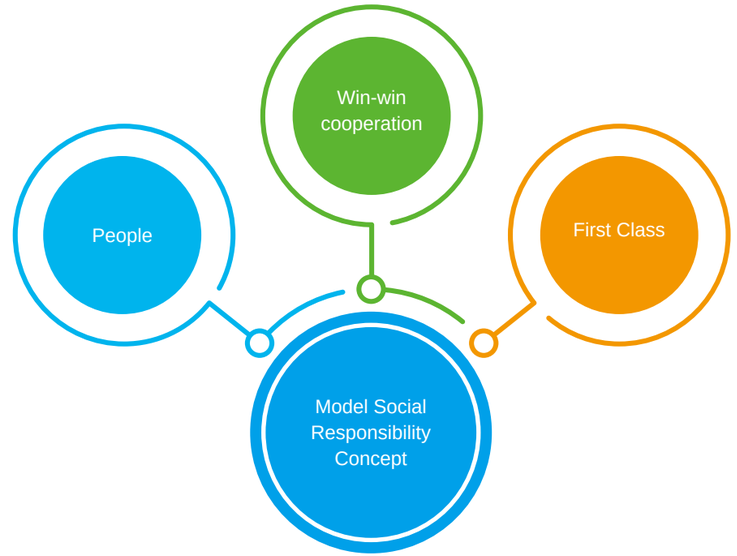


ON IBILI MANAGEMEN

As a leader in China's new energy sector, Longyuan Power upholds its spirit which is characterized as leading the way and pursuing win-win cooperation. We actively explore the concept and practices of corporate social responsibility and dedicate ourselves to promoting the mutual complement between corporate social responsibilities and corporate operation. We aim at sustainable development and comprehensive value maximization with all employees' participation and all-round integration. Through transparent and ethical enterprise practices, we fulfill our social responsibility in every decision-making, system and procedure establishment, business operation, daily management and our corporate culture. In the meantime, Longyuan Power constantly promotes its social responsibility to improve its comprehensive value creation, business operation transparency and brand awareness, fostering a core value featuring Endeavor, Efficiency, Innovation and Harmony.

Responsibility Concept and Strategy

The concept of social responsibility guides the formulation of social responsibility strategy while the social responsibility strategy promotes the implementation of the concept of social responsibility. They complement each other and become the two engines of social responsibility management.



01 / Promote the Concept of Responsibility

A good Company features a strong sense of social responsibility.
Longyuan Power regards fulfilling its social responsibilities as its inherent responsibility and obligation, forms a model of social responsibility people, win-win cooperation and first-class as its features. We pay attention to the dynamic balance of economic, social and environmental responsibility, continuously increase competitiveness, management level and our social responsibility management, setting up a good social reputation and brand image with unstopping promotion to the harmonious development of enterprises, society and the environment.

02 / Implementation of Responsibility Strategy

Longyuan Power has always attached great importance to undertaking corporate social responsibility and regarded it as an important part of the company's mission to develop clean energy for a beautiful China and to achieve its strategic objective of establishing a world-class new energy company with its global competitiveness. Guided by corporate philosophy of paying equal attention to corporate scale and benefits, corporate development and staff welfare, corporate hard and soft power under collective and international trend. We strive to integrate corporate social responsibility into the company's operation management and continuously improve corporate social responsibility performance.

Responsible Governance

Longyuan Power has continuously improved and strengthened the construction of social responsibility management system in its daily operation and management and achieved remarkable accomplishment in organization management and system construction.

01/ Strengthening Organization Management

In the process of promoting social responsibility management, The Company has set up a social responsibility leadership from senior management of the enterprise which is responsible for the overall deployment of social responsibility management and for the construction of social responsibility management system. The functional departments and full-time personnel have been identified and each subsidiary has established a social responsibility management system to continuously provide safeguard of social responsibility.

02/ Improve System Construction

The Company gradually establishes its social responsibility systems such as daily management system, information collection system, information disclosure system and social responsibility reporting system. With social responsibility management being constantly standardized and institutionalized, we set up a social responsibility reporting system to compile report up to the standard, through which we regularly publish annual social responsibility reports to the public, disclose every detail of the social responsibility concept, practice and performance as well as willingly accepts public inspection.

Longyuan Power actively identifies and resp td s"

Longyuan
Power

Stakeholders	Government & Shareholders	Employees	Customers	Partners	Social Institutions	Community
Target & focus	● Safe and stable electricity supply ● Maintain and increase the value of state-owned assets ● Comply with laws and pay taxes ● Maximize shareholders' long-term benefits	● Guarantee their rights and benefits ● Provide professional development ● Realize their value ● Care for them physically and psychologically ● Corporate culture	● Provide sufficient, stable, safe, and environment-friendly electricity at a reasonable price ● Enhance service quality	● Abide by commercial morals, laws and regulations ● Strengthen standardized safety management ● Be credible for a win-win situation	● Participate in the discussion and research on public policies and industrial standards ● Follow the industrial development trend and policies ● Promote the sustainable development of the Company and the industry	● Protect the community environment ● Participate in community construction ● Support public welfare
Communication channels	● Participate in the discussion on relevant policy formulation and contribute its experience ● Assert positive influence on public policies ● Talk with the government in the operational area ● Increase information disclosure	● Staff representatives from the Supervisory Board ● Labor unions of different levels ● Staff Congress ● Increase information disclosure	● Pay regular visits to customers ● Publish product quality information ● Provide service activities ● Seek for customers' opinion ● Increase information disclosure	● Business negotiation and technical exchanges ● Publish management regulations on suppliers and contractors ● Share management experience and technical standardswww ● Contract negotiations ● Routine business communication ● Increase information disclosure	● Provide corporate experience ● Participate in relevant activities ● Enhance international exchanges ● Increase information disclosure	● Talk with local governments ● Support community welfare ● Community visits and exchanges ● Increase information disclosure
Major actions	● Execute the national energy policies ● Open to supervision, inspection and evaluation ● Regularly hold meetings of shareholders ● Regularly hold meetings of the Board of Directors ● Hold meetings with investors	● Strengthen employees' training and cultivate their skills ● Improve living and working facilities ● Continue with the Green Care Campaign ● Insist on employees' occupational health check	● Refine quality management system and recommend products' technical upgrade	● Establish transparent and fair regulations for bidding ● Compile legitimate and fair contracts for cooperation ● Improve the system and procedures of project construction supervision ● Actively communicate and coordinate with contractors and create a safe and healthy working environment ● Provide fair competitions to suppliers	● Take part in industrial organizations ● Communicate about concerned problems in various methods ● Participate and support the international environmental standardization	● Conduct educational donations, disaster relief, and crisis rescue ● Support the new rural construction ● Support and promote local economic development by constructing major projects ● Carry out employee volunteering activities ● Invest in environmental protection projects
Key performance indicators	● Fees and taxes ● Power production ● Dividend-payout ratio ● Stock value	● Occupational health check rate ● Number of trainings given to employees ● The guarantee of salaries and vacations ● Donations to employees in difficulties	● Electricity sales	● Contract implementation rate	● Number of organizations and people to take part in and the number of activities	● Social welfare investment ● Number of employee volunteers and the number of activities

Responsibility Implementation

In 2018, The Company worked out a standard social responsibility indicator system to describe the world-class corporate social responsibility features, which depicts a roadmap of social responsibility implementation from 2015 to 2020 as follows:

Roadmap of CSR 2018	Implementation of CSR 2018
Set up a mechanism to regularly track and analyze the indicator system, timely choose key indicators into the assessment system, and gradually expand the scope	Implemented
Set up a charity foundation	Implemented
Set up CSR columns in internal publications	Implemented
Participate in CSR forums and conferences from home and abroad	Implemented
Cooperate with research institutes to carry out topic research on CSR	Implemented

FULFILL ECONOMIC RESPONSIBILITY

Longyuan Power's sustainable development cannot be achieved without the cooperation and support from our stakeholders, our clients and our partners. Longyuan Power pays great attention to relationship management with stakeholders, clients and partners, to finding the balance between its own development and their demands, to its social responsibility implementation and a win-win cooperation.

Responsibility on Shareholders

Responsibility on shareholders means that the Company is responsible for the benefits of its shareholders. The capital invested by shareholders show their trust to the company, the staff and its management. Longyuan Power cherishes and makes good use of shareholders' investment, constructs a solid corporate governance structure, and builds a business culture with value maximization as its driving force to increase its corporate value and repays to the shareholders, winning long-term trust and support from shareholders and investors.

