
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Resources Power Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 AND CONNECTED TRANSACTION
DISPOSAL OF 100% EQUITY INTEREST OF AACI (HK)
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



Gram Capital Limited

嘉林資本有限公司

A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 14 to 15 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 16 to 25 of this circular.

A notice convening the EGM to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 17 December 2018 at 2:30 p.m., is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof.

27 November 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions 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(s)”	has the meaning ascribed to it under the Listing Rules;
“Benchmark Date”	30 June 2018;
“Board”	the board of Directors of the Company;
“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” 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 with limited liability on 27 August 2001, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 836);
“connected person”	has the same 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 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 Latest Practicable Date;
“CRC”	China Resources Co., Ltd.* (華潤股份有限公司), a company incorporated under the laws of the PRC and is a subsidiary of CRNC;

DEFINITIONS

“CRNC”	China Resources National Corporation (中國華潤有限公司, formerly “中國華潤總公司”), a company incorporated in the PRC which holds approximately 99.9961% interest in the registered capital of CRC and which is the ultimate holding company of the Company which indirectly holds approximately 62.94% interest in the entire issued share capital of the Company as at the Latest Practicable Date;
“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% equity interest in AACI (HK) to the Purchaser pursuant to the terms of the Equity Transfer Agreement;
“EGM”	the extraordinary general meeting to be convened and held on 17 December 2018, the notice of which is set out on pages EGM-1 to EGM-2 of this circular, and any adjournment thereof for the purpose of considering, and if thought fit, approving the Equity Transfer Agreement, the Disposal and the transaction 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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“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;

DEFINITIONS

“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 excluding CR Holdings and its associates;
“independent third party(ies)”	party(ies) not connected with any of the Directors, the chief executive or the substantial shareholders of the Company or any of its subsidiaries or their respective associates;
“Latest Practicable Date”	23 November 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“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;
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China, and Taiwan;
“Purchaser”	AACI SAADEC Holdings Limited, a company incorporated in the 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;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Share(s);

DEFINITIONS

“Shares”	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; and
%	per cent.

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

** For identification purposes only*



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)

Non-executive Directors:

LI Ru Ge (*Chairman*)
CHEN Ying
WANG Yan

Executive Directors:

GE Chang Xin (*Vice Chairman*)
HU Min (*President*)
WANG Xiao Bin (*Chief Financial Officer and Company Secretary*)

Independent non-executive Directors:

MA Chiu-Cheung, Andrew
LEUNG Oi-sie, Elsie
CH'IEN Kuo-fung, Raymond
SO Chak Kwong, Jack

Registered Office:

Rooms 2001-2002
20th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

27 November 2018

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF 100% EQUITY INTEREST OF AACI (HK)
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Company's announcements made on 19 August 2018 and 23 November 2018, respectively, in relation to, amongst other things, the discloseable transaction and connected transaction under the Equity Transfer Agreement, pursuant to which CR Coal agreed to sell the entire shareholding of AACI (HK) to the Purchaser (a wholly-owned subsidiary of CR Holdings) at a consideration of approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information and material terms in relation to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder; (ii) the recommendation and advice of the Independent Board Committee; and (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders together with a notice convening the EGM.

EQUITY TRANSFER AGREEMENT

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 interests in AACI (HK) for a consideration of approximately RMB3,485.7 million (equivalent to approximately HK\$3,926.6 million).

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 Latest Practicable Date, the Purchaser is a wholly-owned subsidiary of CR Holdings.

CRNC, being the ultimate holding company, owns approximately 99.9961% of the issued share capital of CRC, and CRC indirectly owns the entire issued share capital of CR Holdings, which in turn owns 62.94% of the issued share capital of the Company. Each of CRNC, CRC, CR Holding and the Purchaser is therefore an associate of each other and a connected person of the Company.

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 (equivalent to approximately HK\$3,926.6 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

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 on CR Daning is set out as below:

	Six months ended	Year ended	Year ended
	30 June 2018	31 December 2017	31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>	<i>(Approximately)</i>
	<i>(Unaudited)</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	Year ended
	31 December 2017	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.

LETTER FROM THE BOARD

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 circular 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;

LETTER FROM THE BOARD

- (d) it is assumed that the asset 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 circular.

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 I to this circular.

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.

