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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

FRAMEWORK AGREEMENT WITH THE CONTROLLING SHAREHOLDER AND CR BANK STRATEGIC COOPERATION AGREEMENT 2024

References are made to the announcement of the Company dated 9 December 2022 in relation to the Existing Framework Agreement, the announcements of the Company dated 28 June 2022 and 19 October 2023 in relation to the Existing Energy Agreement and the announcement of the Company dated 24 December 2021 in relation to the Existing CR Bank Strategic Cooperation Agreement.

As the respective terms under the Existing Agreements are due to expire on 31 December 2024, on 24 December 2024, (i) CRH and the Company entered into the Framework Agreement in relation to Gas Products, Labor Outsourcing, IT Services and Integrated Energy Services for a term from 1 January 2025 to 31 December 2027; and (ii) the Company entered into the CR Bank Strategic Cooperation Agreement 2024 with CR Bank in relation to deposit services and commercial banking and other financial services for a term from 1 January 2025 to 31 December 2027.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRH, being the controlling shareholder of the Company with approximately 61.73% equity interests, is a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, approximately 49.77% of the interests in CR Bank is directly held by CRI which is an indirect holding company of CRH. Accordingly, CR Bank is a connected person under the Listing Rules. As such, the transactions contemplated under the CR Bank Strategic Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as set out in Rule 14.07 of the Listing Rules) in respect of each of the transactions contemplated under the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

References are made to the announcement of the Company dated 9 December 2022 in relation to the Existing Framework Agreement, the announcements of the Company dated 28 June 2022 and 19 October 2023 in relation to Existing Energy Agreement and the announcements of the Company dated 24 December 2021 in relation to the Existing CR Bank Strategic Cooperation Agreement.

I. THE FRAMEWORK AGREEMENT

As the respective terms under the Existing Framework Agreement and the Existing Energy Agreement are due to expire on 31 December 2024, on 24 December 2024, CRH and the Company entered into the Framework Agreement in relation to Gas Products, Labor Outsourcing, IT Services and Integrated Energy Services for a term from 1 January 2025 to 31 December 2027.

Principal terms of Framework Agreement

The principal terms of the Framework Agreement are set out below:

| | | |
|------------------------------------|---|---|
| Date | : | 24 December 2024 |
| Parties | : | (i) CRH; and (ii) the Company |
| Term of Framework Agreement | : | From 1 January 2025 to 31 December 2027 |
| Nature of transaction | : | The parties to the Framework Agreement agreed to cooperate with each other in the following manner: (i) the Group will purchase natural gas (" Gas Products ") from CRH Group; (ii) CRH Group will provide outsourcing labor services including drivers, cleaning, chefs, front desk and security to the Group (" Labor Outsourcing "); |

- (iii) CRH Group will provide information products and services to the Group, including information system operation and maintenance, network and hardware services, information optimization services and security software products (“**IT Services**”); and
- (iv) the Group will provide power supply and other comprehensive energy services to the CRH Group by utilizing the rooftops and relevant storage and operation space of CRH Group to install photovoltaic power station facilities and utilizing the waste steam, heat and pressure to construct power generation projects. The Group will take advantage of its power industry resources to construct energy storage and cold storage projects to supply the aforementioned Integrated Energy Services to CRH Group based on the peak-to-trough price difference of CRH Group’s power consumption throughout the whole day and in accordance with its energy consumption needs and conditions (collectively, “**Integrated Energy Services**”).

Pricing policy

- : The pricing policy of the Framework Agreement will be based on the market prices determined by ascertaining the prevailing prices at which the same or similar types of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business, in each case taking into account the applicable circumstances, including but not limited to the relevant policies and regulations of the PRC and the quality of services or products of relevant parties.

The prices for Gas Products are determined with reference to the regulations pursuant to the documents in effect published by the National Development and Reform Commission (國家發展和改革委員會), the local Development and Reform Commission where the Gas Products are used and upstream gas suppliers from time to time subject to adjustments according to the gas source structure, current market price, transportation costs, production costs, operation costs, and various coefficients related to the generation of Gas Products.

