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華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

CONNECTED TRANSACTIONS DISPOSAL OF COAL CAPACITY REPLACEMENT INDICATORS

The Board announces that on 29 December 2017, (i) CR Shanxi entered into Coal CRI Agreement 1 with CR Taiyuan to dispose of its Coal CRI 1 for a consideration of RMB90,000,000 (excluding tax) (approximately HK\$107,484,300) and (ii) CR Liansheng entered into Coal CRI Agreement 2 with CR Taiyuan to dispose of its Coal CRI 2 for a consideration of RMB60,000,000 (excluding tax) (approximately HK\$71,656,200).

CR Taiyuan is owned as to 31% by China Resources Co., Limited* (華潤股份有限公司), which indirectly holds 62.94% of the Shares in the Company and is a controlling shareholder of the Company. CR Taiyuan is therefore an associate of CRC and a connected person of the Company pursuant to the Listing Rules. The transactions contemplated under the Coal CRI Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules and since one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated with reference to the Disposals exceed 0.1% but are less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that Mr. CHEN Ying and Mr. WANG Yan, the Directors of the Company, are concurrently holding positions in CRC or its subsidiaries, they have abstained from voting on the Board resolution regarding the transactions. Save as mentioned above, none of the Directors had any material interests in the transaction contemplated under the Coal CRI Agreements, and thus no other Directors abstained from voting on the Board resolutions.

On 29 December 2017 (after trading hours), CR Shanxi entered into Coal CRI Agreement 1 with CR Taiyuan to dispose of its Coal CRI 1 for a consideration of RMB90,000,000 (excluding tax) (approximately HK\$107,484,300) and CR Liansheng entered into Coal CRI Agreement 2 with CR Taiyuan to dispose of its Coal CRI 2 for a consideration of RMB60,000,000 (excluding tax) (approximately HK\$71,656,200).

COAL CRI AGREEMENT 1

Date : 29 December 2017

Parties: CR Shanxi, as transferor;
CR Taiyuan, as transferee

Subject matter: Pursuant to Coal CRI Agreement 1, CR Shanxi will sell to CR Taiyuan the Coal CRI 1.

Consideration: RMB90,000,000 (excluding tax) (equivalent to approximately HK\$107,484,300), which is substantially the same as the valuation by an independent qualified valuer

COAL CRI AGREEMENT 2

Date : 29 December 2017

Parties: CR Liansheng, as transferor;
CR Taiyuan, as transferee

Subject matter: Pursuant to Coal CRI Agreement 2, CR Liansheng will sell to CR Taiyuan the Coal CRI 2.

Consideration: RMB60,000,000 (excluding tax) (equivalent to approximately HK\$71,656,200), which is substantially the same as the valuation by an independent qualified valuer

After taking into account the consideration and related transaction costs, it is estimated that a gain of approximately RMB76,500,000 (equivalent to approximately HK\$91,361,655) will be recorded for the Group. The proceeds arising from the Disposals will be used for general working capital of the Group.

The Coal CR Indicators

The Coal CR Indicators include the Coal CRI 1 and the Coal CRI 2. Coal CRI 1 comprises the coal production capacity of Taicheng Coal Mine* (台城煤礦) and Dayan Coal Mine* (大雁煤礦) located in Gujiao of Shanxi Province with a total annual coal production capacity of 900,000 tones. Coal CRI 2 comprises the coal production of Zhaojiagou Coal Mine* (趙家溝煤礦) located in Lvliang City of Shanxi Province with an annual coal production capacity of 600,000 tones.

Reason for and Benefits of the Disposals

The Disposals form a part of the Group's internal arrangements to transfer coal capacity replacement indicators to those constructing coal mines of the Company which can utilize the indicators to a greater extent. CR Taiyuan is indirectly owned as to 24.99% by the Company, and the coal capacity replacement indicators are essential to obtaining relevant regulatory approvals for the coal mines of CR Taiyuan. The Company believes that obtaining such approvals will enhance the market value of the coal mines and in turn optimize the asset structure of the Group through its investment in associates.

