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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)

SUPPLEMENTAL ANNOUNCEMENT — DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION EQUITY TRANSFER AGREEMENT IN RELATION TO THE DISPOSAL OF 100% EQUITY INTEREST OF AACI (HK)

The Board announces that, on 23 November 2018, CR Coal entered into the Equity Transfer Agreement with the Purchaser, pursuant to which CR Coal has agreed to sell, and the Purchaser has agreed to purchase, the entire equity interest of AACI (HK) for a consideration of approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million).

Upon completion of the Disposal, AACI (HK) will cease to be a subsidiary of the Company.

As the applicable percentage ratios in respect of the Disposal exceeds 5% but is less than 25%, the Disposal contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, as CR Holdings is the controlling shareholder of the Company and the Purchaser is a wholly-owned subsidiary of CR Holdings, the Purchaser is therefore a connected person of the Company. CR Coal is a wholly-owned subsidiary of the Company. Therefore, the Disposal contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company subject to reporting, announcement, circular to shareholders and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company proposes to convene the EGM for the Independent Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. As at the date of this announcement, each of CR Holdings and its associates (together holding 3,027,905,337 Shares representing approximately 62.94% of the Company's issued share capital as at the date of this announcement), being connected persons of the Company and having material interests in the Disposal which are different from those of the Independent Shareholders, will be required to abstain from voting on the relevant resolutions at the EGM. Save as disclosed above, as at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholders would be required to abstain from voting at the EGM.

The Independent Board Committee, comprising all the 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, has been established to advise the Independent Shareholders in respect of the terms of the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) details of the Equity Transfer Agreement and the Disposal; (ii) the recommendation of the Independent Board Committee in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder; and (iv) the notice convening the EGM and a proxy form, will be despatched to the shareholders on or before 27 November 2018.

Shareholders and potential investors should note that completion of the Disposal is subject to the satisfaction of the conditions precedent set out in the Equity Transfer Agreement and may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 19 August 2018 (the "Announcement") in relation to the Equity Transfer Framework Agreement entered into between CR Coal and CR Holdings, pursuant to which CR Coal has agreed to sell the entire equity interest of AACI (HK) held by it to the Purchaser.

As disclosed in the Announcement, CR Coal and CR Holdings have agreed to jointly appoint a PRC qualified appraisal institution recognised by both parties to issue an independent valuation report of AACI (HK) as at 30 June 2018 and will determine the consideration of the Disposal based on such independent valuation report after arm's length negotiation.

The Board announces that the parties have determined and agreed on the consideration for the Disposal and, on 23 November 2018, CR Coal entered into the Equity Transfer Agreement with the Purchaser, pursuant to which CR Coal has agreed to sell, and the Purchaser has agreed to purchase, the entire equity interest of AACI (HK) for a consideration of approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million).

EQUITY TRANSFER AGREEMENT

Principal terms of the Equity Transfer Agreement are set out as follows:

Date

23 November 2018

Parties

- (a) China Resources Coal Holdings Company Limited as vendor; and
- (b) AACI SAADEC Holdings Limited as purchaser

As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of CR Holdings.

Subject Matter

CR Coal has agreed to sell, and the Purchaser has agreed to purchase, the entire shareholding of AACI (HK) and all rights and benefits therein held by CR Coal. AACI (HK) holds 51% equity interest in CR Daning.

For the avoidance of doubt, following 30 June 2018, any occurrence of claims and liabilities (including contingent liabilities) and profit and loss accrued by AACI (HK) will be assumed by the Purchaser, and any occurrence of claims and liabilities (including contingent liabilities) and profit and loss accrued by any subsidiary of AACI (HK) will be assumed by AACI (HK).

Consideration

The consideration payable by the Purchaser to CR Coal for the Disposal is approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million), which shall be settled in cash by the Purchaser to CR Coal.