Subject to any guidance price which may be imposed by the governmental authorities, the prices for Labor Outsourcing shall be determined after arm's length negotiations with reference to (i) the anticipated operational cost (including, among others, labor costs and administrative costs) for providing such services, and (ii) the prevailing market rates for similar services in the open market and the historical charging rates.

The prices of the IT Services shall be determined on arm's length basis with reference to the open market prices or quotes from other independent suppliers of similar services and taking into account the service level, quality of services as well as other terms such as payment terms and time required for the provision of services. Such prices shall not be higher than those offered by other independent third-party suppliers of the Group.

The prices of the Integrated Energy Services shall be based on the pricing policy of the Framework Agreement and applicable circumstances which shall include, among others, relevant policies and regulations of the PRC and provincial power system reformation and the configuration, costs, profit, resources, experience, quality assurance requirement and technical solutions of relevant parties. When determining whether the transaction price for any transaction under the Framework Agreement represents market prices, to the extent reasonably practicable, the business team of CRH Group and the Company would (i) compare the power tariffs supplied by/offered to other independent third party suppliers/customers of the same type in the vicinity of the relevant power projects, (ii) obtain market and industry data on such power tariffs from time to time through public available information, and (iii) keep regular contact with other established customers/suppliers to better understand the market price trends (if applicable).

The Group and CRH Group shall, in respect of specific services and/or products, entered into separate agreements which stipulate specific terms of each transaction. The terms of such agreements will be in line with the principles in the Framework Agreement. CRH Group and the Group will review and ensure that the terms and pricing of the transactions to be conducted are consistent with the Framework Agreement and are on normal commercial terms or better with those involving other independent third parties.

Historical transaction amounts under the Existing Framework Agreement and the Existing Energy Agreement

Set out below are the approximate historical transaction amount of the Gas Products, Labor Outsourcing, IT Services and Integrated Energy Services between the Group and CRH Group in the two financial years ended 31 December 2022 and 2023 and ten months ended 31 October 2024:

| | For the year ended 31 December 2022 RMB | For the year ended 31 December 2023 RMB | For the ten months ended 31 October 2024 RMB |
|----------------------------|--|--|---|
| Services/Products | | | |
| Gas Products | 89,769,000 | 89,022,000 | 28,411,000 |
| Labor Outsourcing | 41,313,000 | 193,340,000 | 166,690,000 |
| IT Services | 53,520,000 | 40,814,000 | 13,572,000 |
| Integrated Energy Services | 27,038,000 | 38,599,000 | 76,232,000 |

Proposed annual caps under the Framework Agreement

The respective proposed annual caps for the Gas Products, Labor Outsourcing, IT Services and Integrated Energy Services under the Framework Agreement for the three financial years ending 31 December 2025, 2026 and 2027 are set out as follows:

| | For the year ending 31 December | | |
|--|--|---------------------|---------------------|
| | 2025 RMB | 2026 RMB | 2027 RMB |
| Annual caps for Gas Products | 100,000,000 | 100,000,000 | 100,000,000 |
| Annual caps for Labor Outsourcing | 550,000,000 | 600,000,000 | 650,000,000 |
| Annual caps for IT Services | 200,000,000 | 200,000,000 | 200,000,000 |
| Annual caps for Integrated Energy Services | 400,000,000 | 500,000,000 | 600,000,000 |

The above projection is assumed solely based on the information currently available to the Group for determining the proposed annual caps for the three financial years ending 31 December 2025, 2026 and 2027 and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability, expenses or trading prospects of the Company or the Group.

The annual caps are determined based on arm's length negotiations between the Group and the CRH Group having considered a number of factors:

- (a) in determining the annual caps for Gas Products, the Board has considered a number of factors including but not limited to:
 - (i) the historical transaction amount for the two financial years ended 31 December 2022 and 2023 and the ten months ended 31 October 2024. In particular, the exceptionally lower transaction amounts incurred for the ten months ended 31 October 2024 as compared with the transaction amounts recorded for the two financial years ended 31 December 2022 and 2023 was due to the operation and development cycle of several projects;
 - (ii) the past consumption amount of Gas Products;
 - (iii) the existing scale and operations of each of the relevant members of the Group involved in these transactions; and
 - (iv) the anticipated development of natural gas consumption of the Group (which are expected to remain relatively stable).
- (b) in determining the annual caps for Labor Outsourcing, the Board has considered a number of factors including but not limited to:
 - (i) the historical transaction amount for the two financial years ended 31 December 2022 and 2023 and the ten months ended 31 October 2024;
 - (ii) the expected scopes and scale of cooperation between the parties;
 - (iii) the expected extent and nature of Labor Outsourcing to be provided by CRH Group;
 - (iv) the development plan and thus the expected increase in business demand of the Group; and
 - (v) the expected increases in the market price of the Labor Outsourcing during the term of the Framework Agreement.
- (c) in determining the annual caps for IT Services, the Board has considered a number of factors including but not limited to:
 - (i) the historical transaction amount for the two financial years ended 31 December 2022 and 2023 and the ten months ended 31 October 2024. In particular, the exceptionally lower transaction amounts incurred for the ten months ended 31 October 2024 as compared with the transaction amounts recorded for the two financial years ended 31 December 2022 and 2023 was due to the fact that most payments of the relevant IT Services were to complete by end of December 2024;
 - (ii) the expected scopes and scale of cooperation between the parties;

- (iii) the expected quality of IT Services to be provided by CRH Group;
 - (iv) the expected increase demand of IT Services, based on the expected development plan and intelligent transformation of the Group and the Group's commitment to continue promoting technology innovation and explore technological directions with commercial value and industry influence, as stated in the 2023 annual report of the Company; and
 - (v) the expected increase in market prices of IT Services in the future.
- (d) in determining the annual caps for Integrated Energy Services, the Board has considered a number of factors including:
- (i) the historical transaction amount for the two financial years ended 31 December 2022 and 2023 and the ten months ended 31 October 2024;
 - (ii) the expected increasing pace and progress of the integrated energy projects; and
 - (iii) the Group's focus to promote integrated energy development for a flexible, intelligent and integrated virtual power plant system and a green, low-carbon, safe and efficient energy-saving service model and the fact that the government has been vigorously developing the new energy industry and is expected to continue such policy during the term of the Framework Agreement.

If the transaction amounts under the Framework Agreement are expected to exceed the annual cap(s), the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and seeking approval from Independent Shareholders, if applicable.

II. CR BANK STRATEGIC COOPERATION AGREEMENT

As the term under the Existing CR Bank Strategic Cooperation Agreement is due to expire on 31 December 2024, on 24 December 2024, the Company entered into the CR Bank Strategic Cooperation Agreement 2024 with CR Bank in relation to deposit services and commercial banking and other financial services for a term from 1 January 2025 to 31 December 2027.

Principal terms of The CR Bank Strategic Cooperation Agreement 2024

The principal terms of the CR Bank Strategic Cooperation Agreement 2024 are set out below:

| | | |
|--|---|---|
| Date | : | 24 December 2024 |
| Parties | : | (i) CR Bank; and (ii) the Company |
| Term of CR Bank Strategic Cooperation Agreement | : | From 1 January 2025 to 31 December 2027 |

Nature of transaction : The Group may, from time to time use (i) deposit services; and (ii) commercial banking and other financial services as follows:

(i) *Deposit services:* the Group may deposit cash into CR Bank while CR Bank will provide deposit services and pay deposit interest to the Group on such deposits; and

(ii) *Commercial banking and other financial services:* apart from deposit services, the Group may also use the commercial banking and other financial services of CR Bank including but not limited to credit services (such as commercial loans, bill acceptance and discounting services and account receivable factoring services), settlement services, agency services (such as entrustment loan, insurance and custodian services), cash management services, financial advisory services, and other financial services as agreed by the parties.

Pricing policy : (i) *Deposit services:* The deposit rates for RMB-denominated deposits were historically set by the PBOC whilst the PBOC has gradually liberalised its regulation of deposit rates in the recent years, allowing commercial banks in the PRC more flexibility to determine the interest rate for RMB-denominated deposits. Accordingly, pursuant to the CR Bank Strategic Cooperation Agreement 2024, any deposits placed with CR Bank will bear interest on the same interest rate and with the same terms and conditions as applicable to similar deposits made by other customers of CR Bank, the deposit rates shall be determined with reference to the benchmark rates published by the PBOC.