The terms and conditions of the Disposals have been agreed after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) are of the view that the Disposals are on normal commercial terms or better, and that the terms of the Disposal are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Listing Rules Implications

CR Taiyuan is owned as to 31% by China Resources Co., Limited* (華潤股份有限公司) ("CRC"), which indirectly holds 62.94% of the Shares in the Company and is a controlling shareholder of the Company. CR Taiyuan is therefore an associate of CRC and a connected person of the Company pursuant to the Listing Rules. CR Taiyuan is also indirectly owned by the Company as to 24.99% and accounted for as investment in associate.

The transactions contemplated under the Coal CRI Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules and since one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated with reference to the Disposals exceed 0.1% but are less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that Mr. CHEN Ying and Mr. WANG Yan, the Directors of the Company, are concurrently holding senior positions in the Company's controlling shareholder group, they have abstained from voting on the Board resolution regarding the transactions. Save as mentioned above, none of the Directors had any material interests in the transaction contemplated under the Coal CRI Agreements, and thus no other Directors abstained from voting on the Board resolution.

General Information on the Parties

The Company is a company incorporated in Hong Kong with limited liability, and the shares of the Company have been listed on the Main Board of the Stock Exchange (stock code: 836) since 12 November 2003. The Group is principally engaged in the investment, development, operation and management of power plants, clean and renewable energy and coal mines in the PRC.

CR Shanxi is principally engaged in the investment, development, operation and management of coal mines in Gujiao City of Shanxi Province.

CR Taiyuan is principally engaged in the investment, development, operation and management of coal mines in Gujiao City of Shanxi Province.

CR Liansheng is principally engaged in the investment, development, operation and management of coal mines in Lvliang City of Shanxi Province.

Definitions

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Coal CRI Agreement 1”	the agreement for the disposal of Coal CRI 1;
“Coal CRI Agreement 2”	the agreement for the disposal of Coal CRI 2;
“Coal CRI Agreements”	the Coal CRI Agreement 1 and the Coal CRI Agreement 2;
“Coal CRI 1”	the disposal of coal capacity replacement indicator from CR Shanxi to CR Taiyuan;

“Coal CRI 2”	the disposal of coal capacity replacement indicator from CR Liansheng to CR Taiyuan;
“Coal CR Indicators”	The Coal CRI 1 and he Coal CRI 2;
“Company”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 836);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“CR Liansheng”	Shanxi China Resources Liansheng Energy Investment Co., Ltd.* (山西華潤聯盛能源投資有限公司), an indirect subsidiary of the Company;
“CR Shanxi”	Shanxi China Resources Coal Company Limited.* (山西華潤煤業有限公司), a subsidiary of the Company;
“CR Taiyuan”	Taiyuan China Resources Coal Co., Ltd.* (太原華潤煤業有限公司);
“Directors”	the director(s) of the Company;
“Disposals”	the disposal of Coal CRI 1 and Coal CRI 2;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“normal commercial terms or better”	has the meaning ascribed thereto under the Listing Rules;
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time;

“Stock Exchange” The Stock Exchange of Hong Kong Limited; and
“%” per cent.

** The English name is a translation of its Chinese name and is included for identification purposes only.*

For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the following exchange rate: RMB1.00 = HK\$1.19427.

For and on behalf of the Board
**CHINA RESOURCES POWER HOLDINGS
COMPANY LIMITED**
Zhou Junqing
Chairman

Hong Kong, 29 December 2017

As at the date of this announcement, the executive Directors are Ms. ZHOU Junqing, Mr. GE Changxin, Mr. HU Min and Ms. WANG Xiao Bin; the non-executive Directors are Mr. CHEN Ying and Mr. WANG Yan; and the independent non-executive Directors are Mr. MA Chiu-Cheung, Andrew, Ms. LEUNG Oi-sie, Elsie, Dr. CH'IEN Kuo-fung, Raymond and Mr. SO Chak Kwong, Jack.