The consideration for the Disposal of approximately RMB3,485.7 million was determined after arm's length negotiation between the parties with reference to the valuation of the equity interest of AACI (HK) as at the Benchmark Date (including the appraised net asset value of AACI (HK) of approximately RMB3,485.7 million as at the Benchmark Date), as assessed by the Valuer based on, among other things, income approach, which involves the calculation of discounted cash flow.

Conditions

Completion is conditional upon satisfaction of the following conditions precedent, none of which can be waived:

- (a) all necessary approvals, consents and waivers in relation to the Disposal under the Listing Rules, including but not limited to the approval from the Shareholders as required under the Listing Rules, having been obtained;
- (b) all internal approvals and authorizations of CR Coal and the Purchaser in relation to the Disposal as required under the relevant laws and the articles of association having been obtained and/or completed;
- (c) all approvals in relation to the Disposal in accordance with the relevant state-owned assets supervision and administration requirements in the PRC having been obtained;
- (d) the relevant filing procedures in relation to assets appraisal in accordance with the relevant state-owned assets appraisal requirements in the PRC having been completed by CR Coal; and
- (e) consents in writing from any third parties having been obtained, if the Disposal may cause AACI (HK) to be or deemed to be in breach of relevant agreements with such third parties.

As at the date of this announcement, none of the conditions precedent has been fulfilled.

Completion

Completion shall take place within 20 Business Days as agreed by the parties following, among other things, satisfaction of the conditions precedent as set out in the paragraph headed "Equity Transfer Agreement — Conditions" above.

If the aforesaid conditions precedent have not been satisfied on or before the Long Stop Date, CR Coal and the Purchaser may, after mutual agreement, (i) postpone the completion by no later than the 30th day after the Long Stop Date; (ii) complete the Disposal to the extent feasible and practicable; or (iii) terminate the Equity Transfer Agreement.

Upon completion of the Disposal, AACI (HK) will cease to be a subsidiary of the Company, and AACI (HK) and CR Daning will become a direct wholly-owned subsidiary and an indirect 51% owned subsidiary of the Purchaser, respectively.

Apart from the Disposal, as disclosed in the Company's announcement dated 19 August 2018, the Company is negotiating the possible disposal of coal mining assets in Shanxi, and will issue further announcement as required under the Listing Rules if a final definitive agreement is reached. The Group also has other coal mining assets (including those in operation, under construction or to be closed down or disposed of) in Hunan, Henan, Jiangsu, Guizhou and Inner Mongolia, which represented an aggregated coal production volume of approximately 1.3 million tonnes for the nine months ended 30 September 2018. The Group is exploring the possibility of disposal of some of those other coal mining assets. For the coal mining assets under construction in Guizhou and Inner Mongolia, which form part of the coal-fired integration projects, the Company will continue to evaluate the economic benefits from their continued operation or possible disposal in the future.

GENERAL INFORMATION OF AACI (HK) AND CR DANING

AACI (HK) 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 RMB2,500.1 million and net assets of approximately RMB1,518.5 million.

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

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

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

As at 30 June 2018, the unaudited consolidated net book value of AACI (HK) was approximately HK\$6,184.6 million^(note).

The major financial information of AACI (HK) is set out as below:

	Year ended 31 December 2017	Year ended 31 December 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit before taxation ^(note)	1,199,424	509,856
Net profit after taxation ^(note)	904,778	378,180

Note: Without deducting the 49% minority interest in CR Daning.

THE VALUATION REPORT

The valuation of the equity interest of AACI (HK) as at the Benchmark Date was prepared by the Valuer based on, among other things, income approach, which involves the calculation of discounted cash flow. Accordingly, the Valuation Report prepared by the Valuer constitutes discounted cash flow deemed as profit forecast (“**Profit Forecast**”) under Rule 14.61 of the Listing Rules. This announcement is therefore subject to requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to Profit Forecast.