(ii) *Commercial banking and other financial services:* The fees and charges for other financial services provided by CR Bank will be determined on normal commercial terms, and shall not be higher than the standard of actual effective service fees net of preferential discounts offered to other preferred customers of CR Bank.

Subject to the CR Bank Strategic Cooperation Agreement 2024, the Group and CR Bank shall, in respect of specific financial services and products to be provided, entered into separate agreements which stipulate specific terms of each transaction. The terms of such agreements will be in line with the principles, terms and legal requirements of the strategic cooperation between the Group and CR Bank and shall be on normal commercial terms or better and in compliance with the Listing Rules.

Historical transaction amounts under the Existing CR Bank Strategic Cooperation Agreement

Set out below are the approximate historical figures of: (i) the maximum daily deposit amount (including interest payable) placed by the Group with CR Bank, and (ii) the maximum daily amount of financial services provided by CR Bank to the Group (excluding deposit services provided by CR Bank and financial services where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratio) pursuant to the terms of the Existing Strategic Cooperation Agreement for the two financial years ended 31 December 2022 and 2023 and for the ten months ended 31 October 2024:

| | For the year ended 31 December 2022 RMB | For the year ended 31 December 2023 RMB | For the ten months ended 31 October 2024 RMB |
|--|--|--|---|
| Maximum daily deposit amount placed with CR Bank | 1,908,000,000 | 1,305,000,000 | 896,000,000 |
| Maximum daily amount of other financial services provided by CR Bank | 21,000,000 | 0 | 0 |

Proposed annual caps under the CR Bank Strategic Cooperation Agreement 2024

Pursuant to the CR Bank Strategic Cooperation Agreement 2024, (i) the proposed maximum daily balance of deposit to be placed by the Group with CR Bank under the CR Bank Strategic Cooperation Agreement 2024; and (ii) the proposed maximum daily amount of financial services and products to be provided by CR Bank (excluding deposit service and financial services to be provided by CR Bank where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) for the financial years ending 31 December 2025, 2026 and 2027 are as follows:

| | For the year ending 31 December | | |
|---|--|--------------------|--------------------|
| | 2025 | 2026 | 2027 |
| | <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| Maximum daily deposit amount placed with CR Bank by the Group | 2,000 | 2,000 | 2,000 |
| Maximum daily amount of financial services provided by CR Bank to the Group | 1,000 | 1,000 | 1,000 |

The proposed annual caps for deposit as well as the financial services and products (excluding deposit service and financial services to be provided by CR Bank where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) on any single day under the CR Bank Strategic Cooperation Agreements 2024 have been renewed and determined after taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank under the CR Bank Strategic Cooperation Agreements 2024. The Company has also considered that the Group had bank balances and cash of approximately over HKD4,000 million (equivalent to approximately RMB3,760 million) since 2021, with bank balances and cash of approximately HKD9,958 million (equivalent to approximately RMB9,360.52 million) as at 30 June 2024.

While the Group is not under any obligation to place deposits with the CR Bank and/or engage financial services and products provided by CR Bank pursuant to the CR Bank Strategic Cooperation Agreements 2024 and had not engaged or purchased any financial services and products offered by the CR Bank Group for the financial year ended 31 December 2023 and for the ten months ended 31 October 2024, the Company has been communicating with CR Bank as to the need of the Group as well as the range of services and products that CR Bank may offer so as to allow the Group to consider and if appropriate, to engage or purchase suitable financial services and products in the near future.

The proposed annual caps for deposit as well as for the financial services and products will allow the Group to increase the amount of cash deposits to be placed with the CR Bank as and when appropriate, and to increase the financial services and products to be provided by the CR Bank which Group may engage or purchase as and when appropriate, in order to enhance the Group's asset returns through the purchase of financial services and products, thereby increasing the returns of idle cash assets of the Group.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank during the term of the CR Bank Strategic Cooperation Agreements 2024 will not exceed 0.1% of the relevant percentage ratios and these arrangements will constitute de minimis transactions under the Listing Rules.