01 / Safeguard Shareholders' Rights and Interests

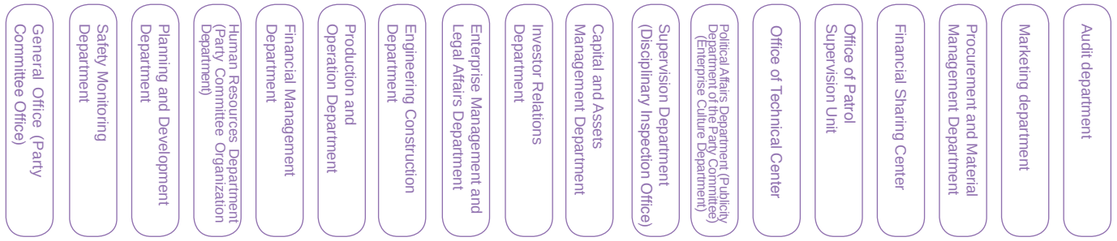
Longyuan Power establishes a shareholder rights safeguard mechanism to disclose corporate information such as major business decisions, financial performance and social practice activities to shareholders in a timely and accurate manner to guarantee appreciation value and the interest of shareholders and investors.

Extended Reading

The Company achieved a profit before tax of RMB 5.897 billion, a year-on-year increase of 7.9%. The net profit attributable to equity holders of the Company was RMB 4.166 billion, an increase of 8.3% year-on-year.

18 units of the Company have a profit over 100 million yuan, including Jiangsu offshore, Sulong company and Jiangsu company both over 500 million yuan, Fujian company, Xinjiang company and Hebei company over 400 million yuan, Anhui, Liaoning, Shanxi, Heilongjiang, Mengdong companies over 300 million yuan, Yunnan, Mengxi, Gansu, Ningxia, Guizhou companies over 200 million yuan.

The Company's asset-liability ratio was 61.4%, 2.0 percentage points lower compared with it from the beginning of the year.



Longyuan Power adheres to standardized governance structure. The Company's shares consist of domestic shares, held by China Energy Group and its subsidy Guodian Northeast Electric Power Co., Ltd., accounting for 57.27% and 1.17% respectively, and H shares accounting for 41.56%.

For the sake of its long-term and stable development, the Company constantly improves its corporate governance structure in accordance with Chinese laws and regulations as well as requirement of the Stock Exchange of Hong Kong Limited. The Company has set up the General Meeting of Shareholders, the Board of Directors, committees under the Board of Directors, the Supervisory Board and the senior management led by the President, all of which keep a balanced and and espTJ0.01 Tc 0 4091 Tw T[57.)0.Meansys(erprisema(erprisi(ount)0 tions)erprisiTJount)0(t)0.5 su7 (as t)0.5 (he es to Ruler (14]TJ0.002 Tc 06[Kong)emened accfof)0.6r (he es to of)0.5 (Di6ect)0.5 (ors

05 / Improve Market Value

The Company properly maintained investor relations through activities such as roadshows, performance disclosure and investment summits, and actively conveyed positive voices to enhance the confidence from the capital market on the company's development. In 2018, under the circumstance where stock price of Hong Kong's H-share new energy sector fluctuates, the company's share price was relatively stable with its overall performance better than the whole market and the new energy sector. Due to good company-investor relationship and its excellent performance, Longyuan Power won the “Best Listed Company” award in the 8th China Securities “Golden Bauhinia” Awards Selection this year.

Responsibility on Clients

Responsibility on customers means that we are responsible to our clients. We exploit our professional capacity to provide excellent products and services to our clients as our commitment to fulfill our responsibility on customers. Longyuan Power has enhanced customers' satisfaction with quality services through scaled development, delicacy management and efficient operation in the process of developing and constructing new energies.

01 / Scaled Development

Longyuan Power continues to deepen its work, lays stress on the leading role of strategy, continuously optimizes development layout, strives for high-quality resources, develops offshore wind power in an orderly manner, pursues project cooperation, implements Going Global strategy in an active and steady pace, continues to attract client through innovation, maintains its leading trend, and presents a sustainable, strong and responsible company to clients.

Continuously optimize the development layout. Longyuan Power lays stress on overall planning during preparation, focuses on exploiting high-quality wind resources in the central, eastern and southeastern coastal areas of China, continuously adjusts its key sectors of developing national wind power, and achieves a development pattern of “national expansion and dispersion within province”, carrying out wind power operations in 31 provinces and municipalities across the country. Wind power projects with capacity of 1.71 million kilowatts are approved for the whole year, all of which were located in areas with good electricity distribution condition and wind resources.

Longyuan Fujian Company Wind Farm.

Groundbreaking Ceremony to launch Longyuan Qinghai Company Haixi Xitieshan 50MW Wind Power Project 110KV Power Transmission Line Project.

Develop offshore wind power in an orderly manner. Longyuan Power makes the best use of country's 2018 offshore wind power policy during its window period, actively pursues project resource development rights, approves Jiangsu offshore projects with 1 million kilowatts capacity reaching a record high. Dafeng H7 project completed production and Jiangsu Offshore Company reached more than 1 million kilowatts installed capacity at the end of the year.

Longyuan Jiangsu Offshore Area Company Dafeng H4#300MW Offshore Wind Power Project Review Meeting.

CLASSIC CASE

Highest Record of Approval for One Province

On December 29, 2018, good news came from the Jiangsu Provincial Development and Reform Commission that Longyuan Power Jiangsu Offshore Area Company Dafeng H4#300MW Offshore Wind Power Project and Jiangsu Dafeng H6#300MW Offshore Wind Power Project as well as Sheyang Offshore South District H2-1# 100MW Wind Power Project are all approved. In addition to the Sheyang Offshore South District H2#300MW Wind Power Project approved in January 17, 2018, Longyuan Power has newly approved capacity of 1 million kilowatts in the Jiangsu region in 2018, making it the highest annual record from the National Energy Group's approval for one province.

Jiangjiasha Offshore Booster Station.

Implement Going Global strategy in an active and steady pace. During this year, Longyuan Power conducted its research in and expanded its marketing to North Africa and South America regions. Through field visits and specific project exchanges, the company works out an overseas marketing plan which covers North America with the Canadian project as the fulcrum, Latin America with Argentina as its entry point, Central and Eastern Europe and 'Belt and Road Initiative' countries with Poland and Ukraine as starting point, and balances North and South Africa development based on existing projects in South Africa. The Company develops market strategy which integrates greenfield investment, greenfield development and acquisition of projects under construction, laying a good foundation for the future development of overseas business.

Extended Reading

Conducted a preliminary evaluation of the Ukrainian Yuzhnyi (72MW) wind power project.
Signed a confidentiality agreement for wind power projects in Poland (78MW) and Argentina (100MW) and participated in the first round of wind power tenders in Poland.
Gaining profits for four consecutive years since the launch of the Canada Dufferin Project.
Profitability was achieved by the South African De Aar project in 2018.

02 / Scientific and Innovative Management

The Company actively promotes the development of engineering construction to a wider range, higher level and greater degree, firmly raises the awareness of pursuing exquisite works, and devotes itself to building exquisite projects. It carries out a strategy driven by creation, innovates management system and mechanism, perfects management, promotes corporate information construction, conducts continuous, scientific and lean management, and constantly improves the overall management level.

CLASSIC CASE

Company's Longest Single Pile Sinking Record

On September 8, 2018, Longyuan Jiangsu Dafeng H7 offshore wind power project set the Company's longest single pile sinking record. The single pile of this construction is 86 meters long, 5.5 meters in diameter and weighs 677.92 tons. It adopts the construction scheme of “self-lifting platform-double hook-to-turn” and utilizes the world's largest professional offshore wind power construction platform “Longyuan Zhenhua No.1”. In the operation, the verticality of the pile body is within the limits of 0.32 per thousand, which is far superior to the designed requirements of three thousandths, which marks a great significance for the development of offshore wind power in China.

Extended Reading

The Company completed 135 maximum bid limit reviews, reducing budget costs.
The Company signed supplement agreement on 18 un-invoiced main engine purchase contract and saved project cost.
The Company conducted settlement audits on 89 individual projects, reducing the amount of project settlement.
The Company put into operation six wind power projects throughout the year with a capacity of 523.5 MW.
The Company's Shandong Yushan, Qingyun, Guangxi Hengxian Liujing, Shanghai Chongming Beibao Phase I won the "China Quality Power Project Award" which represents the highest award for engineering quality in China's power construction industry.

Make every effort to build exquisite projects. The Company strictly implements the construction start-up procedures, deepens preparation work, implements the conditions for commencement in advance, optimizes the project quality management, strictly controls the project cost, carries forward safe and civilized construction, promotes project with high quality and efficiency, and continues to lead the industry development with exquisite projects.

CLASSIC CASE

Set the fastest construction record of domestic offshore wind power single pile foundation

On November 8, 2018, Longyuan Fujian Company completed the construction of A72 single pile foundation of the first phase of Putian Nanri Island Offshore Wind Farm Project in 4 days. It sets the fastest construction record of domestic offshore wind power single pile foundation, symbolling that China has jumped a major leap in the construction of domestic rock-socketed single piles.