Principal assumptions of the Valuation Report

For the purpose of complying with Rules 14.60A and 14.62 of the Listing Rules, the principal assumptions (including commercial assumptions) upon which the Valuation Report is based include the following:

General Assumptions

- (a) it is assumed that all assets subject to the valuation form part of the subject matter of the Disposal, and the valuation completed by the Valuer is performed on the basis that the Disposal is conducted in accordance with the terms thereof;
- (b) it is assumed that the parties negotiate and conduct the Disposal at arm's length and have obtained sufficient market information to make an informed judgment on the assets, and that the assets subject to the valuation can be traded in an open market;
- (c) it is assumed that the assets subject to valuation will be used in a manner consistent with the current function, method, scale, frequency and environment;

Special Assumptions

- (a) it is assumed that the economic environment as at the Benchmark Date remains unchanged and there is no material change to the macro economy in the PRC, and that there is no material change to the social and economic environment and policies in relation to tax bases and tax rates in places where the appraised companies operate;
- (b) it is assumed that the future management team of the appraised companies has the capability to take on their duties and will continue to maintain the existing management model;
- (c) it is assumed that the operation capabilities of the appraised companies remain at their current level as at the Benchmark Date, without taking into account any enhanced operation capabilities in the future due to changes in management, operation strategies and additional investment, or any subsequent changes to the production and operation that may occur to the appraised companies;
- (d) it is assumed that the assets balance of the appraised companies remain at the same level as at the Benchmark Date, and the market value of relevant assets is based on the prevailing domestic price as at the Benchmark Date;

- (e) it is assumed that the background information and financial information provided to the Valuer is true, accurate and complete;
- (f) it is assumed that any contingent assets, contingent liabilities, interest income that could be generated by bank deposits of the appraised entities are not taken into account in the valuation;
- (g) it is assumed that the annual production capacity of CR Daning is 3.2 million tonnes per year for the purposes of the valuation pursuant to applicable requirements by the government in Jincheng City, Shanxi Province, the PRC; and
- (h) it is assumed that as at the Benchmark Date, CR Daning is a sino-foreign cooperative joint venture with its business operation term up to 12 May 2025, and according to the currently approved production capacity, exploitation of the remaining approved reserves of CR Daning is estimated to be completed by 30 September 2044. It is further assumed that CR Daning can continue to operate unconditionally after the expiry of the business operation term until the completion of exploitation in 2044 and the relevant economic policies remain unchanged.

A report from PricewaterhouseCoopers, the Company's auditor, confirming that they have examined the calculations for the discounted future estimated cash flow in the Valuation Report and the Profit Forecast did not involve the adoption of the Company's accounting policies, is set out in Appendix I to this announcement.

A letter from the Board, confirming that the Profit Forecast in the Valuation Report has been made after due and careful enquiry by the Board, is set out in Appendix II to this announcement.

The valuation is carried out on a market value basis, on the basis that AACI (HK) will have continuing operations and an open market. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". The valuation was by way of an evaluation of the entire shareholders' equity value based on AACI (HK)'s historical financial statements. The process involved an evaluation of the operating assets based on income approach, plus the equity value of external investments in corporate statements with non-reflected long-term external investment income, as well as the value of other non-operating or surplus assets as at the Benchmark Date, so as to derive the enterprise's business value, and then to arrive at the value of the enterprise's entire shareholders' interests (net assets) by deducting the value of interest-bearing debt obligations from the enterprise's value. The valuation report was prepared on the

basis that: (i) effect of lack of property ownership certificates for CR Daning's properties was disregarded for valuation purposes; (ii) mining rights will be renewed and renewal expenses were disregarded for valuation purposes; (iii) "designed loss" figures were based on those prepared by the Company; and (iv) possible change in valuation due to change in reserve as a result of CR Daning adjusting its mining area in the future was disregarded for valuation purposes.

Experts and Consents

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants, Hong Kong
China United Assets Appraisal Group (中聯資產評估集團)	Independent valuation firm with asset valuation qualification in PRC

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Company's auditor and Valuer has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter or report and/or references to its name in the form and context in which they respectively appear.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Immediately after completion of the Disposal, AACI (HK) will cease to be a subsidiary of the Company and the financial results of AACI (HK) will no longer be consolidated into the Company's financial statements.

