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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)

ANNOUNCEMENT FORMATION OF JOINT VENTURE

The Board hereby announces that CR Logistics, a wholly-owned subsidiary of the Company, entered into the Agreement with Zhoushan Marine and Akcome in relation to the formation of the Joint Venture. The Joint Venture will be engaged in the development of heterojunction solar cells and modules. The principal terms of the Agreement are set out below.

THE AGREEMENT

Parties : (i) CR Logistics;
(ii) Zhoushan Marine; and
(iii) Akcome.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Zhoushan Marine and Akcome and their ultimate beneficial owner(s) are independent third parties.

Date of becoming effective : 13 December 2021

Condition precedent : The Joint Venture shall be formed after obtaining the approval of the Anti-Monopoly Bureau of the State Administration of Market Supervision and Administration on the declaration of this operator concentration.

As at the date of this announcement, above condition precedent has not been satisfied.

Business of the Joint Venture : The principal business activities of the Joint Venture is to develop a high-efficiency heterojunction solar cell and module project in Zhoushan City, with a long-term scale of 12GW, and a planned phase one of 3GW.

Shareholding of the
Joint Venture

: At the current stage, the registered capital of the Joint Venture is expected to be RMB798.534 million (“**First Installment of Registered Capital**”), of which:

- (i) CR Logistics shall contribute approximately RMB319.414 million, representing 40% of the equity interests in the Joint Venture;
- (ii) Zhoushan Marine shall contribute approximately RMB319.414 million, representing 40% of the equity interests in the Joint Venture; and
- (iii) Akcome shall contribute approximately RMB159.707 million, representing 20% of the equity interests in the Joint Venture.

The capital contribution shall be completed by 31 December 2021.

The registered capital of the Joint Venture is set at RMB3 billion. Payment of the registered capital after the First Installment of Registered Capital will depend on the business progress of the Joint Venture and as may be agreed amongst the parties. The Company will comply with applicable Listing Rules requirements and internal approval procedures should it decide to make any further capital commitment.

Management of the Joint Venture : The board of directors of the Joint Venture shall consist of five directors, among which, each of CR Logistics and Zhoushan Marine shall nominate two directors and Akcome shall nominate one director. The chairman of the board shall be recommended by CR Logistics and elected by the board members. The chairman shall be the legal representative of the Joint Venture.

The supervisory committee of the Joint Venture shall consist of five supervisors, among which, each of CR Logistics, Zhoushan Marine and Akcome shall nominate one supervisor and the other two supervisors shall be elected by employees of the Joint Venture. The chairman of the supervisory committee shall be recommended by Zhoushan Marine and elected by the supervisory committee members.

The Joint Venture shall set up a management team with one general manager, who shall be recommended by Akcome and several deputy general managers, one of whom may be recommended by CR Logistics and one by Zhoushan Marine. Both the general manager and deputy general managers shall be appointed by the board of directors of the Joint Venture.

Undertakings by the shareholders of the Joint Venture : (i) The Group has undertaken, subject to compliance with laws, regulations and internal rules and regulations, to give priority to products of the Joint Venture under the same purchasing conditions.

(ii) Zhoushan Marine shall coordinate with and procure the local government of Zhoushan City to provide the Group with no less than 5GW of new energy project resources and shall coordinate with the Zhoushan City local government to formulate relevant policies to support the priority procurement of the Joint Venture's products under the same conditions for photovoltaic projects in the Zhoushan region.

(iii) Akcome shall take full advantage of its experience and strengths in the production, operation and management of high-efficiency heterojunction cells and modules to lead the operation and management of the Joint Venture.

REASONS FOR ENTERING INTO THE AGREEMENT

The Joint Venture is located in Zhoushan City, Zhejiang Province, which is rich in new energy resources and has favourable natural conditions for large-scale development of new energy projects. The investment will facilitate the Group to obtain additional new energy resources in the local area and enable the Group to pilot run an extension of industry value chain.

GENERAL

The Agreement was entered into on normal commercial terms and in the ordinary course of business of the Group, and the Directors consider that the terms therein are fair and reasonable and are in the interests of the Group and its shareholders as a whole.

As none of the applicable percentage ratios (as defined in the Listing Rules) calculated under Rule 14.07 of the Listing Rules in respect of the Agreement exceeds 5%, the formation of the Joint Venture under the Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the joint venture agreement entered between CR Logistics, Zhoushan Marine and Akcome in relation to the formation of the Joint Venture
“Akcome”	Jiangsu Akcome Science and Technology Co., Ltd. (江蘇愛康科技股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the main board of Shen Zhen Stock Exchange (stock code: 2610)
“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)
“CR Logistics”	CR Power Logistics (China) Co., Limited (華潤電力物流(中國)有限公司), a company incorporated in Hong Kong with limited liability and is a 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
“Joint Venture”	a company to be established in the PRC pursuant to the Agreement with a proposed name of Zhejiang Runhai New Energy Co., Ltd.* (浙江潤海新能源有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhoushan Marine” Zhoushan Marine Comprehensive Development and Investment Co., Ltd. (舟山海洋綜合開發投資有限公司), a stated owned enterprise incorporated in the PRC with limited liability

“%” per cent

By Order of the Board
**CHINA RESOURCES POWER
HOLDINGS COMPANY LIMITED**
WANG Chuandong
Chairman

Hong Kong, 13 December 2021

As at the date of this announcement, the Board of the Company comprises three non-executive directors, namely Mr. WANG Chuandong (Chairman), Mr. LIU Guixin and Mr. CHEN Guoyong; three executive directors, namely Mr. SHI Baofeng, Mr. ZHANG Junzheng and Ms. WANG Xiao Bin; and four independent non-executive directors, namely Ms. LEUNG Oi-sie, Elsie, Dr. CH'EN Kuo-fung, Raymond, Mr. SO Chak Kwong, Jack and Mr. YANG Yuchuan.

* *For identification purposes only*