On July 5, 2018, data analysts in Longyuan Hebei Company Monitoring and Data Center relied on Chengde's circuit diagram to explain in detail the distribution principle in on-grid energy, for power plant and the power loss of wind farm projects in Chengde which improves data analysis ability.

Promote corporate information construction. Longyuan Power adheres to planning, strengthens top-level design, convenes corporate conference on the topic of informationization, specifies thoughts, targets, related management department andits functions for corporate informationization. We comprehensively improved management level by using corporate information construction as an engine to promote efficient corporate operation.

03 / Robust and Efficient Operation

Based on the market, Longyuan Power shoulders its responsibility, lays stress on both quality and efficiency, continuously improves power generation capacity, vigorously promotes technological innovation, enhances scientific and technological support capabilities, achieves remarkable business performance through robust and efficient operations, maintaining a healthy and sustainable development trend and continuously enhancing customer satisfaction and trust.

Extended Reading

The Company's wind power curtailment ratio is lower than the average of comparable companies.
The Company's power consumption restriction decreased year on year.
Longyuan Power Sales Co., Ltd. completed Beijing's first thermal power market transaction with a transaction volume of 80.12 million kWh, ranking 5th in the number of agency users among 120 sales companies in Beijing.
The Company has completed a total of 49.971 billion kWh of power generation, of which wind power generation was 39.542 billion kWh, an increase of 14.78% year-on-year.
The Company's average utilization hours of wind power in 2018 was 2,209 hours, an increase of 174 hours from 2017 and 114 hours higher than the industry average.

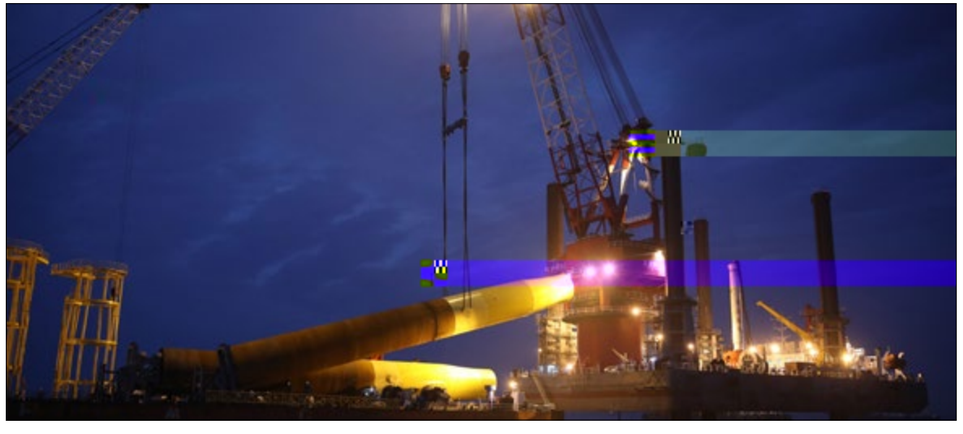
Continuously improve power generation capacity.
The Company strictly implemented dual controls on grid curtailment rate and quantity. The Company further addressed grid curtailment management through a two-pronged approach as well as other methods to prevent risk backlashes. Internally, it performed stringent assessment on grid curtailment, deepened follow-up analysis on grid curtailment, established the emergency response mechanism on grid curtailment management and implemented the reporting and other systems on grid curtailment; externally, it strengthened marketing awareness and strove for additional transactions. Meanwhile, despite the ever- expanding scale of wind power trading, the Company observed the principle of “striving for larger capacity while maintaining the price” and further conducted market transactions to maximize the benefits of the Company while continuously improving its power generation capacity.

Extended Reading

At the first National Science and Technology Conference of the China Energy Group, the Company won the advanced unit of scientific and technological innovation, and its 10 scientific and technological achievements won the Science and Technology Progress Award.
The "Three-blade new tidal generator set design, manufacturing and engineering demonstration" and "Development of large-scale drilling rigs and key technologies for offshore wind power construction" projects won three provincial and ministerial awards such as China Electric Power Science and Technology Progress Award.
"Safety Monitoring and Evaluation Technology for Support Structure of Offshore Wind Turbines" won the China Electric Power Construction Science and Technology Progress Award.
Three projects, including the design, fabrication and installation of multi-pile steel structure technology for offshore wind turbines won the Energy Innovation Award of China Energy Research Association.
Capacity and efficiency improvement project of Unit 1 at Wenling Jiangxia Chaoshan Experimental Power Station won the honorary title of Excellent “Outstanding Ocean Engineering" in China.

In May 2018, “a lubricant cooling system for gearboxes” project of Longyuan Shanxi Company received the “utility model patent certificate” from the State Intellectual Property Office.

Improve the ability of science and technology support.
Longyuan Power continues to increase support for science and technology projects that have significant influence on wind power development to enhance its science and technology support. There are 14 Science and Technology projects approved, 38 patents granted, and 13 software copyrights issued. We promote the standardization construction of the wind farm monitoring system, unified management of 14 mainstream models by developing the wind turbine monitoring system independently. We continue to formulate standards and procedures and abide by 11 national and industry standards, of which the energy industry standard "Wind Power Unit Vibration Evaluation Guidelines" and "Photovoltaic Power Plant Equipment Post Evaluation Procedures" have been approved by the National Energy Administration, maintaining our lead in technology of the industry. A number of scientific accomplishments with core competitiveness have emerged including “new intertidal wind power single-pile foundation design” and “large-diameter single-pile rock-embedded technology”, many of which are among the world's first.



Responsibility on Partners

Responsibility on partners is to shoulder responsibility for partners. The Company adheres to the business philosophy of fair operation, strictly abides by national laws and regulations, international trade rules, business ethics and industry rules, and strives to build mutual support, mutual benefit and all-win relations in line with the principle of equality, respect and integrity while following the trend of the market.

In October 2018, the exchange activities of wind farms in Jiangsu, Zhejiang and Shanghai district was co-hosted by Longyuan Shanghai, Longyuan Zhejiang and Longyuan Jiangsu Company.

On November 12, 2018, the North Korea National Academy of Sciences visited the Longling Power Wenling Jiangxia Chaoshan Experimental Power Station.

01 / Treat All Parties Equally

The Company continues to adhere to the policy of extending social responsibility to partners, builds a partner responsibility chain, and guides partners to develop fair cooperation in terms of quality, efficiency, price and service. When selecting partners, the Company strictly abides by the principle of fair trade, effectively regulates the pre-qualification procedures, and conducts interactive exchanges, inspections and confirmations of the cooperative units in a fair and impartial manner. The Company strictly implements the project construction contractor access system, establishes and improves the project bidding system, construction supervision systems and procedures, giving each qualified supplier equal opportunities for competition, which wins a wide recognition from all partners.

02 / Keep Promise and Fulfill Agreement

The Company respects and protects the legitimate rights and interests of its partners, and acts in strict accordance with the contract. Personnel of all departments of the Company strictly abide by the rules and regulations, and maintain cooperative relationship in a fair, honest and equal manner, which has been fully appreciated in the industry.