Subject to the review of the Company's auditor, based on, among other factors, the consideration of approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million^(Note 1)) and unaudited net asset value of AACI(HK) as at 30 June 2018 of HK\$6,184.6 million^(Note 2) (without deducting the 49% minority interest in CR Daning), it is expected that the Company will record a gain before income tax arising from the Disposal of approximately HK\$881 million^(Note 3) upon completion of the Disposal (without considering foreign exchange impact and the profit and loss accrued by AACI (HK) and its subsidiary following the date of 30 June 2018).

Notes:

1. Based on the exchange rate as at the date of this announcement.
2. Based on the exchange rate as at 30 June 2018.
3. The amount of HK\$881 million is calculated principally based on the difference between the consideration (based on the exchange rate as at the date of this announcement) and our 51% share of AACI (HK)'s total unaudited net asset value as at 30 June 2018 (based on the exchange rate as at 30 June 2018).

The Board intends to use the proceeds from the Disposal as general working capital of the Group and to repay bank debts of the Group.

INFORMATION OF THE PARTIES

The Purchaser is mainly a holding company, wholly-owned by CR Holdings as at the date of this announcement. 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 (HK) 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.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As disclosed in the Announcement, 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 the consideration of the Disposal is based on the valuation by an independent third party appraisal institution jointly appointed by CR Coal and CR Holdings, the Directors (excluding the independent non-executive Directors whose opinion will be set out in the circular to be despatched to the Shareholders after taking into account the advice of the Independent Financial Adviser) are of the view that the Equity

Transfer Agreement was entered into on normal commercial terms and the terms of the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as CR Holdings is the controlling shareholder of the Company and the Purchaser is a wholly-owned subsidiary of CR Holdings, the Purchaser is therefore a connected person of the Company. CR Coal is a wholly-owned subsidiary of the Company. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal contemplated under the Equity Transfer Agreement exceeds 5% but is less than 25%, the Disposal contemplated under the Equity Transfer Agreement constitutes: (i) a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction of the Company subject to reporting, announcement, circular to shareholders and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors is considered to have material interests in the Equity Transfer Agreement and any transactions contemplated thereunder. As a good corporate governance practice, Mr. Li Ru Ge, Mr. WANG Yan and Mr. CHEN Ying have abstained from voting on the relevant board resolutions for considering and approving the Equity Transfer Agreement, the Disposal and any transactions contemplated thereunder in view of their senior management positions in CR Holdings and/or the Purchaser.

The Company proposes to convene the EGM for the Independent Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. As at the date of this announcement, each of CR Holdings and its associates (together holding 3,027,905,337 Shares representing approximately 62.94% of the Company's issued share capital as at the date of this announcement), being connected persons of the Company and having material interests in the Disposal which are different from those of the Independent Shareholders, will be required to abstain from voting on the relevant resolutions at the EGM. Save as disclosed above, as at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholders would be required to abstain from voting at the EGM.

The Independent Board Committee, comprising all the 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, has been established to advise the Independent Shareholders in respect of the terms of the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Equity Transfer Agreement. The Independent Board Committee will form its view in respect of the terms of the Equity Transfer Agreement and the Disposal after obtaining and considering the advice from the Independent Financial Adviser.

A circular containing, among other things, (i) details of the Equity Transfer Agreement and the Disposal; (ii) the recommendation of the Independent Board Committee in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder; and (iv) the notice convening the EGM and a proxy form, will be despatched to the shareholders on or before 27 November 2018.