LETTER FROM THE BOARD

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 impacts and the profit and loss accrued by AACI (HK) and its subsidiary following the date of 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 Latest Practicable Date. 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

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 for 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 is set out in this circular headed "Letter from the

Note 1: Based on the exchange rate as at the Latest Practicable Date.

Note 2: Based on the exchange rate as at 30 June 2018.

Note 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 Latest Practicable Date) 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).

LETTER FROM THE BOARD

Independent Board Committee”, after taking into account the advice of Gram Capital) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms or better 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 the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As CR Holdings is the controlling shareholder of the Company and the Purchaser is a wholly-owned subsidiary of CR Holdings, the Purchaser is thus 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 notification and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction of the Company which is subject to the reporting, announcement 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, the Disposal and the transactions contemplated thereunder. 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 relevant board resolution 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.

GENERAL

The Company has appointed Gram Capital to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder. The Independent Board Committee 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, after taking into account the recommendations of Gram Capital.

EGM

A notice of the EGM to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 17 December 2018 at 2:30 p.m. at which the resolution will be proposed to approve the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder is set out on pages EGM-1 to EGM-2. 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 of the Latest Practicable Date), being connected persons of the Company and having material interests in the Equity Transfer Agreement and the Disposal which are different from those of the Independent Shareholders, will be required to abstain from voting on the relevant resolution at the EGM. Save as disclosed above, as at the date of this circular, 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.

LETTER FROM THE BOARD

A proxy form for use at the EGM is enclosed. Such form of proxy is also published on the websites of the Company (<http://www.cr-power.com>) and of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof if you so wish.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Gram Capital, considers that while the entering into of the Equity Transfer Agreement was not in the ordinary and usual course of business of the Group, its terms are on normal commercial terms or better 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 the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder at the EGM.

Your attention is drawn to the letter from the Independent Board Committee to the Shareholders set out on pages 14 to 15 of this circular.

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the register of the Shareholders of the Company will be closed from Wednesday, 12 December 2018 to Monday, 17 December 2018 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Tuesday, 11 December 2018 are entitled to attend and vote at the EGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

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.

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



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)

27 November 2018

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF 100% EQUITY INTEREST OF AACI (HK)**

We refer to the circular dated 27 November 2018 of the Company (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings herein.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders in respect of whether, in our opinion, the terms of the Equity Transfer Agreement and the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons Gram Capital has taken into account in rendering its advice are set out in the section headed “Letter from Gram Capital” of the Circular. Your attention is also drawn to the additional information set out in the Circular. Having taken into account the terms of the Equity Transfer Agreement and the advice of Gram Capital, we are of the opinion that the Equity Transfer Agreement, while not entered into in the ordinary and usual course of business of the Group, is on normal commercial terms or better 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 the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We, therefore, recommend that you vote in favour of the resolution to be proposed at the EGM to approve the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of
Independent Board Committee

Mr. MA
Chiu-Cheung, Andrew

Ms. LEUNG
Oi-sie, Elsie

Mr. CH' IEN
Kuo-fung, Raymond

Mr. SO
Chak Kwong, Jack

Independent Non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

27 November 2018

*To: The independent board committee and the independent shareholders
of China Resources Power Holdings Company Limited*

Dear Sir/ Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF 100% EQUITY INTEREST OF AACI (HK)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 27 November 2018 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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 (HK) 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. AACI (HK) holds 51% equity interest in CR Daning.

On 23 November 2018, CR Coal entered into the Equity Transfer Agreement with CR Holdings, pursuant to which CR Coal has agreed to sell, and the Purchaser (a wholly-owned subsidiary of CR Holdings) has agreed to purchase, the entire equity interests in AACI (HK) at a consideration of RMB3,482,723,100 (equivalent to approximately HK\$3,926.6 million).

With reference to the Board Letter, the Disposal constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Ma Chiu-Cheung, Andrew, Ms. Leung Oi-sie, Elsie, Mr. Ch'ien Kuo-fung, Raymond and Mr. So Chak Kwong, Jack (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Disposal at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/ arrangements or implied understanding with anyone concerning the Disposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of either the Group or AACI (HK) and we have not been furnished with any such evaluation or appraisal, save as and except for the Valuation Report dated 13 November 2018 (the "**Valuation Report**"). The Valuation Report was prepared by China United Assets Appraisal Group Company Limited (i.e. the Valuer). Since we are not experts in the valuation of business/ assets, we have relied solely upon the Valuation Report for valuation of AACI (HK) as at 30 June 2018 (i.e. the Benchmark Date) (the "**Valuation**").