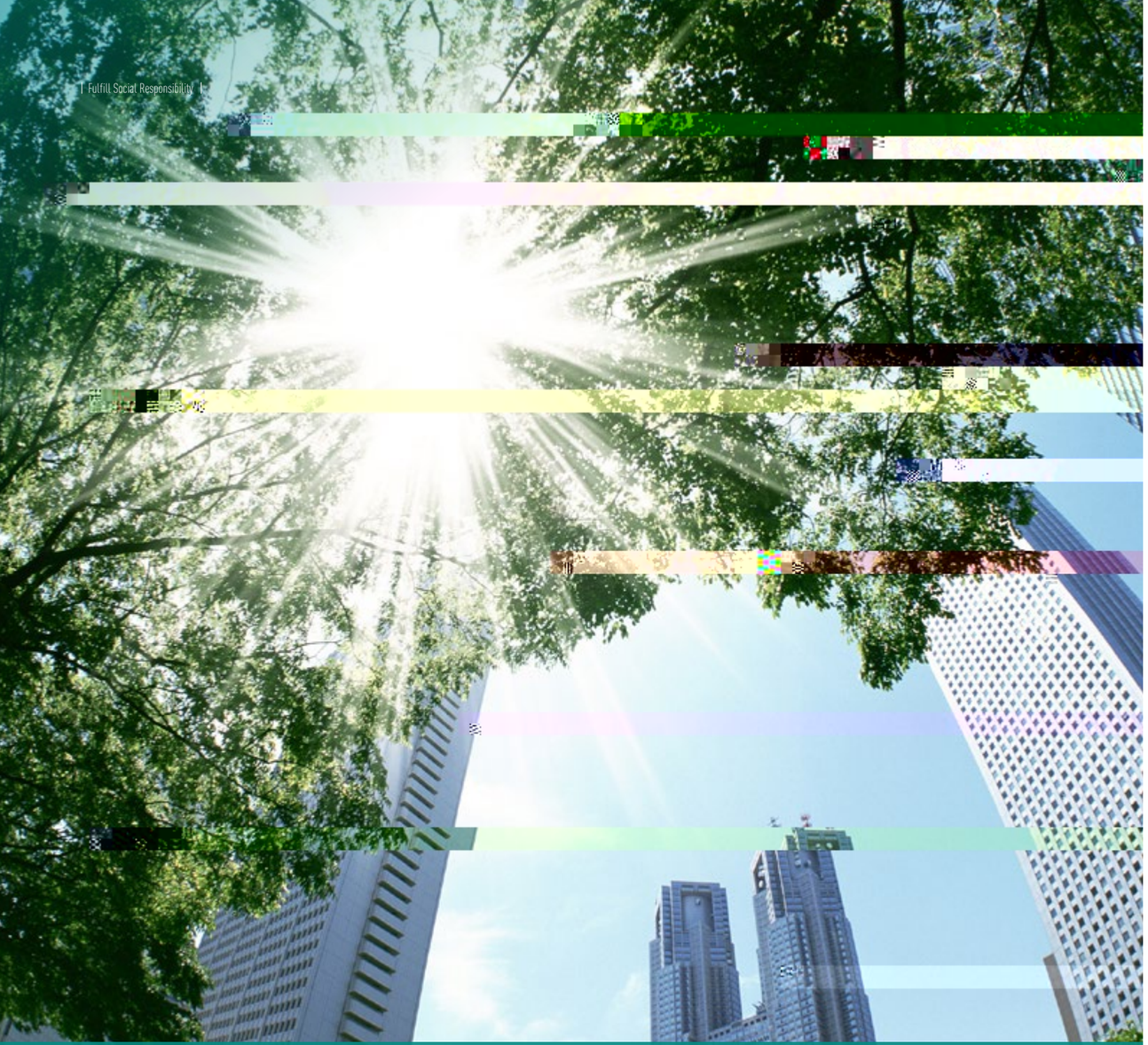
03 / Achieve Win-Win Cooperation

The Company actively cooperates with all parties to jointly promote the healthy, stable and orderly development of the domestic clean energy industry. The Company's has established strategic partnerships with outstanding enterprises in the design, construction and supervision industries at home and abroad to achieve win-win cooperation.

CLASSIC CASE

Donghaitang wind farm became the base of comprehensive practice of Taiping primary school (East Campus)

On November 19, 2018, the Taiping Primary School East Campus awarded the Longhai Zhejiang Company Donghaitang Wind Farm as its base for comprehensive practices. The Donghaitang Wind Farm has cooperated with the Taiping Primary School East Campus and has successfully carried out several comprehensive practical activities to educate students about wind power and new energy knowledge, attracting interests and participations from students. After the award, Donghaitang Wind Farm will serve as a comprehensive practice base for Taiping Primary School (East Campus) and will continue to cooperate with the school to carry out the “windmill exploration” activity, spreading seeds for the development and utilization of new energy in the hearts of primary school students, contributing to promote wind power and new energy popularization.



FULFILL SOCIAL RESPONSIBILITY

The sustainable development of Longyuan Power is inseparable from the cooperation and support of the government and employees and its safety production and social welfare. Longyuan Power attaches great importance to the management of relationship with the government and employees, actively pursues the balance between its own development and the demands of the government and employees, constantly strengthens safety production, actively participates in social welfare, earnestly fulfills social responsibilities and strives to promote social harmony.

Responsibility on Government

Responsibility on Government is to take responsibility for the government. Longyuan Power continues to strengthen the construction of a clean and integrity administration, adheres to practicing integrity, comprehensively improves the ability to govern enterprise in the rule of law, actively abides by national energy rules and related policies, safeguards the safe and stable supply of electric power, and strives to take on due responsibilities for the government, thus creating a good corporate atmosphere of integrity and legitimacy which provides an important guarantee for the corporate's healthy development.

01 / Adhere to Practicing Integrity

The Company insists on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th CPC National Congress as the primary political task. We comprehensively and strictly implement the responsibility system for Party-building and innovates to form a "Standardization + Informationization + Systemization" Party-building work pattern. We should vigorously improve Party conduct and uphold integrity, incorporate the construction of integrity administration and combating corruption into daily operation and management, strengthen supervision and discipline, promote the construction of an integrity culture, and adhere to practicing integrity. Promoting Party-building and the construction of integrity administration provides a strong political, ideological and organizational guarantee for the healthy development of the Company.

Extended Reading

The Company formulated the Implementation Measures for Central Committee eight-point decision on improving Party and government conduct, took tough actions against the practice of formalities for formalities' sake, bureaucratism, hedonism, and extravagance, and timely handled the problems found.

The Company organized the theme party event of "New Era, New Mission and New Responsibility". Eight typical cases such as "Three Belts and Three Promotions" of Hebei Company were demonstrated at the Company.

The Company carried out the study and publicity of "Liangjiahe". Staff from headquarters and some units went to Liangjiahe to study in the field.

Cadres and workers of the Company watch educational films specials such as " Amazing China " and "Model 3".

Staff in Beijing units of the Company visited a large-scale exhibition Great Change for celebrating the 40th anniversary of China's reform and opening up".

The Company formulated and implemented the "1+3+1" evaluation trial system for Party building which aimed at conducting monthly and annual assessment to the quality of grassroots Party building.

The Party committee of the Company incorporated the responsibility system for Party building into the annual responsibility work plan for the first time, signed a letter of responsibility for Party building with 38 units, and deployed and assessed with the production management department.

The Company improved the Longyuan Party Building Management Information System, developed new functional modules, and continued to build and innovate activities with Party Committee Brands and Branches Characteristics.

The Company established an education base for the construction of honest administration of Party working style, promoted warning education into the classroom and building a clean culture, and consolidated the achievements on improving the work style.

The Company strengthened the management of the website, web-platform in Wechat, Weibo and Apps, and promoted the implementation of the "Opinions on Standardizing the Network Behavior of Party Members and Cadres".

The Company prepared and published the "Annual Program on Integrity Education" and combined typical cases to carry out all staff education activities. It regularly conducted legal and discipline warning education lectures for employees to enhance their awareness of integrity.

The Company conducted daily talks on integrity with staffs working in key areas and key positions, emphasized on several targets, and take proactive supervision moves.

The Company compiled the "Annual program on supervision and inspection", carried out special inspections, and increased the prevention of integrity risks in key areas.

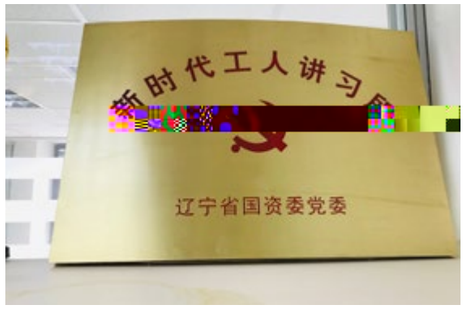
The Company vigorously conducted making achievement in position activity which upheld the spirit of Socialism is achieved by restless efforts, set up 1,226 units responsible by party members and 524 Model positions as well as 143 teams for shooting difficulties of party members, fully harness the roles of party group and party members.

CLASSIC CASE

Demonstrating Clean and Integrity Administration Through Riddles, Verse, Drawings and Models

In response to the Company's call for the enhancing business operation and management through the Party building, the Company promoted corporate culture, created an honest, clean and harmonious administrative atmosphere, and raised awareness of integrity of all cadre staff. On March 2, 2018, events to celebrating Lantern Festival featuring demonstrating clean and integrity administration through riddles, verse, drawings and models were held by the Longyuan Power Discipline

Discipline Committee of Longyuan Carbon Assets.



The opening of the New Era Workers' Workshop is an important Party building task deployed by the State-owned Assets Supervision and Administration Commission of Liaoning Province. It is an important platform for Longyuan Liaoning Company to thoroughly study and publicize and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th CPC National Congress.

In order to implement the China Energy Group's Developing Energy under the Rule of Law strategy and further strengthen the culture of the construction of the rule of law. In 2018, the

Longyuan Heilongjiang Company conducted the activity of rule of law lecture.

Longyuan Jiangsu Company organized employees to carry out constitutional oath.

Extended Reading

03 / Motivate Employees to Grow

The Company attaches great importance to the cultivation and development of talents, optimizes the selection and employment mechanism, optimizes the construction of the talent team, improves the professional development system of the three teams of "administration, technicians and technical staffs", increases the training of outstanding young cadres, continuously optimizes the structure of its own corporate leadership team, and provides employees with a broad career development platform to motivate employees to grow into success.