Shareholders and potential investors should note that completion of the Disposal is subject to the satisfaction of the conditions precedent set out in the Equity Transfer Agreement and may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“AACI (HK)”	AACI SAADEC (HK) Holdings Limited, a company incorporated in Hong Kong with limited liability on 9 October 2007
“associate”	has the meaning ascribed to it under the Listing Rules
“Benchmark Date”	30 June 2018
“Board”	the board of Directors

“Business Day(s)”	means a day on which commercial banks operate in Hong Kong (excluding Saturdays, Sundays, public holidays and any day on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted in Hong Kong)
“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 on 27 August 2001, the shares of which are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 836)
“connected person”	has the meaning ascribed thereto 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 on 11 August 2010, which is a wholly-owned subsidiary of the Company
“CR Daning”	Shanxi China Resources Daning Energy Co., Ltd.* (山西華潤大寧能源有限公司), a sino-foreign cooperative joint venture with limited liability established in the PRC on 12 May 2000, a non-wholly owned subsidiary of AACI (HK)
“CR Holdings”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability on 8 July 1983 and a controlling shareholder of the Company which indirectly held approximately 62.94% of the issued share capital of the Company as at the date of this announcement
“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 AACI (HK) to the Purchaser pursuant to the terms of the Equity Transfer Agreement

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement dated 23 November 2018 entered into between the Purchaser and CR Coal in relation to the Disposal
“Equity Transfer Framework Agreement”	the framework agreement dated 17 August 2018 entered into between CR Holdings and CR Coal in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	independent committee of the Board comprising four of the 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
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than CR Holdings and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2019 or such later date as agreed by the parties to the Equity Transfer Agreement

“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	AACI SAADEC Holdings Limited, a company incorporated in British Virgin Islands with limited liability on 15 November 2018 and a wholly-owned subsidiary of CR Holdings
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholders”	holders of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Valuation Report”	the valuation report prepared by the Valuer dated 13 November 2018 in relation to the valuation of AACI (HK)
“Valuer”	China United Assets Appraisal Group Company Limited (中聯資產評估集團有限公司), the independent valuer jointly appointed by CR Coal and CR Holdings in relation to the Disposal

For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.12649.

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

Hong Kong, 23 November 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.

* For identification purposes only

APPENDIX I — REPORT FROM THE AUDITOR

The following is the text of the report dated 23 November 2018 from PricewaterhouseCoopers, Certified Public Accountants, prepared for inclusion in this announcement.

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF AACI SAADEC (HK) HOLDINGS LIMITED

TO THE BOARD OF DIRECTORS OF CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the business valuation (the “Valuation”) dated 13 November 2018 prepared by China United Assets Appraisal Group Company Limited in respect of the appraisal of the fair value of the 100% equity interests in AACI SAADEC (HK) Holdings Limited (the “Target Company”) is based. The Valuation is in connection with the disposal of 100% equity interests in the Target Company by China Resources Power Holdings Company Limited (the “Company”) as set out in the Company’s announcement dated 19 August 2018 and the supplemental announcement dated 23 November 2018 (the “Supplemental Announcement”). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set on pages 7 to 8 of the Supplemental Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out on pages 7 to 8 of the Supplemental Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out on pages 7 to 8 of the Supplemental Announcement.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 November 2018

APPENDIX II — LETTER FROM THE BOARD

The following is the text of the letter dated 23 November 2018 from the Board prepared for inclusion in this announcement.

To: Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sir/Madam,

Company: China Resources Power Holdings Company Limited (the “Company”)

Re: Profit Forecast — Confirmation letter under the requirements of Rule 14.62(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”)

Reference is made to the announcement of the Company dated 23 November 2018 in relation to the valuation report dated 13 November 2018 (the “**Valuation Report**”) prepared by China United Assets Appraisal Group Company Limited (中聯資產評估集團有限公司) (the “**Valuer**”). The Valuer adopted income approach in valuation of AACI SAADEC (HK) Holdings Limited.

The board of directors of the Company (the “**Board**”) has reviewed the basis and assumptions of the valuation and discussed the same with the Valuer. The Board has also considered the report issued by PricewaterhouseCoopers on 23 November 2018 in relation to the calculations of the Profit Forecast in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the board of directors of the Company confirmed that the Profit Forecast used in the aforesaid Valuation Report has been made after due and careful enquiry.

The Board of Directors
**CHINA RESOURCES POWER HOLDINGS
COMPANY LIMITED**

23 November 2018