LETTER FROM GRAM CAPITAL

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, CR Coal, CR Holdings, the Purchaser, AACI (HK) or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Disposal

Business overview of the Group

With reference to the Board Letter, 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.

LETTER FROM GRAM CAPITAL

Set out below are the consolidated financial information of the Group for the six months ended 30 June 2018 and the two years ended 31 December 2017 as extracted from the interim report of the Company for the six months ended 30 June 2018 (the “**2018 Interim Report**”) and the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”):

	For the six months ended 30 June 2018 (unaudited) HK\$'000	For the year ended 31 December 2017 (audited) HK\$'000	For the year ended 31 December 2016 (audited) HK\$'000	Change from 2016 to 2017 %
Turnover	39,307,766	73,311,677	66,212,590	10.72
- Thermal power	31,018,432	60,295,789	56,577,571	6.57
- Renewable energy	5,354,816	7,481,758	6,035,140	23.97
- Coal mining	2,934,518	5,534,130	3,599,879	53.73
Operating profit	6,666,052	12,479,998	16,354,781	(23.69)
Profit for the period/ year	3,367,580	5,618,704	8,643,148	(34.99)
	At at 30 June 2018 (unaudited) HK\$'000	At at 31 December 2017 (audited) HK\$'000	At at 31 December 2016 (audited) HK\$'000	Change from 2016 to 2017 %
Cash and cash equivalents	8,100,333	5,381,686	4,347,022	23.80
Borrowings	109,509,285	100,922,869	91,463,402	10.34
Net assets	79,210,356	80,741,880	74,564,863	8.28

As depicted from the table above, the Group recorded turnover of approximately HK\$73.31 billion for the year ended 31 December 2017 (“**FY2017**”), representing an increase of approximately 10.72% as compared to that for the year ended 31 December 2016 (“**FY2016**”). For FY2017, turnover from coal mining contributed approximately 7.55% of the Group’s total turnover.

The Group recorded operating profit and profit of approximately HK\$12.48 billion and HK\$5.62 billion respectively for FY2017, representing a decrease of approximately 23.69% and 34.99% respectively as compared to those for FY2016. With reference to the 2017 Annual Report and as advised by the Directors, the decreases in operating profit and profit for FY2017 were mainly due to the significant increase in unit fuel cost of the Group’s subsidiary coal-fired power plants.

As at 30 June 2018, the Group had cash and cash equivalents, borrowings and net assets of approximately HK\$8.10 billion, HK\$109.51 billion and HK\$79.21 billion respectively.

LETTER FROM GRAM CAPITAL

Information on the Purchaser and CR Holdings

With reference to the Board Letter, the Purchaser is mainly a holding company and is wholly-owned by CR Holdings as at the Latest Practicable Date. 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.

Information on AACI (HK) and CR Daning

With reference to the Board Letter, AACI (HK) is a company established in Hong Kong with limited liability, which holds 51% equity interest in CR Daning. 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. CR Daning is a sino-foreign cooperative joint venture with limited liability established in the PRC.

As further mentioned in the Board Letter, 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.

Set out below is the major financial information of AACI (HK) (without deducting the 49% minority interest in CR Daning) as extracted from the Circular:

	For the year ended 31 December 2017	For the year ended 31 December 2016
	<i>(approximately)</i>	<i>(approximately)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before taxation	1,199,424	509,856
Net profit after taxation	904,778	378,180

As at 30 June 2018, AACI (HK) had unaudited consolidated net book value of approximately HK\$6,184.6 million (without deducting the 49% minority interest in CR Daning).

LETTER FROM GRAM CAPITAL

Set out below is the major financial information of CR Daning as extracted from the Circular:

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

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.

Reasons for and benefits of the Disposal and use of proceeds

With reference to the Board Letter, the Board intends to use the proceeds from the Disposal as working capital of the Group and to repay bank debts of the Group. 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.