The Company constantly adapts to the needs of development. Based on position responsibility system, the Company further improves the performance appraisal management mechanism of employees, adheres to the standardization of quotas, and promotes the standardization of the organization of enterprises and staffng. By decomposing the Company's annual key work objectives, the Company clarifes job performance goals, sets performance appraisal standards, objectively and accurately evaluates employee performance, and stimulates employees' potential and work enthusiasm. The Company enhances the correlation between income and performance indicators, implements dynamic process assessment, and effectively enhances the subjective initiative of all employees. At the same time, the Company actively implements the salary distribution to the on-site employees, employees in the remote areas, improves the subsidy standards for wind power enterprises in harsh areas, and mobilizes the enthusiasm of employee for entrepreneurship.

Extended Reading

In 2018, the Company selected 129 outstanding employees and 29 companies for the General Manager Award Fund.

In 2018, talent tank was primary formed by the Company certifying 23 chief technical staffs for different field and 298 professional and skilled personnel.

37 candidates were selected from the Company's 12th skill competition which added electrical maintenance competition session in a way combines recommendation and test competition, changing its feature from exclusiveness to inclusiveness.

04 / Promoting Democratic Management

The Company continued to promote democratic management, and all its subsidiaries established a system of employee representatives. The second session of the Company's third-term representative employee assembly collected 84 proposals for employee representatives and 70 cases were filed, all of which were well implemented. The Company will improve the collective contract system for equal consultation, strive to build a harmonious labor relationship, and continue to promote the openness of factory affairs. The Company's labor union work exchanged experiences at the frst labor union work conference of the China Energy Group. The Company will continue to broaden the channels for rationalization proposal from employees, and fully mobilize the enthusiasm and initiative of all employees to be dedicated.

On March 22th 2018, Longyuan Power held 2018 Labor Union Conference and Team Building Promotion Meeting.

05 / Implement Projects that Benefits People

The Company continues to deepen the green care activities by improving the working environment and living conditions of the production line and broadening recuperation system of the labor model for frontline workers in the hardship areas. The Company implements the medical examination system for employees, makes effort to prevent, control and eliminate occupational disease hazards, improves the health records system of employees, promotes the mental health care for employees, and ensures the occupational health of employees. The Company establishes a “Sunshine Benefit Welfare Plan” to provide employees with major illness insurance. The Company implements the employee mutual fund system in depth and continues to increase the assistance of employees. The Company revises and improves the "Measures for the Management of Labor Union Funds", reduces the proportion of staff fees, and better serves the grassroots unions and workers. The Company carries out Bring Warmth activities. The members of the Company management team went to the frontline to visit and condolences labor models, retired employees and the ones who are in hardship. The benefting project has been continuously implemented in depth and enhanced the sense of belongings and corporate cohesion.

Data of Benefiting Staff 2018

Grant Allowance and Fund for Employee in hardship	3.3 million yuan
Arrange Model for Recuperation	62 Employees
Fundraise for Poverty Relief	0.4 million yuan
Grant Mutual Funds	0.9 million yuan
Issuance to major illness, disability, vehicle accidents	40 Types

Longyuan Hebei Company organized a seminar on employee health knowledge.

Longyuan Hubei Company conducted fundraising for external employees in hardship.

06 / Enrich Cultural and Sports Activities

The Company established a sound cultural and sports association for employees, participated in the frst basketball competition and cultural performance of the China Energy Group, carried out "the celebration of the 40th anniversary of reform and opening up", "Welcome the New Year Carnival", "Youth New Achievements Speech", micro-drama works, staff photography calligraphy and painting works, ftness campaigns and other cultural and sports activities that are conducive to physical and mental health. The Company constantly enriches the cultural and sports life of employees, actives work atmosphere, enhances the sense of belonging of employees, enhances corporate cohesion, and forms a situation of common development and harmonious win-win between employees and enterprises.

CLASSIC CASE

Building the homogenous culture of Longyuan Power

In 2018, Longyuan Power promoted the use of the VIS corporate culture logo of the China Energy Group, summed up the successful experience of the company for 25 years, and refined the homologous culture characterized as same roots, common goal, concerted effort and shared will. The "Longyuan Power Enterprise Culture Handbook" was compiled and produced, and corporate culture videos were produced to enhance the soft power of the Company. The Company was awarded the title of “Model Unit of Enterprise Culture Construction in Power Industry”.

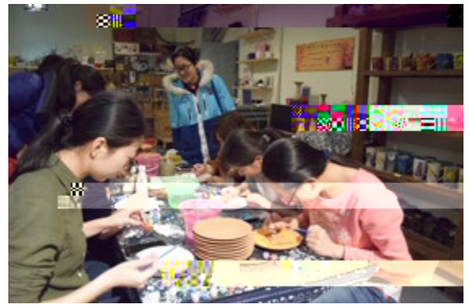
The Company held the fourth staff basketball game

In September 2018, the Company held the fourth staff basketball game in Shanxi. 315 staff from 33 teams participated in the competition. The competition was divided into four stages: group round games, knockout phase, semi-final and final. During the competition, the teams fought fiercely, and the scenes were wonderful. All the athletes played hard and fully demonstrated the good spirit of the young workers.

Longyuan Mengdong Company held the "Youth Contribute for the New Era" keynote speech contest

On October 18, 2018, the Youth League Committee of Longyuan Mengdong Company held the " Youth Contribute for the New Era " keynote speech contest, which encouraged the youth of the group members to share their experiences of improving themselves combined the typical exemplary deeds around them,
devotion in practice of corporate reform and development on the basis of making achievement in their positions while integrating company's innovative and effective endeavors, for the sake of making contributions for the healthy and stable development of the company.

Longyuan Jiangsu Maritime Company launched the "Pottery Culture Crafting Life" activity



On March 8, 2018, the Longyuan Jiangsu Maritime Company Union organized female employees to carry out the activity of Pottery Culture Crafting Life" This activity not only expressed the care for females from the unions, but also enriched everyone's life, cultivates sentiment, exercises craft ability and innovation ability, and at the same time strengthened female employee’s recognition of traditional culture and promotes Chinese ceramic culture.

Longyuan Gansu Company launched the Autumn Workers Fun Games

In September 2018, Longyuan Gansu Company launched the Autumn Workers Fun Games. More than 250 people participated in the event. This novel recreational event integrates fun and sports to spur working enthusiasm of staff which enriched corporate cultural activities and enhances staff physique and cohesiveness, playing a positive role on cultivating excellent corporate culture.

Safety Production

The Company has established a broader definition of safety which bears in mind that safety is the first responsibility, enhances the foundation of Safety production, comprehensively seeks vulnerable spots, eliminate safety hazards, and continuously strengthens Safety production management. In 2018, the Company took perfection of production management system as the basic principle with the method of the system research, safety measures implementation, Safety and civilized production standardization construction, professional training, equipment management, further implemented the closed loop management process and improved work effectiveness, solidly promoting various work of Safety production. During this year, the Company had no employees who died due to accidents accounting for 0% of the total number of employees with zero workdays lost.

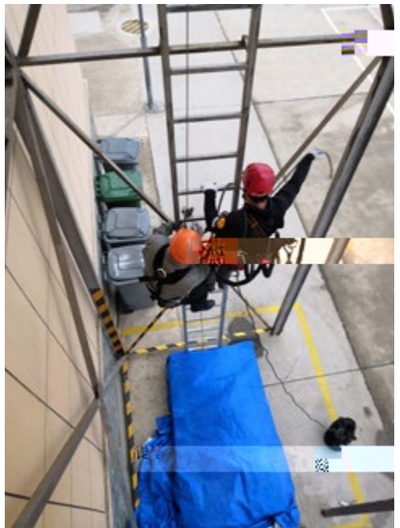
On July 12, 2018, the maintenance personnel of Xinghe Wind Farm of Longyuan Inner Mongolia Company carried out the warning and marking paint for yellow and black in accordance with the requirements of safety and civilized standardization.

In order to prevent the occurrence of major safety production accidents, further enhance the safety production awareness and self-protection ability of the employees, promote the further standardization of safety production work, and urge the employees to memorize the safety production knowledge, Longyuan Shaanxi Company organized the 2018 annual safety knowledge contest which achieved good results.

01 / Building a Safety Culture

The Company firmly establishes the safety concept of life first and safe development, adheres to the bottom line thinking, strictly observes the safety red line, strengthens the implementation of safety main responsibility, strengthens the standardization of Safety and civilized production, holds a safety knowledge contest for all employees, and conducts safety skills training and safety knowledge examination. The warning day activities are organized with the theme of “strictly punishing violations and strictly preventing accidents” in the whole system, building a safety culture guarantee, and continuously improving the safety awareness and ability of all employees.

