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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)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ENTER INTO FRAMEWORK AGREEMENT WITH PARENT COMPANY TO DISPOSE OF 100% EQUITY INTEREST OF AACI AND RESUMPTION OF TRADING

The Board announces that, on 17 August 2018, CR Coal and CR Holdings entered into the Equity Transfer Framework Agreement, pursuant to which, CR Coal agrees to sell the entire shareholding of AACI (the Target) held by it to CR Holdings or its designated wholly-owned subsidiary, with consideration to be determined based on the valuation issued by an independent third party valuer. The parties will further execute a formal equity transfer agreement upon the completion of audit, evaluation and negotiation on the consideration.

CR Holdings is the controlling shareholder of the Company, thus CR Holdings and its subsidiary are connected persons of the Company. CR Coal is a wholly-owned subsidiary of the Company. According to the applicable percentage ratios (save for consideration ratio), the Disposal under the Equity Transfer Framework Agreement would constitute a discloseable transaction under Chapter 14 of the Listing Rules and a connected transaction subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Subject to the determination of the consideration, the Disposal may constitute a connected transaction subject to the

reporting, announcement, circular to shareholders and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will issue a further announcement upon the determination of the transaction consideration and the execution of a formal equity transfer agreement with CR Holdings.

The Directors (including the Independent Non-Executive Directors) are of the view that the terms of the Equity Transfer Framework Agreement (including the mechanism by which the consideration shall be determined) are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

Upon the request of the Company, trading of the Company's shares has been halted from 9:00 a.m. on 17 August 2018, pending the release of this announcement. The Company has made an application to the Stock Exchange for resumption of trading in the Shares from 9:00 a.m. on 20 August 2018.

This announcement is made by the Company pursuant to the Inside Information Provisions and Rule 13.09(2)(a) and Rule 14A.35 of the Listing Rules.

On 17 August 2018, CR Coal (a wholly-owned subsidiary of the Company) and CR Holdings (a controlling shareholder of the Company) entered into an equity transfer framework agreement, pursuant to which, CR Coal agrees to sell the entire shareholding of AACI SAADEC (HK) Holdings Limited (the Target or AACI) held by it to CR Holdings, with consideration to be based on the valuation report issued by an independent third party valuer.

Date of the Equity Transfer Framework Agreement:

17 August 2018

Parties:

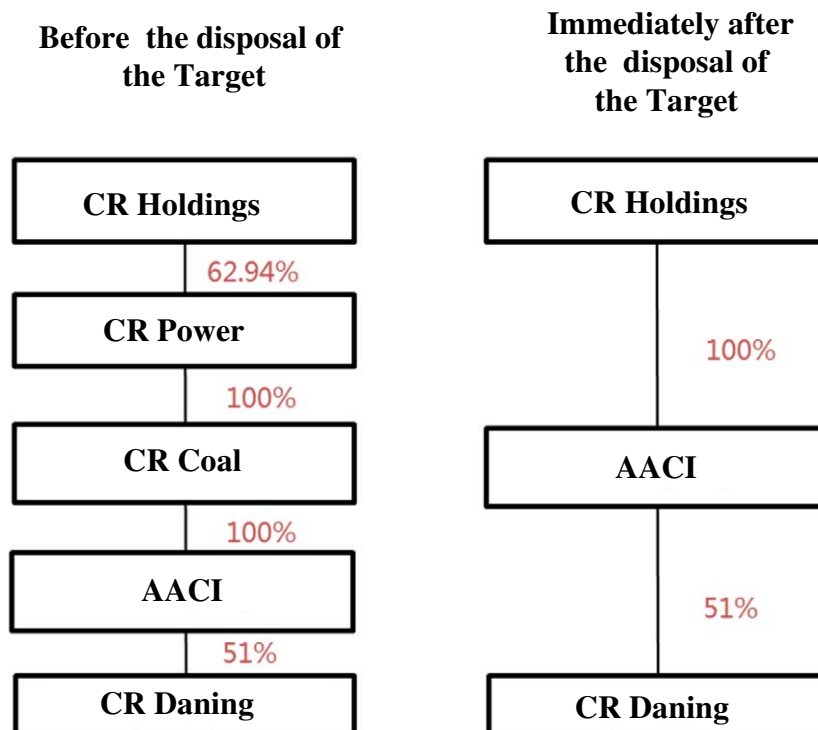
CR Holdings (as the Purchaser)

CR Coal (as the Vendor)

Subject Matter:

CR Coal and CR Holdings have entered into an equity transfer framework agreement, pursuant to which CR Coal agrees to sell the entire shareholding of AACI and all rights and benefits therein held by it to CR Holdings. AACI holds 51% equity interest of CR Daning.

Changes in shareholding structure of the Target immediately before and after the Disposal are set out as follows:



Consideration:

CR Coal and CR Holdings agreed to jointly appoint a PRC qualified appraisal institution recognized by both parties to issue an independent valuation report of the Target as at 30 June 2018, based on which the parties will determine the transaction consideration after arm’s length negotiations. The Company will issue a further announcement upon the determination of the transaction consideration and the execution of a formal equity transfer agreement with CR Holdings.

General Information of the Target

AACI is a company established in Hong Kong with limited liability, which holds 51% equity interest in CR Daning. CR Daning is a sino-foreign cooperative joint venture with limited liability established in the PRC. Daning Coal Mine is operated by CR Daning and located at Yangcheng County, Jincheng City, Shanxi Province, the PRC.