For our due diligence purpose, we identified the 《能源發展“十三五”規劃》(13th Five-Year Plan for Energy Development*) published by the National Development and Reform Commission and the National Energy Administration of the PRC to understand the PRC government policy for the industry. In relation to the policy orientation, we noted from the 《能源發展“十三五”規劃》(13th Five-Year Plan for Energy Development*) that the PRC government would, among others, greatly promote upgrade and transformation and proactively reduce overcapacity; promote green and low-carbon energy development; and emphasize on system improvement, innovative development model and promote smart energy system. As further mentioned in the 《能源發展“十三五”規劃》(13th Five-Year Plan for Energy Development*), the PRC government planned to reduce the coal consumption (as a percentage of total energy consumption) by 6% during the 13th five-year period.

In addition, with reference to the 《2018年能源工作指導意見》(Guiding opinions on 2018 Energy Tasks*) published by the National Energy Administration of the PRC, the PRC government would further emphasize on, among others, green and low-carbon energy development; the improvement of energy supply system, managing the allocation of resources and removal of overcapacity; and the improvement of operational efficiency of the energy system. The PRC would also speed up the development of green energy by strengthening the green energy industry; enhancing the efficiency of traditional energy development and usage; and promoting the consumption of green energy. The 《2018年能源工作指導意見》(Guiding opinions on 2018 Energy Tasks*) further fosters the implementation of the 《能源發展“十三五”規劃》(13th Five-Year Plan for Energy Development*).

LETTER FROM GRAM CAPITAL

With reference to the 2018 Interim Report, the Company accelerated the development of renewable energy and its goal is to achieve innovation and transformation as well as green development. The Company must continue its transformation into a clean, low-carbon, safe, efficient, and innovative business model to better fulfill the multi-tiered and diversified high-quality electricity demand of the society. The Company will continue to take various measures to develop clean energy and focus on improving the efficiency of development, expand development channels, obtain more high-quality resources, and increase the proportion of clean energy. The Company will also continue to strictly control the scale of coal-fired power development, speed up the elimination of underperforming production capacity, continue to implement ultra-low emission upgrades and energy-saving technical transformation, improve power generation efficiency and reduce emissions.

As further mentioned in the Board Letter, apart from the Disposal, the Company is negotiating the possible disposal of another coal mining assets in Shanxi (as disclosed in the Company's announcement dated 19 August 2018), 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.

Having considered the above (in particular, that the Disposal, which would enable the Company to focus more on its power business, generate capital for investment in new energy and other businesses, is in line with the PRC government policy for the industry and the Group's strategy as mentioned in the 2018 Interim Report), we concur with the Directors that although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Shareholders as a whole.

2. Principal terms of the Equity Transfer Agreement

Date

23 November 2018

Parties

CR Coal as vendor; and AACI SAADEC Holdings Limited as Purchaser

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.

LETTER FROM GRAM CAPITAL

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 RMB3,482,723,100 (equivalent to approximately HK\$3,926.6 million), which shall be settled in cash by the Purchaser to CR Coal.

With reference to the Board Letter and as advised by the Directors, the consideration for the Disposal was determined after arm's length negotiation between the parties with reference to the valuation of the entire equity interest of AACI (HK) as at the Benchmark Date, as assessed by the Valuer based on, among other things, the income approach, which involves the calculation of discounted cash flow.

According to the Valuation Report, the Valuation as at 30 June 2018 was RMB3,482,723,100. In preparing the Valuation Report, the Valuer selected income approach to conclude the Valuation. The Consideration of RMB3,482,723,100 is equal to the Valuation.

To assess the fairness and reasonableness of the consideration, we reviewed the Valuation Report and enquired into the Valuer on the methodology adopted and the basis and assumptions adopted in arriving at the Valuation in order for us to understand the Valuation Report. We noted from the Valuation Report that the Valuation Report was prepared by the Valuer in accordance with various requirements/standards, including《資產評估準則基本準則》(Asset Evaluation Standards - Basic Standards*) as issued by Ministry of Finance of the PRC, 《中華人民共和國資產評估法》(Asset Appraisal Law of the PRC*) as passed by the National People's Congress of the PRC and other relevant valuation standards published by the PRC government. In particular, with reference to the《資產評估準則基本準則》(Asset Evaluation Standards - Basic Standards*), (i) fundamental approaches of assets valuation method include market approach, income approach and asset-based approach; and (ii) valuer should analyze the applicability of the three fundamental valuation approaches and select the valuation method. Based on the Valuation Report and as advised by the Valuer, given that (i) there are insufficient comparable transactions in the open market for the adoption of market approach; and (ii) the coal industry is affected by the relevant local policy such as the restriction on capacity, the asset-based approach (despite being a feasible approach) cannot reflect the effect of policy restriction on the appraised value, the Valuer selected the income approach to conclude the Valuation. As confirmed by the Valuer, the income approach is a commonly adopted approach for valuation of companies and is also consistent with normal market practice.