On October 29, 2018, Yongyuan Wind Farm of Longyuan Jilin Company invited professionals to give lectures on high-altitude rescue and escape knowledge on their self-built escape express and conducted drill.



02 / Strengthening Safety Management

The Company formulated the "Safety Supervision and Assessment Measures", standardized the assessment work, and seriously held accountability for all kinds of misconduct. The Company compiled the safety supervision work system which covers more than 60 of the latest safety regulations, providing institutional guarantee for safety supervision. The Company revised the “Wind Power Production Safety Control Analysis Form”, promoted the risk pre-control system, and added 49 safety risk points and pre-control measures to effectively reduce the risk of accidents such as personal injury and equipment damage. The Company improved the standardization management system for wind power equipment maintenance, refined the various maintenance cycles, processes and standards at all levels, and continuously improved the maintenance management level.

In order to further strengthen the operation status management of wind turbines, timely identify and eliminate hidden defects and ensure the safe and stable operation of wind turbines, the Longwan Hebei Company Dongwan Wind Farm inspectors cleaned and maintained the fan inverters on March 22, 2018

03 / Carry Out Safety Inspection

The Company has intensified safety inspection and rectification efforts, strengthened safety supervision and inspection, comprehensively investigated safety hazards, clarified responsible persons for rectification, supervised problems to deal with closed-loops, and resolved deep-seated problems affecting safety. The company conducted safety inspections and safety evaluations on onshore and offshore wind power, photovoltaics, geothermal, biomass, tidal power projects, etc., collected key problems exposed in recent years and safety hazards found in evaluations, took records, supervised rectification, ensured closed-loops, and constantly improved the level of safety supervision.

Longyuan Fujian Company Pingtan Wind Farm carried out the work of replacing the transformers of the unit to ensure the sound operation of the unit.

On July 18, 2018, Longyuan Safety Supervision Department went to Guohua Investment Corporation Tongliao Company to conduct a safety and environmental protection check.

On October 24, 2018, Longyuan Safety Supervision Department went to the Longyuan Shanxi Shuangjing Wind Farm to carry out the autumn safety inspection.

04 / Strengthening Equipment Management

The Company has compiled 13 main types of electrical operation safety manuals and developed effective protective measures to reduce operational risks. The technical transformation of faults such as G58 and Sinovel was carried out to improve the safety and reliability of the equipment. A comprehensive investigation was conducted for the centralized faults of old models, accurate diagnosis was carried out, and the rectification plan was formulated. The stability of the unit was further improved, and the equipment operation efficiency was continuously improved.

Longyuan Neimenggu Company enhance their equipment defect treatment as shown in the picture of Saiwusu wind farm booster station.

Social Welfare

Longyuan Power adheres to the principle of "developing enterprise and nurturing society in synchronization", and actively fulfills its obligations in serving the local economy, participating in charitable activities and devoting itself to volunteering services. The Company takes on the corporate responsibility, participates enthusiastically in social welfare undertakings, and strives to make more contributions to the harmonious development of society.

01 / Serve Local Economy

Everything is about people's livelihood, therefore, do not fail to commit an act of kindness just because it is small in scale. The Company vigorously implements localized operation, establishes regular communication and exchange mechanism with local representatives in the process of project development, construction and operation, tries to strengthen the contact with local governments, maintains good communication with local competent authorities, actively adopts reasonable suggestions of local governments, enterprises and residents, improves local infrastructure, shares welfare facilities of the company with local communities, promotes local energy development, and promotes the healthy development of local economy.

CLASSIC CASE

Organize the National Poverty Alleviation Day Theme Event

The Company adheres to the basic strategy of "precise poverty alleviation and green poverty alleviation", which is precisely orientated and pays attention to reform and innovation to continuously enhance targeted poverty alleviation. In 2018, the Company implemented the State Council's "Poverty Alleviation Day" spirit and actively organized National "Poverty Alleviation Day" theme event which received a total of 406,125 yuan from 3,004 employees from the company headquarters and 36 units. The funds have been credited to the China Energy Group's poverty alleviation fund account, contributing to China's poverty alleviation and local economy.

The Company promotes the successful poverty alleviation in Youyu County

Longyuan Youyu 1.4MWp Village-level Photovoltaic Poverty Alleviation Project - Maojialing 1110kW Photovoltaic Poverty Alleviation Liancun Power Station successfully connected to power grid

The Company established the "Youyu Green Ecological Protection Poverty Alleviation Fund" to carry out precise poverty alleviation measures such as green ecology, e-commerce, medical care and employment. In the first half of 2018, the Company invested 10 million yuan to build a 1.49 MW Youyu village-level poverty alleviation photovoltaic power station. In the next 20 years, it will help more than 400 poor families to increase their annual income by more than 3,000 yuan, which has effectively promoted the successful poverty alleviation of Youyu County. On August 9, the Shanxi Provincial Government issued a notice approving the withdrawal of Youyu from the poverty-stricken counties, which marked a major staged victory for the company's precision poverty alleviation work.

02 / Participation in Philanthropy Activities

The Company participated in philanthropy activities with great passion and continues to promote the “Longyuan Green Care” program, winning trust and respect by its integrity, devotion and efforts for joint development, working hard to achieve the harmonious development of the enterprise and the society, and showing a good image as a responsible enterprise. In this year, Longyuan Power actively carried out work such as caring and dedication, disaster relief, aiding students and helping the disabled, and repaying the society through multiple channels.

CLASSIC CASE

Longyuan Zhongneng Company launches public welfare theme Party day activities

On April 2, 2018, the volunteer team of Longyuan Zhongneng Company entered the Xicheng District Cochlear Surgery Training School to launch a special public welfare theme party day event. On the day of the event, the mutual learning and exchanges of the Party organizations were frst carried out. In the subsequent volunteer activities, the young staff of the company's big data research team explained the green energy knowledge such as wind energy resources and wind turbine principle for the hearing-impaired children through carefully prepared demo pictures, cartoon videos, and interesting questions and answers.

Longyuan Guangdong Company organized A good clothes, A warm heart" donation

On June 22, 2018, the Party Branch of Longyuan Guangdong Company and the Blue Sky Society Public Welfare organized “A good clothes, A warm heart” Donation to encourage people to donate old clothes and send warmth to the poverty in mountain areas. All departments and wind farms of the company responded to the call and actively collected old clothes. The branch received a total of 174 donations from employees of the company and donated all of them to charity.

Longyuan Guizhou company Visited Senior Party Members

On October 16, 2018, Longyuan Guizhou Company cordially visited the 69-year-old Party member in Wuxing Village, Yinna Town, Weining County, upheld the mass line spirits of from the people and for the people. Through pairing and helping, the Guizhou company advocated “care for others, contribute to society, and not forget the spirit of the revolutionary predecessors” to the society, and carried forward the traditional virtues, so that the Party members and the masses of the company actually felt the responsibility from the state-owned enterprises and the warmth of the social family.

Mapengkou wind farm cope with spontaneous combustion of trucks

On December 28, 2018, a truck full of cargo was spontaneously ignited on the road near the Mapengkou Wind Farm of Longyuan Tianjin Company. The Mapengkou Wind Farm organized personnel to extinguish the fire in time to control the deterioration of the situation.

03 / Join In Volunteering Service

The Company strongly supports employees to provide volunteering services and establishes a standardized and effective volunteering service mechanism. More and more employees are encouraged to get involved in it, which gradually socializes the volunteering service of the company and attracts and drives more social forces to participate in volunteering service provision. In 2018, the Company's 37 volunteer service teams carried out 191 activities. Cai Chengpeng in Zhejiang company was awarded the “Electric Industry Leifeng Advanced Individual”, and Zhang Enfu in Liaoning company was awarded the “Most Beautiful Shenyang Man” honorary title.

CLASSIC CASE

Special love for special you

In order to actively convey the positive energy of youth, on March 30th 2018, the Youth League Committee of Longyuan Mengdong Company organized the young employees of the Dafengche Volunteer Service Team to go to the Chifeng Special Education School to carry out the activities of ‘Special love for special you at the special campus in the spring’. The volunteers brought special sports articles and ancient poetry copybooks to the teachers and students. They fully displayed the corporate image and the youth staff spirit, and played an active role in helping to manage and serve the society.

Learning From Lei Feng, Helping Herders, Fulfilling Responsibility, Setting Up Images

In March 2018, the Longyuan Xinjiang Company Youth League organized volunteer service activity of Learning From Lei Feng, Helping Herders, Fulfilling Responsibility, Setting Up Images. The company volunteers explained the safe use of electricity to the herdsmen which were welcomed by the herdsmen's fellow villagers and established a good corporate image. The company's volunteer service team insisted on serving the electric field, serving the people in the pastoral areas, constantly improving the service organization and service content, actively carrying out various forms of volunteer service activities, making contributions on promoting the construction of socialist spiritual civilization and maintaining the stability of ethnic minority areas in the border areas.