If the transaction amounts under the CR Bank Strategic Cooperation Agreement 2024 are expected to exceed the annual cap(s), the Company will re-comply with the relevant requirements in accordance with the Listing Rules such as by publishing a further announcement and seeking approval from independent Shareholders, if applicable.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT AND THE CR BANK STRATEGIC COOPERATION AGREEMENT 2024

The Framework Agreement will enable the Group to procure the Gas Products, Labor Outsourcing and IT Services provided by CRH Group to support the Group's business, to ensure a steady source of services which are of reliable quality, and to support the development of the Group on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers. The Framework Agreement will also allow the Group to continue developing integrated energy business which is in line with the government's policy of "carbon peak and carbon neutrality" and to enhance the profitability of the Group's integrated energy sector with CRH Group. Under the Framework Agreement, the Group is not required to exclusively procure such services or products from CRH Group. The Group will retain the flexibility and discretion in cooperating with CRH Group and/or other independent suppliers based on arm's length negotiation and taking into account the commercial terms and factors of consideration. As the term of the Existing Framework Agreement and the Existing Energy Agreement will expire on 31 December 2024, the Group intends to enter into the Framework Agreement which can enable the Group to continue the aforementioned procurements, as well as the provision of Integrated Energy Services based on the principal terms and pricing policies thereto subject to the respective annual caps without incurring substantial negotiation time and costs among the parties to effect the aforementioned transactions.

The CR Bank Strategic Cooperation Agreement 2024 will enable the Group to use the deposit and other financial services of CR Bank on normal commercial terms and to support its development within the China Resources Group, and will not place the Group's resources at risk or affect the Group's relationship with other financial institutions. As the term of the Existing CR Bank Strategic Cooperation Agreement will expire on 31 December 2024, the Group intends to enter into the CR Bank Strategic Cooperation Agreement 2024 which can enable the Group to continue using the aforementioned services based on the principal terms and pricing policies thereto subject to the respective annual caps without incurring substantial negotiation time and costs among the parties to effect the aforementioned transactions.

Having considered the above factors, the Board (including the independent non-executive Directors) considers that the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 and the transactions contemplated thereunder are negotiated on an arm's length basis and are on normal commercial terms or better, in the interests of the Company and the Shareholders as a whole, fair and reasonable and in the ordinary and usual course of business of the Group.

INFORMATION OF PARTIES

The Company

The Company was incorporated in Hong Kong with limited liability and the Shares have been listed on the Stock Exchange since 12 November 2003. The Group is principally engaged in the investment, development, operation and management of power plants in the PRC. The Company is owned by CRH with approximately 61.73% equity interests. The ultimate beneficial owner of the Company is CRC which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

CRH

CRH was incorporated in Hong Kong with limited liability and is ultimately wholly-owned by CRC. It carries out comprehensive business in the mainland and Hong Kong, including consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

CR Bank

CR Bank is a licensed bank regulated by the China Banking and Insurance Regulatory Commission and is headquartered in Zhuhai. As at 30 November 2024, it had approximately 109 branches and sub-branches in the PRC.

CRI directly holds approximately 49.77% equity interest of CR Bank as at the date of this announcement. CR Bank is ultimately owned by CRC, a state-owned enterprise in the PRC under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CRH, being the controlling shareholder of the Company with approximately 61.73% equity interests, is a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, approximately 49.77% of the interests in CR Bank is directly held by CRI which is an indirect holding company of CRH. Accordingly, CR Bank is a connected person under the Listing Rules. As such, the transactions contemplated under the CR Bank Strategic Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as set out in Rule 14.07 of the Listing Rules) in respect of each of the transactions contemplated under the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors had a material interest in each of the Framework Agreement and the CR Bank Strategic Cooperation Agreement 2024 and the transactions contemplated thereunder and none of them were required to abstain from voting on the resolution(s) of the Board in relation to the Framework Agreement, the CR Bank Strategic Cooperation Agreement 2024 and the transactions contemplated thereunder.