Having considered (i) that the Valuation Report was prepared by the Valuer in accordance with various requirements/standards; (ii) that the Valuer had also considered market approach

LETTER FROM GRAM CAPITAL

and asset-based approach during the course of the Valuation before concluding the Valuation with the income approach; and (iii) the aforesaid reasons for not adopting the market approach and asset-based approach, we concur with the Valuer on the adoption of income approach and did not consider other approaches to assess the Valuation.

During the course of valuation, the Valuer (i) discussed and interviewed the management of the Target Company to understand the operation status of the Target Company; and (ii) collected information (including assets information, financial record and property rights supporting documents) of the Target Company. As advised by the Valuer, the Valuer performed assets checking and due diligence (in relation to the status, income, costs and expenses of the target assets) at the Target Company. As for factors such as the sales volume, selling price and expense of the Target Company's major products, the Valuer reviewed the relevant documents such as financial statements/ accounts and important sales/ purchase contracts. In addition to the assets checking and due diligence, the Valuer also gathered information about the products and industry of the Target Company. With reference to the Valuation Report and as advised by the Valuer, the Valuer did not identify any circumstances which affects the assets checking and due diligence.

For our due diligence purpose, we also reviewed and enquired into (i) the terms of engagement of the Valuer with the Group (the Valuer was jointly appointed by CR Coal and CR Holdings); (ii) the Valuer's qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Valuation. From the mandate letter and other relevant information provided by the Valuer and based on our interview with it, we are satisfied with the terms of engagement of the Valuer as well as its qualification and experience for preparation of the Valuation Report. The Valuer also confirmed that it is independent to the Group and the CR Holdings.

During our discussion with the Valuer, we have not identified any major factors which caused us to doubt the fairness and reasonableness of the principal bases and assumptions adopted for the Valuation.

As the Valuer adopted the income approach to appraise the equity interest of AACI (HK), in such case, it is stipulated under Rule 14.62 of the Listing Rules that the Company is required to obtain (i) a letter from its auditors or reporting accountants confirming that they have reviewed the accounting policies and calculations for the forecast and containing their report; and (ii) a report from its financial advisers confirming that they are satisfied that the forecasts in such valuations have been made by the directors after due and careful enquiry, if no financial advisers have been appointed in connection with the transaction, the Company must provide a letter from the Board confirming they have made the forecast after due and careful enquiry. We consider that the above stipulation of the Listing Rules could safeguard the interest of the Shareholders and we noted that the Company has complied with the said requirements (see Appendix I to the Circular). For details of principal assumptions of the valuation, please refer to the section headed "The Valuation Report" of the Board Letter.

Having considered that the consideration of RMB3,482,723,100 is equal to the Valuation, we are of the view that the consideration is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM GRAM CAPITAL

We also reviewed the other major terms of the Equity Transfer Agreement, which are set out under the section headed “Equity Transfer Agreement” of the Board Letter, and were not aware of any unusual terms. We are therefore of the opinion that the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Financial Effects of the Disposal

With reference to the Board Letter, 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.

As further mentioned in the Board Letter, subject to the review of the Company’s auditor, based on, among other factors, and the consideration of RMB3,482,723,100 (equivalent to approximately HK\$3,926.6 million), and the unaudited net asset value of AACI (HK) as at 30 June 2018, it is expected that the Company will record a gain before income tax arising from the Disposal of approximately HK\$881 million (i.e. based on the difference between the consideration (based on the exchange rate as at the Latest Practicable Date) and the Company’s 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)) upon completion of the Disposal (without considering foreign exchange impacts and the profit and loss accrued by AACI (HK) and its subsidiary following the date of 30 June 2018).

