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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)

CONTINUING CONNECTED TRANSACTIONS DIRECT POWER TRANSACTION AGREEMENT

In December 2017, CR Jiangsu, CR Xuzhou and Jiangsu Electric Power Company entered into the Direct Power Transaction Agreement, pursuant to which CR Xuzhou has agreed to, through Jiangsu Electric Power Company, supply 1,980,000 MWh of electricity to CR Jiangsu for a term of one year from 1 January 2018 to 31 December 2018.

As at the date of the Direct Power Transaction Agreement and the date of this announcement, SDIC Power was interested in (i) approximately 30% of the total issued capital of CR Xuzhou, an associate company of the Company in which the Company indirectly owned 42.65% effective interest; and (ii) approximately 21% of the total issued share capital of CR Tongshan, an indirect non-wholly-owned subsidiary of the Company in which the Company indirectly owned 54.5% effective interest. Therefore, SDIC Power is a substantial shareholder of CR Tongshan, and CR Xuzhou is an associate of SDIC Power and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Direct Power Transaction Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As more than one of the relevant percentage ratio(s) under the Listing Rules in respect of the transactions contemplated under the Direct Power Transaction Agreement exceed 1% but are less than 5%, the Direct Power Transaction Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

In December 2017, CR Jiangsu, CR Xuzhou and Jiangsu Electric Power Company entered into the Direct Power Transaction Agreement, pursuant to which CR Xuzhou (a connected person of the Company) has agreed to, through Jiangsu Electric Power Company, supply 1,980,000 MWh of electricity to CR Jiangsu (an indirect wholly-owned subsidiary of the Company) for a term of one year from 1 January 2018 to 31 December 2018.

DIRECT POWER TRANSACTION AGREEMENT

In December 2017, CR Jiangsu, CR Xuzhou and Jiangsu Electric Power Company entered into the Direct Power Transaction Agreement. Principal terms of the Direct Power Transaction Agreement are set out below.

Parties: (1) CR Jiangsu as the purchaser;
(2) CR Xuzhou as the supplier; and
(3) Jiangsu Electric Power Company as the power grid operator

Term: 1 January 2018 to 31 December 2018

Subject matter: CR Xuzhou shall, through Jiangsu Electric Power Company, supply 1,980,000 MWh of electricity to CR Jiangsu.

Fees and payment: The electricity fees are payable by users of the electricity (who are the customers of CR Jiangsu) to Jiangsu Electric Power Company, and Jiangsu Electric Power Company will settle the payment with CR Jiangsu and CR Xuzhou separately on a monthly basis. Such fees are determined after arm's length negotiation and calculated on the following basis:

the monthly amount of electricity utilized x unit price of the electricity as agreed under the Direct Power Transaction Agreement

The unit price of electricity is subject to any adjustment as mutually agreed by CR Jiangsu and CR Xuzhou during the term of the Direct Power Transaction Agreement.

HISTORICAL TRANSACTION AMOUNT AND PROPOSED ANNUAL CAP

(a) Historical Transaction Amount

No direct power purchase or supply transactions had been conducted between the Group and CR Xuzhou, its subsidiaries and associates before 1 January 2018.

(b) Proposed Annual Cap

The proposed annual cap for the transactions under the Direct Power Transaction Agreement from 1 January 2018 to 31 December 2018 is expected to be RMB700 million (equivalent to approximately HK\$840 million).

The proposed annual cap for the transactions under the Direct Power Transaction Agreement has been determined after arm's length negotiation with reference to (i) the agreed unit price of electricity to be supplied by CR Xuzhou to the Group under the Direct Power Transaction Agreement; and (ii) the maximum amount of electricity agreed to be supplied by CR Xuzhou to the Group under the Direct Power Transaction Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is principally engaged in the investment, development, operation and management of power plants in the PRC. The Directors consider that the transactions contemplated under the Direct Power Transaction Agreement will enable the Group to increase the power generation hours and utilization rate of its power plants, which will in turn maximize the plants' turnover and enhance profitability and help improve the plants' operating efficiency. The Directors are of the view that such transactions will benefit the operating results and financial position of the Group as a whole.

Having considered the foregoing, all Directors of the Company (including the independent non-executive Directors) consider that the Direct Power Transaction Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Direct Power Transaction Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

CR Jiangsu

CR Jiangsu is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the sale and purchase of electricity power and related services such as energy management and energy-saving solution consultancy services.

CR Xuzhou

CR Xuzhou is a sino-foreign equity joint venture established in the PRC with limited liability. As at the date of this announcement, it is owned as to 35%, 30%, 20% and 15% by China Resources Power Investment Co., Ltd.* (華潤電力投資有限公司), SDIC Power, Jingsu Guoxin Investment Group Limited* (江蘇省國信資產管理集團有限公司) and Xuzhou Huaxing Investment Co., Ltd.* (徐州華興投資有限公司), respectively. It is principally engaged in operation of a 4 x 320MW heat and power co-generation coal-fired power plant in Jiangsu Province.

Jiangsu Electric Power Company

Jiangsu Electric Power Company is the operator of the power grid under the State Grid Corporation of China* (國家電網公司) in Jiangsu Province.

LISTING RULES IMPLICATIONS

As at the date of the Direct Power Transaction Agreement and the date of this announcement, SDIC Power was directly interested in (i) approximately 30% of the total issued capital of CR Xuzhou, an associate company of the Company in which the Company indirectly owned 42.65% effective interest; and (ii) approximately 21% of the total issued share capital of CR Tongshan, an indirect non-wholly-owned subsidiary of the Company in which the Company indirectly owned 54.5% effective interest. Therefore, SDIC Power is a substantial shareholder of CR Tongshan, and CR Xuzhou is an associate of SDIC Power and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Direct Power Transaction Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As more than one of the relevant percentage ratio(s) under the Listing Rules in respect of the transactions contemplated under the Direct Power Transaction Agreement exceed 1% but are less than 5%, the Direct Power Transaction Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors is considered to have material interest in the Direct Power Transaction Agreement and any transactions contemplated thereunder.

DEFINITIONS

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

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	China Resources Power Holdings Company Limited* (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 836)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“CR Jiangsu”	China Resources (Jiangsu) Electric Power Sales Co., Ltd.* (華潤(江蘇)電力銷售有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“CR Tongshan”	China Resources Power (Tongshan) Co., Ltd.* (銅山華潤電力有限公司), a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company

“CR Xuzhou”	China Resources (Xuzhou) Electric Power Co., Ltd.* (徐州華潤電力有限公司), a company established in the PRC and an associate company of the Company and a connected person of the Company
“Direct Power Transaction Agreement”	the direct power transaction agreement entered into in December 2017 among CR Jiangsu, CR Xuzhou and Jiangsu Electric Power Company in relation to, among other things, the purchase of electricity by CR Jiangsu from CR Xuzhou through Jiangsu Electric Power Company
“Directors”	the directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MWh”	megawatt hour, a unit for measuring electric power
“normal commercial terms or better”	has the meaning ascribed thereto under the Listing Rules
“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
“RMB”	Renminbi, the lawful currency of the PRC
“SDIC Power”	SDIC Huajing Power Holdings Co., Ltd.* (國投華靖電力控股股份有限公司), a company established in the PRC with limited liability
“Jiangsu Electric Power Company”	Jiangsu Electric Power Company* (國網江蘇省電力公司), the operator of the power grid under the State Grid Corporation of China in Jiangsu Province

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules

For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.20.

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

Hong Kong, 27 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