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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 COOPERATION AGREEMENT IN RELATION TO NEW ENERGY PROJECTS**

#### **THE COOPERATION AGREEMENT**

On 28 April 2023, CR Sanjiu and the Company have entered into the Cooperation Agreement in relation to the cooperation on New Energy Projects for a term from 28 April 2023 to 31 December 2023.

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

As at the date of this announcement, CR Sanjiu is a non-wholly-owned subsidiary of CRNC which is the controlling shareholder of the Company with approximately 62.94% equity interests. As such, CR Sanjiu is a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio in respect of the transactions contemplated under the Cooperation Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Cooperation 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 had a material interest in the Cooperation Agreement and the transactions contemplated thereunder.

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## PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

- Date** : 28 April 2023
- Parties** : (i) the Company; and  
(ii) CR Sanjiu.
- Term of Cooperation Agreement** : From 28 April 2023 to 31 December 2023.
- Nature of transaction** : The parties to the Cooperation Agreement have agreed to cooperate with each other for new energy power generation projects in the following manner (“**New Energy Projects**”):
- The parties intend to cooperate on new energy projects, with a focus on the herb-light complementary (藥光互補) photovoltaic power projects for which development rights are obtained, and other new energy projects, while the Group shall engage CR Sanjiu Group to plan and provide land abandonment management services. CR Sanjiu Group shall solve the problem of land abandonment of new energy generation projects by planting Chinese medicinal herbs (including but not limited to land preparation, seedling breeding, seedling transplanting, field management, pest control, technical support, harvesting and processing the herbs) and provide land management services to meet the land requirements of new energy generation projects.
- Pricing policy** : The pricing policy of the Cooperation Agreement will be based on the market prices and take into account factors including but not limited to the climatic conditions, soil conditions, labour costs, market conditions and the configuration, costs, profits, resources, experience, quality assurance requirements and technical solutions of the relevant parties. The payment method will be determined in separate documents according to the situation and arrangement of specific projects.
- When determining whether the transaction price for any transaction under the Cooperation Agreement represents market prices, to the extent reasonably practicable, the business team of the Group would (i) compare the price of similar services supplied by other independent third party suppliers, (ii) keep regular contact with other established suppliers to better understand the market price trends (as appropriate) and (iii) obtain market and industry data on such price of similar services from time to time through public available information.

## ANNUAL CAP UNDER THE COOPERATION AGREEMENT

Set out below are the approximate historical amount of the New Energy Projects between the Group and CR Sanjiu in the three financial years ended 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020 <i>HKD</i>	2021 <i>HKD</i>	2022 <i>HKD</i>
Transaction amount of New Energy Projects	0 (equivalent to RMB0)	0 (equivalent to RMB0)	42,021,010 (equivalent to RMB 35,999,700)

During the preceding 12 months from the date of this announcement, the highest applicable percentage ratio in respect of the actual transaction amount of the New Energy Projects between the Group and CR Sanjiu is less than 0.1%.

The proposed annual cap for the transactions under the Cooperation Agreement for the financial year ending 31 December 2023 is set out as follow:

	For the year ending 31 December 2023 <i>RMB</i>
Annual cap	300,000,000

In assessing the annual cap for the Cooperation Agreement, the Board has considered a number of factors including the historical transaction amount and the expected growth of the New Energy Projects with favorable government policies of the new energy industry. Based on the aforesaid factors, the Board expects that the annual transaction amounts for the New Energy Projects during the next year will be 8.3 times more than the historical amount in 2022.

## REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT

The transactions contemplated under the Cooperation Agreement serve as a good opportunity for the Group to explore the possibility to develop new energy business which is in line with the government's policy of "carbon peak and carbon neutrality". The transactions may also enhance the profitability of the Group's new energy sector.

Cooperation with CR Sanjiu enables the Company to facilitate smooth operation of its projects. Comprehensive land management can improve the quality of land to meet the nation's requirement on land for compound photovoltaic projects and needs of the local government to develop local Chinese medicine industry. CR Sanjiu and the Company play to their respective strengths, which will be conducive to the development of each in their respective business areas.

Having considered the above factors, the Board (including the independent non-executive Directors) considers that the Cooperation 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.

## INFORMATION OF 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 in the PRC. The Company is owned by CRH with 62.94% equity interests. The ultimate beneficial owner of the Company is CRNC which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

### CR Sanjiu

CR Sanjiu was incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000999). CR Sanjiu is an indirect non-wholly-owned subsidiary of CR Pharmaceutical as to 62.99% equity interests. CR Pharmaceutical is indirectly owned as to 53.05% by CRH, which is ultimately beneficially owned by CRNC. CR Sanjiu is principally engaged in research, development, production and sales of pharmaceutical products and related health services.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, CR Sanjiu is a non-wholly-owned subsidiary of CRNC which is the controlling shareholder of the Company with approximately 62.94% equity interests. As such, CR Sanjiu is a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio in respect of the transactions contemplated under the Cooperation Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Cooperation 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 had a material interest in the Cooperation Agreement and the transactions contemplated thereunder.

## 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 purposes 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 CRNC;
“CRNC”	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 liability, the shares of which are listed on 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;
“CR Sanjiu Group”	CR Sanjiu and its subsidiaries;
“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)”	third party(ies) who/which is/are not connected person(s) of the Group;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“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;
“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, 28 April 2023

*As at the date of this announcement, the Board of the Company comprises two executive directors, namely Mr. SHI Baofeng (Chairman) and Mr. ZHANG Junzheng; two non-executive directors, namely Mr. LIU Guixin 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.*