INTERNAL CONTROL MEASURES

In order to ensure that the pricing and other contractual terms for the continuing connected transactions are on normal commercial terms, fair and reasonable and to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures to monitor the continuing connected transactions of the Company under the Framework Agreement, including but not limited to the followings:

- (i) the Group will review individual order to ensure that the terms thereunder are made in accordance with the terms and conditions (including the pricing policies) of the Framework Agreement.
- (ii) our procurement team is responsible for collecting market information, and conducting price inquiries, price comparisons, and price negotiations (if applicable) from at least three independent suppliers of the products/services with similar capabilities for providing same or similar products/services in similar regions (if available) to estimate the reference price(s) of the products and/or services required by the Group, which will be subsequently referred to for the benchmarking and determination of the highest acceptable price for purchase of the relevant products and/or services under the Framework Agreement. The review and evaluation process will be conducted from both technical and commercial perspectives. If there are situations where the Company could not obtain quotation and/or sufficient comparable quotations due to the limitations on, among others, the technical specifications required and/or qualification of the suppliers expected by the Group, the Company will

evaluate the price and terms offered by the CRH Group by making reference to, if available, the recent service fee paid by the Group and the market fluctuation of the estimated costs of the relevant products/services, and discuss with CRH Group to ensure that the products/services will be provided on terms no less favourable than terms offered to the Group by independent suppliers of similar capabilities;

- (iii) for the Integrated Energy Services, business team of CRH Group and the Company would (i) compare the power tariffs supplied by/offered to at least three independent third party suppliers/customers (to the extent applicable) of the same type in the vicinity of the relevant power projects, (ii) obtain market and industry data on such power tariffs before entering into separate agreements (to the extent applicable) through public available information, and (iii) keep regular contact with other established customers/suppliers to better understand the market price trends (if applicable) to ascertain the prevailing reference prices and ensure that the terms offered by the Group is no less favourable than those offered to our independent third party customers.
- (iv) to ensure the transactions contemplated under the Framework Agreements do not exceed the respective proposed annual caps, the account department of the Group shall monitor the actual transaction amount incurred at least quarterly, and specific new contracts under the Framework Agreement can only be entered into by the Company upon the approval by the relevant department of the Company in charge of connected transactions and compliance of Listing Rules;
- (v) the independent non-executive Directors will review annually to ensure that all products and/or services procured under the specific orders are on rates charged and/or terms not less favourable from the Group's perspective than the rates charged and/or terms for equivalent or similar products offered by independent third parties suppliers;
- (vi) the external auditors of the Company will conduct an annual review on the pricing basis and the annual caps under each of the Agreements and report their findings and conclusions to the Board; and
- (vii) the Company also arranges compliance trainings for the Directors, senior management and staff from the relevant departments of the Company and its subsidiaries, primarily focusing on the rules relating to connected transactions under Chapter 14A of the Listing Rules.

In relation to the CR Bank Strategic Cooperation Agreement 2024, the Group had adopted the following internal control procedures and corporate governance measures when engaging CR Bank for its deposit, commercial banking and other financial services:

- (i) the Group shall check the benchmark deposit rates published by the PBOC and quoted by other commercial banks at least quarterly;
- (ii) before making a deposit in CR Bank, the Group shall check the interest rates offered by CR Bank against those provided by at least three major commercial banks that have established business relationship with the Group, to ensure that the deposit rate is not lower than the prevailing applicable interest rate for the same deposit services from other domestic commercial banks in the PRC;

- (iii) before entering into any contract or agreements with CR Bank, the Group shall compare the fee rates offered by CR Bank against similar business fee rates provided by at least three major commercial banks that have established business relationship with the Group, to ensure that the fee rates agreed between the Group and CR Bank are appropriate;
- (iv) the Group shall closely monitor the transactions contemplated under any agreements for deposit, commercial banking and other financial services and will report on the relevant transactions to the management of the Group on regular basis;
- (v) to manage the relevant risks, the Group will request CR Bank to provide sufficient information on various financial indicators and annual financial statements to the Group, so that the Group is able to monitor and review its financial conditions. Subject to compliance with laws and regulations, CR Bank must notify the Group on any judicial, legal or regulatory procedures or investigations having material effect on its financial conditions. If the Group considers that any material adverse changes have occurred in the financial conditions of CR Bank, the Group will adopt appropriate measures (including early withdrawal of deposits or suspend the placement of further deposits) to safeguard the financial conditions of the Group; and
- (vi) the Group shall review periodic report(s) submitted by CR Bank in order to monitor and ensure that the proposed annual caps under the CR Bank Strategic Cooperation Agreement 2024 will not be exceeded.