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Disposal.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Disposal and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

* for identification purpose only

The following is the report of a letter dated 23 November 2018 from the Board in respect of the Profit Forecast.

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

Dear Sirs/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 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

The following is the text of a report dated 23 November 2018 from PricewaterhouseCoopers, Certified Public Accountant, in respect of the Profit Forecast.

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which was required to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules:

Interest and short position in the Company Shares

(A) The Company

Details of Shares in the Company held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Wang Xiao Bin	Beneficial Owner	3,664,560	Long	0.076%
Wang Yan	Beneficial Owner	44,000	Long	0.001%
Raymond Ch'ien Kuo Fung	Beneficial Owner	30,167	Long	0.001%
	Interest of Spouse	4,000	Long	0.000%
Andrew Ma Chiu-Cheung	Beneficial Owner	500,000	Long	0.010%
Ge Changxin	Beneficial Owner	4,828	Long	0.000%

(B) China Resources Beer (Holdings) Company Limited (“CR Beer”)

CR Beer is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Beer held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Wang Yan	Beneficial Owner	167,999	Long	0.005%

(C) China Resources Gas Group Limited (“CR Gas”)

CR Gas is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Gas held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Ge Changxin	Beneficial Owner	200	Long	0.000%

(D) China Resources Land Limited (“CR Land”)

CR Land is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Land held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Chen Ying	Beneficial Owner	500,000	Long	0.007%

(E) CR Cement

CR Cement is an associated corporation of the Company (as defined under the SFO). Details of the shares in CR Cement held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Chen Ying	Beneficial Owner	230,000	Long	0.004%

(F) China Resources Pharmaceutical Group Limited (“CR Pharmaceutical”)

CR Pharmaceutical is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Pharmaceutical held by the Directors as at the Latest Practicable Date are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Wang Yan	Interest of Spouse	2,000	Long	0.000%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the directors of The Company, none of the directors of the Company was a director or employee of a company which had an interest or short position in the Company Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF OTHER INTERESTS**Interests in contract or arrangement**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any director of the Company was materially interested and which was significant in relation to the business of the Company.

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2017, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Company or are proposed to be acquired or disposed of, by or leased to any member of the Company.

Interests in competing business

As at the Latest Practicable Date, none of the Directors or any of their respective close associates had any interest in any business which competes or likely to compete, either directly or indirectly, with the business of the Company.

4. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are material:

- (i) the joint venture agreement entered into between China Resources Power Investment Co., Ltd* (華潤電力投資有限公司) and Yunfu Yunrun Energy Investment Company Limited* (雲浮市雲潤能源投資有限公司) on 22 December 2017 in relation to the formation of a joint venture for which the Group's total commitment is RMB4,351.2 million;
- (ii) the limited partnership agreement entered into among Shenzhen China Resources Power Investment Company Limited* (深圳市潤電投資有限公司, "CRP Investment (Shenzhen)"), Hanwei Runneng Equity Investment (Shantou) Company Limited* (漢威潤能股權投資(汕頭)有限公司), Guoxin Guorun (Hangzhou) Investment Management Company Limited* (國新國潤(杭州)投資管理有限公司), China Resources Power Project Service Co., Ltd.* (華潤電力工程服務有限公司), China Resources Venture Capital (Shenzhen) Co., Ltd.* (華潤投資創業(深圳)有限公司), and the other limited partners on 1 February 2018 in relation to the establishment of Guangdong Run Chuang New Energy Shares Investment Fund Partnership (Limited Partnership)* (廣東潤創新能源股權投資基金合夥企業(有限合夥), the "Fund") for which the Group's total commitment is RMB371.91 million;

