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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 PROVISION OF FINANCIAL ASSISTANCE**

#### **FRAMEWORK AGREEMENT**

On 11 December 2023, New Energy Group, being a wholly-owned subsidiary of the Company, entered into the Framework Agreement with New Energy (Liangshan), pursuant to which, NE Group shall provide financial assistance to New Energy (Liangshan) Group with total amount not exceeding the applicable annual cap from time to time during the term of the Framework Agreement (i.e. from 11 December 2023 to 31 December 2025). Separate agreements in respect of the transactions contemplated under the Framework Agreement will be entered into between NE Group and New Energy (Liangshan) Group. Such agreements will follow the principles, terms and conditions set out in the Framework Agreement in all material aspects.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CR Sanjiu is a non-wholly-owned subsidiary of CRC which is the controlling shareholder of the Company with approximately 62.94% equity interests; in addition, New Energy (Liangshan) is held indirectly by New Energy Group (being a wholly-owned subsidiary of the Company) with 51% equity interests and by CR Sanjiu with 49% equity interests, respectively. Accordingly, New Energy (Liangshan) is a connected person of the Company under the Listing Rules and the provision of financial assistance by NE Group to New Energy (Liangshan) Group pursuant to the Framework Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the total amount of financial assistance (including interests accrued) under the Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, none of the Directors have a material interest in the Framework Agreement and the transactions contemplated thereunder and none of the Directors are required to abstain from voting on the Board resolutions approving the abovementioned transactions.

## **BACKGROUND**

On 11 December 2023, New Energy Group, being a wholly-owned subsidiary of the Company, entered into the Framework Agreement with New Energy (Liangshan), pursuant to which, NE Group shall provide financial assistance to New Energy (Liangshan) Group with total amount not exceeding the applicable annual cap from time to time during the term of the Framework Agreement (i.e. from 11 December 2023 to 31 December 2025). Separate agreements in respect of the transactions contemplated under the Framework Agreement will be entered into between NE Group and New Energy (Liangshan) Group. Such agreements will follow the principles, terms and conditions set out in the Framework Agreement in all material aspects.

## **FRAMEWORK AGREEMENT**

Principal terms of the Framework Agreement are summarised as follows:

**Date:** 11 December 2023

**Parties:** (1) New Energy Group; and  
(2) New Energy (Liangshan).

As at the date of this announcement, CR Sanjiu is a non-wholly-owned subsidiary of CRC (the controlling shareholder of the Company), whilst the Company and CR Sanjiu indirectly hold 51% and 49% of the equity interests of New Energy (Liangshan) with capital contribution of RMB51,000,000 and RMB49,000,000, respectively.

**Term:** From 11 December 2023 to 31 December 2025

### **Annual Caps and Basis of Annual Caps:**

For the year ending 31 December 2023 and up to the date of this announcement, members of the NE Group or its nominee have provided a financial assistance with a total amount of RMB36,300,000 to New Energy (Liangshan) Group for the deposits in new energy project tendering processes. The corresponding highest applicable percentage ratio of such financial assistance provided by NE Group to New Energy (Liangshan) Group is less than 0.1% and below the de minimis threshold under Chapter 14A of the Listing Rules. Save for the abovementioned, there is no historical transaction with respect to the provision of financial assistance related to the transactions contemplated under the Framework Agreement.

Pursuant to the Framework Agreement, the respective annual caps for the three financial years ending 31 December 2025 for the transactions contemplated under the Framework Agreement (i.e. the total amount of financial assistance (including interests accrued) provided by NE Group to New Energy (Liangshan) Group) are set out as below:

	<b>Year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual cap	900,000,000	1,900,000,000	2,560,000,000

The annual caps are determined with reference to, among others, the retention of sufficient working capital for at least the next 12 months as confirmed by New Energy (Liangshan) Group, the expected growth in the development and financial needs of the new energy projects of New Energy (Liangshan).

#### **Use of Financial Assistance:**

Pursuant to the Framework Agreement, the NE Group has agreed to provide financial assistance (in addition to the financial assistance made as of the date of this announcement) to New Energy (Liangshan) Group, including:

1. payment by NE Group on behalf of New Energy (Liangshan) Group, where the NE Group has agreed to provide support in respect of the payment to be made in the latter's new energy tendering processes, the payment for service fee for land comprehensive management of projects (項目土地綜合管治服務費) to the service provider(s), tender deposit and performance deposit to relevant government authority on behalf of New Energy (Liangshan) Group; and
2. shareholder loan, where NE Group has agreed to provide loan to New Energy (Liangshan) Group as working capital for the purpose of developing new energy and other projects.

Specific matters (including but not limited to terms, repayment arrangements and related tax and fees) will be stipulated in the individual agreement(s) and determined based on the specific circumstances of each of the projects.

Pursuant to the Framework Agreement, as a general principle, the financial assistance under the Framework Agreement shall be determined on a fair and reasonable basis and in the ordinary course of business on normal commercial terms, and negotiated with reference to market industry standards and relevant laws and regulations of the jurisdictions concerned.

