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華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

On 4 February 2016, CRP Investment, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Yunfu Tiancheng in relation to the formation of the Joint Venture. The Joint Venture will be engaged in the development of power projects, including a coal-fired power plant with 2X660MW ultra-supercritical generation units in Guangdong, the PRC.

As one or more of the applicable percentage ratios is more than 5% but less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On 4 February 2016, CRP Investment, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Yunfu Tiancheng in relation to the formation of the Joint Venture. The principal terms of the Joint Venture Agreement are set out below.

THE JOINT VENTURE AGREEMENT

Date

4 February 2016

Parties

- (i) CRP Investment; and
- (ii) Yunfu Tiancheng.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yunfu Tiancheng and its ultimate beneficial owner(s) are Independent Third Parties.

Capital Contribution

According to the approval document issued by the Guangdong Province Development and Reform Commission, the total investment amount of the Joint Venture is expected to be RMB5,439 million, and the registered capital of the Joint Venture will be RMB1,359 million, being approximately 25% of the total investment amount. Capital contribution will be made by the Parties in cash as follows:

Party	Capital contribution (RMB)	Percentage of equity interest in the Joint Venture
CRP Investment	1,087.2 million	80%
Yunfu Tiancheng	271.8 million	20%

The Joint Venture will be an indirect non wholly-owned subsidiary of the Company.

The Parties shall pay 15% of their respective capital contribution in respect of the registered capital within three months from the date the Joint Venture obtains its business license, and the remaining 85% of the registered capital shall be paid by the Parties within two years from the date of establishment of the Joint Venture in accordance with the schedule set out in the Joint Venture Agreement.

The amount of capital contribution to be made by the Parties was arrived at after arm's length negotiations between the Parties having taken into account the expected capital requirements of the Joint Venture. It is contemplated that the capital contribution payable by CRP Investment will be funded by internal resources of the Group.

In the event the Joint Venture requires capital in addition to its registered capital, the Joint Venture shall obtain financing from commercial banks, and if such financing is insufficient for the Joint Venture's capital requirements, the Parties shall provide guarantees or shareholders' loans to the Joint Venture in proportion to their capital contribution.

Purpose of the Joint Venture

The Joint Venture will be engaged in the development of power projects, including a coal-fired power plant with 2X660MW ultra-supercritical generation units in Guangdong, the PRC.

Board composition

The board of directors of the Joint Venture will consist of ten directors, eight of whom will be appointed by CRP Investment, and the remaining two directors will be appointed by Yunfu Tiancheng. The chairman of the Joint Venture will be appointed by CRP Investment, and the vice chairman of the Joint Venture will be appointed by Yunfu Tiancheng.

Restrictions on equity transfers and encumbrances

A Party may not transfer or pledge its equity interest in the Joint Venture to a third party without the prior written consent of the other Party,

In the event that a Party proposes to transfer its equity interest in the Joint Venture, the other Party shall have a right of first refusal to such equity interest.

Distribution of profit

Profit after taxation available for distribution will be distributed to the Parties pro rata to their respective capital contribution in the Joint Venture.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

In view of Yunfu Tiancheng's involvement in the project development at the early stage, taking into account the historical reasons, reservation of its shareholding would facilitate a sustainable development of the project.

The Directors are of the view that the terms of the Joint Venture Agreement are normal commercial terms, fair and reasonable and in the interests of the Company's shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company

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 and coal mines in the PRC.

CRP Investment

CRP Investment is a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Yunfu Tiancheng

Yunfu Tiancheng is a wholly foreign owned enterprise established in the PRC. It is principally engaged in investment in power plants and development of power technology.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios is more than 5% but less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“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)
“CRP Investment”	China Resources Power Investment Co., Ltd* (華潤電力投資有限公司), a wholly foreign owned enterprise established in the PRC and a direct wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) which is/are independent of the Group and the connected persons of the Company
“Joint Venture”	a company to be established in the PRC under the proposed name of China Resources Power (Yunfu) Co., Ltd.* (華潤電力(雲浮)有限公司)
“Joint Venture Agreement”	the joint venture agreement dated 4 February 2016 entered into between CRP Investment and Yunfu Tiancheng in relation to the formation of the Joint Venture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt
“Parties”	parties to the Joint Venture Agreement, being CRP Investment and Yunfu Tiancheng, and “Party” shall mean any of them
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yunfu Tiancheng”	Yunfu Tiancheng Power Development Company Limited* (雲浮天成電力開發有限公司), a company established in the PRC with limited liability
“%”	per cent.

By order of the Board
**CHINA RESOURCES POWER
HOLDINGS COMPANY LIMITED**
ZHOU Junqing
Chairman

Hong Kong, 4 February 2016

As at the date of this announcement, the executive Directors are Ms. ZHOU Junqing, Mr. ZHANG Shen Wen and Ms. WANG Xiao Bin; the non-executive Directors are Mr. DU Wenmin, Mr. WEI Bin, Mr. CHEN Ying and Mr. WANG Yan; and the independent non-executive Directors are Mr. MA Chiu-Cheung, Andrew, Ms. Elsie LEUNG Oi-sie, Dr. Raymond Kuo-fung CH’IEN and Mr. Jack SO Chak Kwong.

* *For identification purposes only*