As at 30 June 2018, the remaining coal reserve in the No.3 coal seam of Daning Coal Mine amounted to approximately 190.68 million tonnes. Currently, the designed capacity of Daning Coal Mine is approximately 4 million tonnes per year. The production volume in 2017 and the first half of 2018 was 3.383 million tonnes and 1.615 million tonnes, respectively. Daning Coal Mine produces anthracite coal with high heat content, which is a high quality raw material for production of chemical fertilizers. As at the end of 2017, CR Daning had a total of 2,243 employees.

As at 30 June 2018, CR Daning had unaudited total assets of approximately RMB2,500.05 million and net assets of approximately RMB1,518.52 million.

The major financial information on CR Daning is set out as below:

	Six months ended 30 June 2018	Year ended 31 December 2017	Year ended 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Net profit before tax	544,131	1,067,609	588,455
Net profit after tax	408,125	801,053	440,350

China Resources Power acquired the 51% shareholding in CR Daning from an independent third party in 2011, at the acquisition cost of approximately RMB4.01 billion.

Reasons for and Benefits of the Disposal

The strategic direction of the Company is to become a green, low carbon, clean and efficient integrated energy company. The disposal of CR Daning will enable the Company to focus more on its power business, generate capital for investment in new energy and other businesses, and improve the capital structure of the Company.

As a good corporate governance measure, three Directors, namely Mr. Li Ru Ge, Mr. WANG Yan and Mr. CHEN Ying, have abstained from voting on the board resolution in view of their senior management positions in CR Holdings.

As the consideration for the transaction is based on the valuation by an independent third party appraisal institution jointly appointed by CR Coal and CR Holdings, the Directors (including Independent Non-Executive Directors) believe that the terms of the Equity Transfer Framework Agreement are fair and reasonable, on normal commercial terms, and in the interest of the Company and its shareholders as a whole.

None of the Directors has any material interest in the Disposal.

Financial Effects of the Disposal and Use of Proceeds

The financial impact of the Disposal can only be ascertained after the consideration is determined based on the independent third party appraisal institution valuation. The Company will issue a further announcement upon the determination of the transaction consideration and the execution of a formal equity transfer agreement with CR Holdings and, if applicable depending on the consideration ratio, dispatch a circular to shareholders and seek independent shareholders' approval in compliance with the requirements under Chapter 14A of the Listing Rules.

The Board intends to use the proceeds from the Disposal as working capital.

Further Information on the Parties

CR Holdings is mainly engaged in seven core businesses, namely consumer products (retail, beer, food, beverage), power, real estate, cement, gas, pharmacy, financial services and other businesses including microelectronics, textiles and chemical products.

AACI is mainly a holding company, which holds 51% equity interest in CR Daning.

The Company is mainly engaged in investment, development, operation and management of power plants and coal mines in China. As a wholly-owned subsidiary of the Company, CR Coal mainly holds coal assets.

Listing Rules Implications

CR Holdings is the controlling shareholder and a connected person of the Company. CR Coal is a wholly-owned subsidiary of the Company. According to the applicable percentage ratios (save for consideration ratio), the Disposal under the Equity Transfer Framework Agreement would constitute a discloseable transaction under Chapter 14 of the Listing Rules and a connected transaction subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Subject to the determination of the consideration, the Disposal may constitute a connected transaction subject to the reporting, announcement, circular to shareholders and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will issue a further announcement upon the determination of the transaction consideration and the execution of a formal equity transfer agreement with CR Holdings.

Resumption of Trading

Upon the request of the Company, trading of the Company's shares has been halted from 9:00 a.m. on 17 August 2018, pending the release of this announcement. The Company has made an application to the Stock Exchange for resumption of trading in the Shares from 9:00 a.m. on 20 August 2018.

DEFINITIONS

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

“AACI or Target”	AACI SAADEC (HK) Holdings Limited, a limited liability company incorporated in Hong Kong;
“Board”	the board of Directors of the Company;
“Company” or “China Resources Power”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong, the shares of which are listed and traded on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“CR Coal”	China Resources Coal Holdings Company Limited (華潤煤業控股有限公司), a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company;
“CR Daning”	Shanxi China Resources Daning Energy Co., Ltd., a sino-foreign cooperative joint venture with limited liability established in the PRC;
“CR Holdings”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company;
“Daning Coal Mine”	a coal mine operated by CR Daning and located at Yangcheng County, Jincheng City, Shanxi Province, the PRC;
“Directors”	the directors of the Company;
“Disposal”	the disposal by CR Coal of its 100% shareholding in the Target to CR Holdings pursuant to the terms of the Equity Transfer Framework Agreement;

“Equity Transfer Framework Agreement”	the framework agreement dated 17 August 2018 entered into between CR Holdings and CR Coal in relation to the Disposal;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Normal Commercial Terms”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
**CHINA RESOURCES POWER
HOLDINGS COMPANY LIMITED**
Li Ru Ge
Chairman

Hong Kong, 19 April 2018

As at the date of this announcement, the Board of the Company comprises three non-executive directors, namely Mr. LI Ru Ge (Chairman), Mr. CHEN Ying and Mr. WANG Yan; three executive directors, namely Mr. GE Changxin (Vice Chairman), Mr. HU Min (President) and Ms. WANG Xiao Bin (Chief Financial Officer and Company Secretary); and four independent non-executive directors, namely, Mr. MA Chiu-Cheung, Andrew, Ms. LEUNG Oi-sie, Elsie, Mr. CH’IEN Kuo-fung, Raymond and Mr. SO Chak Kwong, Jack.