## **Interest Rate:**

NE Group shall receive interests for the provision of financial assistance by NE Group to New Energy (Liangshan) Group. The interest rates will be determined after negotiation between the parties and based on the one-year loan prime rate latest published by the China Interbank Funding Center preceding the date of withdrawal. The parties must also review and ensure that the relevant interest rates and related terms are no less favorable to NE Group than the terms and pricing of similar transactions with other independent third parties.

## **REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT**

New Energy (Liangshan) is a subsidiary managed and controlled by the Group through New Energy Group. The provision of financial assistance by NE Group to New Energy (Liangshan) Group in phases under the Framework Agreement is determined based on the development schedule and financial needs of the latter's new energy projects. The relevant arrangements can also ensure that the Group obtains fair and reasonable interest income.

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

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CR Sanjiu is a non-wholly-owned subsidiary of CRC which is the controlling shareholder of the Company with approximately 62.94% equity interests; in addition, New Energy (Liangshan) is held indirectly by New Energy Group (being a wholly-owned subsidiary of the Company) with 51% equity interests and by CR Sanjiu with 49% equity interests, respectively. Accordingly, New Energy (Liangshan) is a connected person of the Company under the Listing Rules and the provision of financial assistance by NE Group to New Energy (Liangshan) Group pursuant to the Framework Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the total amount of financial assistance (including interests accrued) under the Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, none of the Directors have a material interest in the Framework Agreement and the transactions contemplated thereunder and none of the Directors are required to abstain from voting on the Board resolutions approving the abovementioned transactions.

## INFORMATION OF PARTIES

### *The Company and New Energy Group*

The Company was incorporated in Hong Kong with limited liability and the shares of the Company have been listed on the Stock Exchange since 12 November 2003. The Group is principally engaged in the investment, development, operation and management of power plants in the PRC. The Company is owned by CRH with approximately 62.94% equity interests as at the date of this announcement. The ultimate beneficial owner of the Company is CRC which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

New Energy Group is a company incorporated in Hong Kong on 26 August 2010 with limited liability under the laws of Hong Kong. New Energy Group together with its subsidiaries are principally engaged in investing, developing, operating and managing wind farms and photovoltaic power plants in the PRC.

### *CR Sanjiu*

CR Sanjiu was incorporated under the laws of the PRC, and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000999). As at the date of this announcement, CR Sanjiu is indirectly held by CR Pharmaceutical with approximately 62.99% equity interests, and CR Pharmaceutical is indirectly held by CRH with approximately 53.05% equity interests, which in turn is ultimately owned by CRC. CR Sanjiu is principally engaged in research, development, production and sales of pharmaceutical products and related health services.

### *New Energy (Liangshan)*

New Energy (Liangshan) is a company incorporated in the PRC on 15 May 2023 with limited liability and is a joint venture held indirectly by New Energy Group with 51% equity interests and CR Sanjiu with 49% equity interests, respectively. The corresponding highest applicable percentage ratio of the formation of such joint venture is less than 0.1% and below the de minimis threshold under Chapter 14A of the Listing Rules. It is a non-wholly-owned subsidiary of the Company and its financial results are consolidated into the accounts of the Company. New Energy (Liangshan) Group is principally engaged in power generation, transmission and distribution, wind and solar power generation technical services, research and development, consultation, exchange, transfer and promotion of emerging energy technology. Its businesses also include the purchase and sale of Chinese herbal medicines, production, wholesale and retail of pharmaceutical products, the processing, sales and wholesale of food and agricultural by-products, medical research and laboratory testing services.

## DEFINITIONS

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

“Board”	The board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Company”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 836);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, which is ultimately owned by CRC;
“CRH Group”	CRH and its subsidiaries, which for the purpose of this announcement excludes the Group;
“CRC”	China Resources Company Limited (中國華潤有限公司), a company incorporated in the PRC with limited liability and the ultimate holding company of the Company;
“CR Pharmaceutical”	China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司), a company incorporated in Hong Kong with limited liabilities, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3320);
“CR Sanjiu”	China Resources Sanjiu Medical & Pharmaceutical Company Limited (華潤三九醫藥股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000999), and a non-wholly-owned subsidiary of CR Pharmaceutical;
“Directors”	the directors of the Company;
“Framework Agreement”	“Framework Agreement in relation to Financial Assistance Exceeding the Shareholding” entered into between New Energy Group and New Energy (Liangshan) on 11 December 2023 for the term from 11 December 2023 to 31 December 2025, pursuant to which NE Group shall provide financial assistance to New Energy (Liangshan) Group;

“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“New Energy Group”	China Resources New Energy Group Company Limited (華潤新能源控股有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“NE Group”	New Energy Group and its subsidiaries, which for the purpose of this announcement excludes New Energy (Liangshan) Group;
“New Energy (Liangshan)”	China Resources New Energy (Liangshan) Company Limited* (華潤新能源(涼山)有限公司), a company incorporated in PRC with limited liability, is held indirectly by New Energy Group with 51% equity interests and CR Sanjiu with 49% equity interests, respectively. It is a non-wholly-owned company of the Company and its financial results are consolidated into the accounts of the Company;
“New Energy (Liangshan) Group”	New Energy (Liangshan) and its subsidiaries;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“Shares”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

\* For identification purposes only

By order of the Board  
**CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED**  
**SHI Baofeng**  
*Chairman*

Hong Kong, 11 December 2023

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