Longyuan Heilongjiang Company visited the nursing home

In March 2018, Longyuan Heilongjiang Company Huanan Mission Branch visited the nursing home to bring fruits and communicate with the seniors. With a high sense of social responsibility and dedication, Heilongjiang Company has launched volunteer service for many years, conducing closer ties between the company and the local community, setting up a good corporate image.

FULFILL ENVIRONMENTAL RESPONSIBILITY

Longyuan Power has been actively implementing the national energy conservation and emission reduction policy for a long time, adhering to the environmental protection policy of "protecting the environment, preventing pollution, carrying out environmental governance according to law, and developing sustainable green power". In the process of developing green energy, the company has made efforts to build a clean development mechanism, continuously strengthen environmental protection, and earnestly fulfill environmental responsibility It makes efforts to shape the Company's green and low-carbon image, always bears in mind the its responsibility, mission and dedication to clean energy, and makes greater contributions to building a beautiful China and promoting ecological civilization.

Energy Conservation and Emission Reduction

Longyuan Power strictly abides by the national unifed environmental protection regulations and environmental protection policies, and actively assumes responsibility for energy conservation and emission reduction. There has been no violation of national environmental laws, regulations and policies during the year. Keeping the pace with the market development, the new project developed by the company not only save energy and reduce emissions, but also maximize its green benefts.

In December 2018, Longyuan Tianjin Company installed domestic sewage purification equipment to ensure that the sewage discharge reached the standard and was successfully approved by relevant departments to achieve zero pollution of sewage discharge. The picture shows the recycled water inspection test report.

Extended Reading

In 2018, the Company's comprehensive plant electricity consumption rate was 3.93%, down 0.16 percentage points from 2017.

In 2018, the Company's two thermal power companies consumed 146 kilograms per megawatt hour, down 15.61% from 2017.

In 2018, the Company's thermal power enterprise's comprehensive utilization rate of ash and slag is 100%, which is used for road construction and cement concrete.

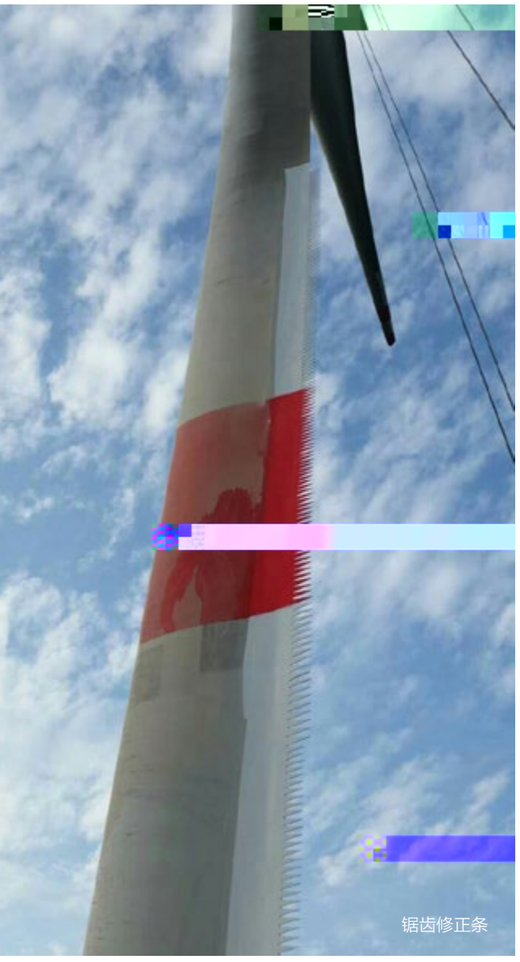
In 2018, the Company's wind and renewable energy generation capacity was 40,050,925 MWh, equivalent to a reduction of CO2 emissions of 39,576,559 tons, roughly equivalent to one year's CO2 emissions of 13 million ordinary gasoline vehicles.

Compared with 2017, the two thermal power companies in 2018 reduced emissions of 29 tons of sulfur dioxide, 238 tons of nitrogen oxides, 8 tons of dust and 475,677 tons of carbon dioxide.

Longyuan Xinjiang Company Alashankou Party Branch actively carried out activities of "repairing old, recycling, reducing costs and increasing effciency".

Environmental Control

Clear waters and green mountains are as good as mountains of gold and silver. The Company has long adhered to the concept of green development, focusing on the development of clean energy, making clear the environmental management rules, strengthening environmental control, taking various measures to strengthen the environmental protection management in the construction and operation stages of the projects.



01 / Implement Strict Noise Control

During the construction of wind farm, the company makes efforts for the repair and maintenance of equipment, maintains mechanical lubrication, reduces the operating noise of excavators, concrete mixers and bulldozers, and tries to reduce the noise caused by the repair and maintenance of construction equipment. After the wind farm is built, efforts are made to reduce the mechanical noise generated in the operation of wind turbine unit. The company's noise control in these two aspects can meet the daytime noise and nighttime noise requirements in Class I Standards of the acoustic environment quality standards (GB 3096-2008), without influence on the surrounding residents.

CLASSIC CASE

Jintang Wind Farm Blade Noise Reduction

In June 2018, Longyuan Zhejiang Company attached great importance to environmental protection work, completed the noise reduction of the blade of Jintang Wind Farm, and installed the trailing edge of the blade with a sawtooth correction strip to effectively reduce the noise pollution of the wind turbine.

02 / Adhere To Green Management

While effectively controlling noise and sulfur dioxide emission, Longyuan Power builds a clean development mechanism, implements green management, protects vegetation, enlarges the greening areas of the headquarters, affliated enterprises and surrounding areas as much as possible, tries to deliver green power to the society, actively protects and improves the environment.

Planting "Longyuan Power Green Memorial Forest"

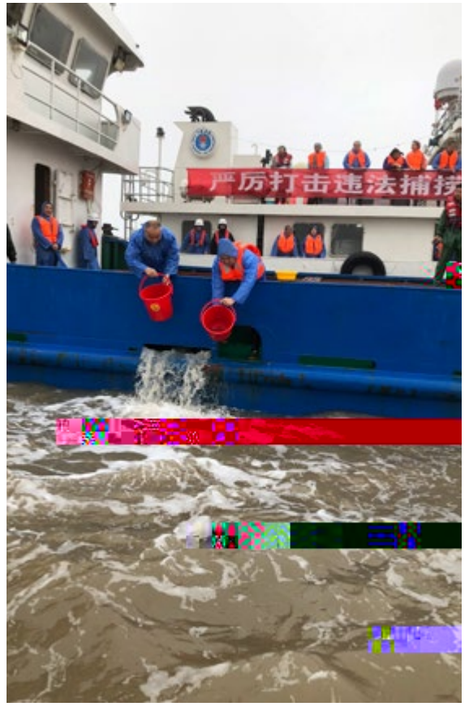
On May 5, 2018, the Party Committee of Longyuan Hebei Company organized themed tree planting activity to modeling Saihanba. All the cadres and workers volunteered to donate 78,200 yuan and planted “Longyuan Power Green Memorial Forest” 150 mu, establishing a good corporate image.

Protecting Creatures

Biodiversity is the condition on which human beings rely for survival, the necessary guarantee of ecological security and the basis of sustainable economic and social development. Longyuan Power has always complied with the requirements of laws and regulations related to environmental protection, paid full attention to and considered the potential impact of the project on the surrounding environment, strictly carried out the preliminary environmental assessment of the project, carefully planned and implemented the vegetation restoration and environmental protection after project operation, so as to ensure that the ecological environment with reasonable structure and stable system was formed in the feld.

Before the development and construction of the new wind farm, Longyuan Power organized professional institutions to conduct preliminary research; during construction, it focused on the integrity and protection of biodiversity in the protected areas, and strengthened the construction of ecological functional areas; after development, it consolidates and develops the achievement of land restoration to mountain and forest, continue to effectively protect and enhance the functions of forest and wetland systems.

In 2018, the Company continued to build and participate in a number of projects and activities to protect biodiversity, and continued to win the respect of the government and people where it operates.



01 / Protecting Marine Organism

In the construction and operation of offshore wind farm, Longyuan Power attaches great importance to the protection of marine fshery resources, and fry stocking is regularly adopted to improve the breeding and growth of fshes. At the same time, the Company closely observes the changes of biological resources in the reservoir area during the operation of tidal power station to protect the normal growth of related organisms.