- (iii) the industry consultancy agreement entered into among CRP Investment (Shenzhen), Shenzhen China Resources Capital Equity Investment Company Limited* (深圳市華潤資本股權投資有限公司), formerly known as Shenzhen Hanwei Huaji Equity Investment Company Limited* (深圳市漢威華基股權投資有限公司), and the Fund on 1 February 2018 in relation to the provision of industry consulting service to the Fund by CRP Investment (Shenzhen);
- (iv) the right of first refusal agreement entered into between China Resources Power Investment Company Limited* (華潤電力投資有限公司, “**CRP Investment**”) and the Fund on 1 February 2018, pursuant to which the Fund agreed to grant a right of first refusal to CRP Investment or any of its affiliates on transfer of any of its interests in a project company invested by the Fund;
- (v) the share transfer agreement entered into between Shouzheng Tendering (Hong Kong) Company Limited and China Resources Co., Limited (華潤股份有限公司) on 31 March 2018 in relation to the disposal of the 100% shareholding interest in Shouzheng Tendering Company Limited* (守正招標有限公司) for a consideration of RMB15.18 million;
- (vi) the equity transfer framework agreement entered into between the Company and Guoyuan Shidai Coal Asset Management Company Limited* (國源時代煤炭資產管理有限公司) on 17 August 2018 in relation to a proposed transfer the equity of an indirect wholly-owned subsidiary of the Company and three of the Company’s coal companies for a nominal consideration of RMB1 and repayment of shareholders’ loan of RMB11 billion;
- (vii) the Equity Transfer Framework Agreement; and
- (viii) the Equity Transfer Agreement.

* *for identification purpose only*

6. LITIGATION

As at the Latest Practicable Date, no member of the Company is engaged in any litigation claim or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Company.

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advices which are contained or referred to in this circular:

Name	Qualification
China United Assets Appraisal Group Company Limited (中聯資產評估集團有限公司)	Independent valuation firm with asset valuation qualification in the PRC
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
PricewaterhouseCoopers	Certified Public Accountants, Hong Kong

As at the Latest Practicable Date, the above experts had no shareholding in any member of the Company or its subsidiaries nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Company nor any interest, either directly or indirectly, in any assets which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Company.

The above experts have given and have not withdrawn their respective written letters of consent to the issue of this circular with the inclusion herein of the letter or report or references to their name in the form and context in which they appear.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts as set out under the paragraph headed “Material Contracts” in this appendix;
- (c) the annual reports of the Company for the three years ended 31 December 2015, 2016 and 2017;
- (d) the interim report of the Company for the six months ended 30 June 2018;

- (e) the written consents as referred to in the paragraph headed “Qualifications and Consents of Experts” in this appendix;
- (f) the Equity Transfer Agreement;
- (g) the Equity Transfer Framework Agreement;
- (h) the valuation report prepared by the Valuer dated 13 November 2018 on the equity interest of AACI (HK); and
- (i) a copy of this circular.

9. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017 (being the date to which the latest published audited financial statements of the Group were made up).

10. MISCELLANEOUS

The registered office and principal place of business of the Company is located at Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The secretary of the Company is Ms. Wang Xiao Bin, who is a member of Australian Society of Certified Practising Accountants.

The Company’s branch share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Resources Power Holdings Company Limited (the “**Company**”) will be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 17 December 2018 at 2:30 p.m. for the following purpose:

ORDINARY RESOLUTION

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

THAT:

- “(i) the entering into of the equity transfer agreement dated 23 November 2018 (the “**Equity Transfer Agreement**”) between China Resources Coal Holdings Company Limited (“**CR Coal**”) and AACI SAADEC Holdings Limited, the disposal of 100% equity interest in AACI SAADEC (HK) Holdings Limited by CR Coal (the “**Disposal**”), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) any two directors of the Company be and are hereby authorized for and on behalf of the Company to do all such acts and things and to sign and execute (under hand, under the common seal of the Company or otherwise as a deed) all such documents which he/she may in his/her sole and absolute discretion consider necessary, desirable or expedient to implement or give effect to any matters arising from, relating to or incidental to the Equity Transfer Agreement, the Disposal and the transactions contemplated thereunder.”

Yours faithfully

By the order of the board of

China Resources Power Holdings Company Limited

LI Ru Ge

Chairman

Hong Kong, 27 November 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more (if a member holds more than one share) proxies to attend and to speak and, subject to the provisions of the articles of association of the Company, to vote on his behalf provided that each proxy is appointed to represent the respective number of shares of the Company held by the member as specified in the relevant proxy forms. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the registered office of the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), any vote taken at a general meeting shall be taken by poll. The Company shall announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
4. In the case of joint holder the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
5. The register of members of the Company will be closed from Wednesday, 12 December 2018 to Monday, 17 December 2018 (both days inclusive), during which no share transfer will be registered. To be entitled to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 11 December 2018.
6. As at the date of this notice, the board of directors 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.