With the aforementioned procedures and measures, the Board considers the continuing connected transactions will be conducted according to the pricing policies and contractual terms of the relevant framework agreements and on normal commercial terms or better and not prejudicial to the interests of the Company and the independent Shareholders.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

| | |
|------------------------------|---|
| “Board” | The board of Directors; |
| “China” or “PRC” | the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan; |
| “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 to it under the Listing Rules; |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules; |

| | |
|--|--|
| “CR Bank” | China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which CRI directly holds approximately 49.77% equity interest as at the date of this announcement; |
| “CR Bank Strategic Cooperation Agreement 2024” | the strategic cooperation agreement entered into by CR Bank and the Company on 24 December 2024; |
| “CRH” | China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, which is ultimately owned by CRC; |
| “CRH Group” | CRH and its subsidiaries (excluding the Group for the purpose of this announcement); |
| “CRC” | China Resources Company Limited (中國華潤有限公司), a company incorporated in the PRC with limited liability and the ultimate holding company of the Company; |
| “CRI” | China Resources Inc. (華潤股份有限公司) (formerly known as China Resources Co., Limited), incorporated in the PRC, which is an indirect holding company of CRH; |
| “Directors” | the directors of the Company; |
| “Existing Agreements” | the Existing CR Bank Strategic Cooperation Agreement, the Existing Energy Agreement and the Existing Framework Agreement; |
| “Existing CR Bank Strategic Cooperation Agreement” | the strategic cooperation agreement entered into by CR Bank and the Company on 24 December 2021; |
| “Existing Energy Agreement” | the framework agreement entered into between CRH and the Company dated 28 June 2022 in relation to the provision of Integrated Energy Services by the Group to the CRH Group, as amended and supplemented by the framework agreement dated 19 October 2023 between CRH and the Company to revise the annual cap for each of the two financial years ended 31 December 2023 and 2024; |

| | |
|-------------------------------------|--|
| “Existing Framework Agreement” | the framework agreement entered into between CRH and the Company dated 9 December 2022 in relation to Gas Products, Labor Outsourcing and IT Services for a term from 9 December 2022 to 31 December 2024; |
| “Framework Agreement” | the framework agreement entered into between CRH and the Company dated 24 December 2024 in relation to Gas Products, Labor Outsourcing, IT Services and Integrated Energy Services for a term from 1 January 2025 to 31 December 2027; |
| “Gas Products” | has the meaning ascribed to it under the section headed “I. THE FRAMEWORK AGREEMENT” in this announcement; |
| “Group” | the Company and its subsidiaries; |
| “HKD” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “Integrated Energy Services” | has the meaning ascribed to it under the section headed “I. THE FRAMEWORK AGREEMENT” in this announcement; |
| “IT Services” | has the meaning ascribed to it under the section headed “I. THE FRAMEWORK AGREEMENT” in this announcement; |
| “Labor Outsourcing” | has the meaning ascribed to it under the section headed “I. THE FRAMEWORK AGREEMENT” in this announcement; |
| “Listing Rules” | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “normal commercial terms or better” | has the meaning ascribed to it under the Listing Rules; |
| “PBOC” | the People’s Bank of China; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shares” | ordinary shares of the Company; |
| “Shareholder(s)” | holder(s) of the Shares; |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“%”

per cent.

In this announcement, for illustrative purpose only, conversion of HKD into RMB is made at the rate of HKD1.00 = RMB0.94.

By order of the Board
**China Resources Power
Holdings Company Limited**
SHI Baofeng
Chairman

Hong Kong, 24 December 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. SHI Baofeng (Chairman), Mr. WANG Bo and Mr. SONG Kui; four non-executive Directors, namely Mr. ZHOU Bo, Mr. ZHANG Yingzhong, Mr. CHEN Guoyong and Mr. LI Chuanji; and four independent non-executive Directors, namely Ms. LEUNG Oi-sie, Elsie, Dr. CH' IEN Kuo Fung, Raymond, Mr. SO Chak Kwong, Jack and Mr. YANG Yuchuan.