CLASSIC CASE

Artifcial Propagation and Release

On May 6th 2018, Longyuan Jiangsu Offshore Company Jiangjiasha Wind Farm successfully conduct the artifcial propagation and release invested about 1 million yuan to release more than 2.1 million large yellow croakers which was effectively guaranteed by a professional release "live water boat" to improve survival rate of large yellow croaker.

02 / Protecting Wildlife

In the development and construction of wind farm, Longyuan Power pays attention to the influence of wind turbines on bird's migration. It ensures that the spacing between wind turbines can have birds fy cross safely and paints warning colors to help avoid bird impacts, minimizing the probability of birds fying at night impacting blades. At the same time, the company also protects the growth of other wildlife.

CLASSIC CASE

Install Ultrasonic Bird Repeller

In May 2018, in order to protect the marine environment of the wind farm, Longyuan Jiangsu Offshore Company installed an ultrasonic bird repeller on the top platform of the offshore booster station. Ultrasonic bird repeller is an ultra-low power ultrasonic generation control system designed and manufactured by imported MCU. The ultrasound emitted by it stimulates the bird's nervous system, keeping the birds away from the ultrasonic coverage, thereby reducing the probability of birds hitting the blades.

Longyuan Power actively promotes and advocates the low carbon concept and behavior, cultivates and promotes voluntary emission reduction in China, helps

H

In January 2018, at the “2017 China Debt Outstanding Member Commendation Conference”, the Company successfully won two awards: “Excellent Issuer” and “Innovative Business”.

In January 2018, Longyuan Wind Power Training Center was awarded the “Outstanding Contribution Award for Skills Training for Power Industry in 2017” by the Power Education Fund Management Committee of China Electric Power Education Association.

In February 2018, Longyuan Shanxi Company won the 6th National Power Industry Equipment Management Innovation Achievement Award for Excellence in the Design and Demonstration of Lubricating Oil Cooling System Based on Gearbox Life Cycle.

In March 2018, project conducted by Longyuan Shandong Company “Improving Wind Turbine Power Generation in Low Wind Speed Regions” and “Improving Wind Turbine Power Generation Corrected Power Curves” were awarded the QC Achievement Award for Excellent Quality Management of 2018 Power Construction in China Construction Association.

In April 2018, the China Electricity Council awarded the Company as “2017 National Power Industry Enterprise Culture Construction Model Unit”.

In April 2018, the Company won the outstanding labor union in the national power industry.

In April 2018, Fan Dengsheng of Longyuan Mengdong Company won Youth Expert in State-Owned Enterprise Position.

In May 2018, Longyuan Hebei Company won the 2017 National Youth Safety Production Demonstration Post.

In May 2018, three projects belonged separately to Shandong Yushan, Qingyun, Guangxi Hengxian Liujing, and Shanghai Chongming Beibao Phase I wind power were awarded the “China Power Excellent Engineering Award” by the China Electric Power Construction Enterprise Association.

In June 2018, Longyuan Engineering Technology Co., Ltd. won the “3rd Youth Innovation Award in State-Owned Enterprise”.

In August 2018, Longyuan Guizhou Company’s Mawoshan Wind Farm won the AAAAA-level advanced honor for the 2017 National Wind Farm Production and Operation Statistics.

In September 2018, Longyuan Jiangsu Xuyi Wind Farm and Anhui Longhu Wind Farm were awarded “Top Ten Excellent Wind Farms” in the 20th China Wind Power Industry.

In November 2018, the Company won the “Best Listed Company” award in the 8th China Securities “Golden Bauhinia” Award.

In November 2018, at the 2018 Energy Annual Meeting and the 10th China Energy Enterprise High-Level Forum, Energy magazine awarded the Company the title of “Energy New Energy Model Enterprise”.

In November 2018, Longyuan Zhongneng Company “Key Technology Research and Application of Unified Data Platform for Wind Power Operation Based on Cloud Center” won the first prize of 2018 Power Innovation Award.

In November 2018, Longyuan Carbon Assets Co., Ltd.’s four unifications to boost the Group’s Carbon Management Project was awarded the second prize of the 2018 Power Innovation Award Management Class I, becoming the only award-winning project in the field of carbon emission management.

In November 2018, Capacity and efficiency improvement project of Unit 1 at Wenling Jiangxia Pilot Tidal Power Station won the honorary title of “Outstanding Ocean Engineering” issued by China Ocean Engineering Consulting Association.

In November 2018, Longyuan Hebei Company was awarded the “China Power News” 2017-2018 Excellent Communication Station.

In November 2018, the Company’s chief technical staff, Wang Jianguo, was awarded the “Outstanding Contribution Award for Skilled Personnel Training in the Power Industry in 2018” issued by the Power Education Fund Management Committee of China Electric Power Education Association.

In December 2018, the 2018 International Energy Summit and the 8th Global Top 500 New Energy Enterprises Summit announced the results of the “2018 Global Top 500 New Energy Enterprises”. The Company ranked 21st and ranked among the list for six consecutive years.

Prospects

According to the established roadmap for social responsibility work from 2015 to 2020, looking forward to the future, Longyuan Power’s social responsibility implementation route in 2019 is:

1. Conduct social responsibility risk management;
2. Establish a social responsibility work information system;
3. Incorporate performance appraisal indicators into the appraisal and evaluation system to conduct comprehensive social responsibility performance appraisal;
4. Conduct internal social responsibility research and optimize the management system based on performance appraisal results and research results;
5. Participate in the formulation of domestic and international social responsibility standards and contribute to the development of domestic and international social responsibility.

HI D- A COMMEN$

I read the Longyuan Power Group Co., Ltd. 2018 Social Responsibility Report in an earnest manner, from which I appreciate the efforts and achievements made by Longyuan Power in the past year, and from which I witness its persistency in shouldering social responsibility and the integration of the concept of social responsibility in various fields. As a new energy-based power, its development is not only related to the development of the country's philosophy in keeping green mountains, saving energy and pursuing low-carbon lifestyle, but also to the people's sense of well-being and happiness. I would like to specify the feature of Longyuan Power in terms of social responsibility disclosure and practice as follows:

First, it is leading the edge. Longyuan Power's 2018 Social Responsibility Report fully reflects the requirements of ESG standards and SDGs, which is not only the requirements of the external environment, but more importantly, the inherent needs of enterprises to achieve sustainable development. With the continuous development of social responsibility management, the requirements of all stakeholders for the disclosure of corporate social responsibility are gradually changing, requiring enterprises to adjust in real time.

The second is that it clarifies the boundaries of responsibilities. Longyuan Power's 2018 Social Responsibility Report reflects the considerations of shareholders, clients, employees and other stakeholders in terms of economy, society and environment. As proposed by ISO26000 requirement, corporate social responsibility means that companies are responsible for the impact of their decisions and activities on the social environment through a transparent and ethical approach. From the framework and logic of the report, Longyuan Power has gradually clarified its own boundaries, concept and roadmap of responsibility.

Thirdly, it has distinctive features. Longyuan Power's 2018 Social Responsibility Report shares the characteristics of the energy industry, the power industry and new energy industry, and at the same time it outstands its design further featuring social responsibility. With more and more corporates issuing their social responsibility reports, Longyuan Power's report shows its distinctive characters under the circumstance that few reports are featured.

Nevertheless, it can be seen from Longyuan Power's social responsibility report that Longyuan Power has not yet formed a complete system in terms of corporate social responsibility management and social responsibility integration into corporate operations, leaving several works still need to be integrated.

I hope that Longyuan Power will take this opportunity to further improve its social responsibility management level while releasing social responsibility reports and strengthening social responsibility communication, to maximize the company's economic, social and environmental comprehensive value and to create a better future with its stakeholders.

Director of the Corporate Social Responsibility Promotion Center of the China Federation of Industrial Economics
Secretary General of the China Industrial Enterprise Social Responsibility Research Think Tank
Vice President of Chinese Institute of Business Administration
Director of Beijing Rongzhi Enterprise Social Responsibility Research Institute
Wang Xiaoguang

FEEDBACK

Thank you for reading Longyuan Power 2018 CSR Report. We sincerely look forward to your valuable feedback which will improve our report to better demonstrate our will, action and performance on creating economic, social, environmental and comprehensive values in a systematic and scientific way and will help us to improve our corporate social responsibility management and practice.

Your feedbacks

What's your overall evaluation of Longyuan Power's fulfillment of its CSR?
○ Very Good ○ Good ○ Average ○ Bad

What's your overall evaluation of this report?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating economic value?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating social value?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating environmental value?
○ Very Good ○ Good ○ Average ○ Bad

Do you think the information disclosed by the report is accurate, clear and complete?
○ Yes ○ No

Do you think the format and content arrangement of this report is easy to read?
○ Yes ○ No

What's your opinion and suggestion on our CSR work?

What's your opinion and suggestion on our CSR report?

About You

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