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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 TRANSFER OF COAL ASSETS AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 517 of Hong Kong laws) (“SFO”) and Rule 13.09(2)(a) and Rule 14.34 of Listing Rules.

The Board announces that, on 17 August 2018, the Company has entered into the Equity Transfer Framework Agreement with Guoyuan Company. China Resources Power has agreed to transfer the equity of its indirect wholly-owned subsidiary, China Resources Coal, and three of the coal companies under China Resources Coal, namely (1) Shanxi China Resources Liansheng Energy Investment Co., Ltd. (“CR Liansheng”); (2) Shanxi China Resources Coal Company Limited (“CR Shanxi”); and (3) Taiyuan China Resources Coal Co., Ltd. (“CR Taiyuan”) (collectively the “Three Companies”), and all their respective coal mines. The Transfer excludes all other companies and equities (other than the Three Companies) currently held by China Resources Coal. All assets and equities, other than the Three Companies, held by China Resources Coal are collectively referred as the “Retained Assets”. The Retained Assets shall be carved from China Resources Coal by China Resources Power.

The equity interests in China Resources Coal, CR Liansheng, CR Shanxi and CR Taiyuan held by the Company are acquired by Guoyuan Company at a consideration of RMB1. All shareholder loans to the Three Companies, i.e. CR Liansheng, CR Shanxi and CR Taiyuan, owed to China Resources Power are transferred to and will be assumed by China Resources Coal. Guoyuan Company has undertaken to repay RMB11 billion of the shareholder loans.

China Resources Power and Guoyuan Company will complete the audit, evaluation and other compliance requirements in accordance with national laws and regulations and other regulatory requirements. The parties will further prepare and execute an equity transfer agreement upon the completion of audit and evaluation. The audit and evaluation reference date is 30 June 2018.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guoyuan Company and its ultimate beneficial owners are independent third parties. According to the applicable percentage ratios, the Transfer contemplated under the Equity Transfer Framework Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Directors (including independent non-executive Directors) are of the view that the terms of the Transfer are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

Upon the request of the Company, trading of the Company's shares has been halted from 9:00 a.m. on 17 August 2018, pending the release of this announcement. The Company has made an application to the Stock Exchange for resumption of trading in the Shares from 9:00 a.m. on 20 August 2018.

This announcement is made by the Company pursuant to the Inside Information Provisions and Rule 13.09(2) and Rule 14.34 of the Listing Rules.

On 17 August 2018, China Resources Power has entered into the Equity Transfer Framework Agreement with Guoyuan Company, details of which are as follows:

Parties

1. China Resources Power (as vendor);
2. Guoyuan Company (as purchaser);

Date

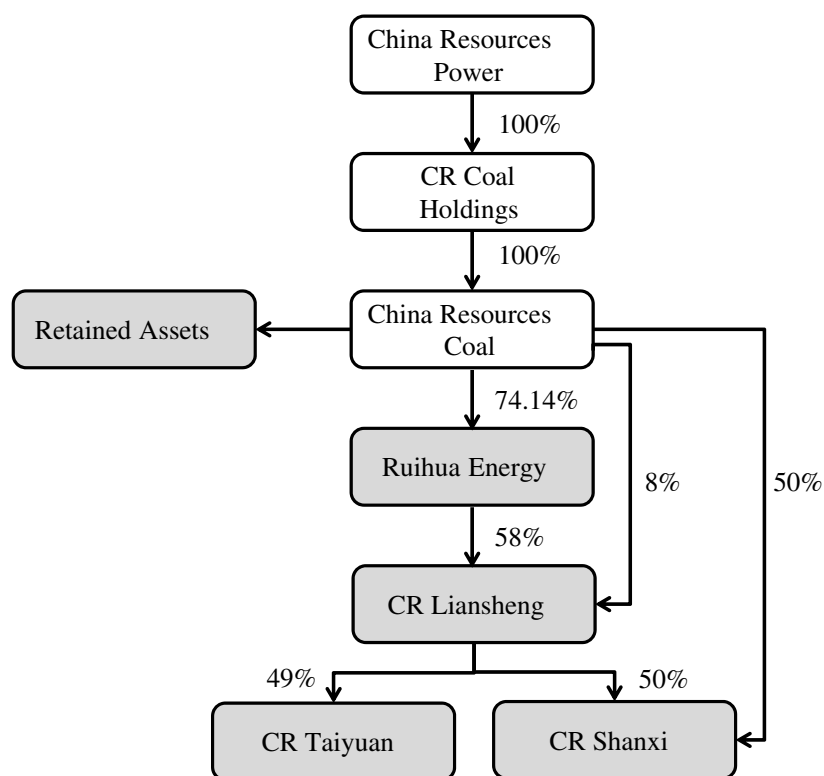
17 August 2018

Subject Matter

China Resources Power has agreed to transfer the equity of its indirect wholly-owned subsidiary, China Resources Coal, and three of the coal companies under China Resources Coal, namely (1) CR Liansheng; (2) CR Shanxi; and (3) CR Taiyuan, and all their coal mines. The Transfer excludes all other companies and equities, other than the Three Companies currently held by China Resources Coal. All assets and equities, other than the Three Companies, held by China Resources Coal are collectively referred as the “Retained Assets”. The Retained Assets shall be carved from China Resources Coal by China Resources Power.

Both parties confirmed that China Resources Power owns the beneficial ownership, absolute control and rights of administration and disposal over the Retained Assets at any time. Members of the board of directors and management team of the Retained Assets shall be appointed by China Resources Power. Guoyuan Company will not exert any intervention on the operation of the Retained Assets prior to completion of assets carve-out by China Resources Power.

With a registered capital of RMB200 million, China Resources Coal is the holding company of China Resources Power's main coal assets. China Resources Coal beneficially owns 51%, 75.5% and 24.99% effective interest in CR Liansheng, CR Shanxi and CR Taiyuan, respectively. The shareholding structure prior to the Transfer is as follows:



Consideration and Payments

The equity interests in China Resources Coal, CR Liansheng, CR Shanxi and CR Taiyuan held by China Resources Power are acquired by Guoyuan Company at a consideration of RMB1.

China Resources Power and Guoyuan Company will complete the audit, evaluation and other compliance requirements in accordance with national laws and regulations and other regulatory requirements. The parties will further prepare and execute the equity transfer agreement upon the completion of audit and evaluation. The audit and evaluation reference date is 30 June 2018.

Transfer and Repayment of Liability

All shareholder loans provided by China Resources Power to the Three Companies, including CR Liansheng, CR Shanxi and CR Taiyuan are transferred to and will be assumed by China Resources Coal. Guoyuan Company has undertaken to repay RMB11 billion of the shareholder loans to China Resources Power with the first installment of RMB6 billion to be paid concurrently upon the completion of the transfer of management rights. The remaining RMB5 billion is scheduled to be repaid within three years after the payment date of the first instalment, the dates of repayment will be further determined by the parties.

Interests will accrue on the outstanding balance on a daily basis at the prevailing benchmark lending rate of the same tenor announced by the People's Bank of China until RMB 11 billion is fully repaid to China Resources Power. Overdue amounts that are not repaid based on repayment schedule agreed by the parties are subject to default interests and compound interests in accordance with the charging practices of domestic commercial banks.

Information on China Resources Coal and the Three Companies

China Resources Coal was incorporated in 2012 with a registered capital of RMB 200 million, and is the holding company of China Resources Power's main coal assets.

CR Liansheng

CR Liansheng was incorporated in June 2009 with a registered capital of RMB3.8 billion. As at the end of 2017, CR Liansheng owned 12 coal mines, among which, 5 were in operation, 3 were suspended and 4 were closed. CR Liansheng has a total reserve of 622 million tonnes, with a designed annual capacity of 9.9 million tonnes. As at the end of 2017, CR Liansheng had 5731 employees.

The key financial information on CR Liansheng is as follows:

	For the six months ended 30 June 2018 RMB'000 (Unaudited)	For the year ended 31 December 2017 RMB'000 (Audited)	For the year ended 31 December 2016 RMB'000 (Audited)
Net profit before tax	4,223	302,359	(978,471)
Net profit after tax	(57,141)	204,302	(978,607)

The unaudited net asset value of CR Liansheng as at 30 June 2018 was RMB-1,078.45 million, excluding the impairment provisions on CR Liansheng's assets made by China Resources Power in the consolidation processes.

CR Shanxi

CR Shanxi was incorporated in April 2010 with a registered capital of RMB0.8 billion. As at the end of 2017, CR Shanxi owned 8 coal mines, among which, 2 were in operation, 1 was under construction, and 5 were closed or planned to be closed. CR Shanxi has a total reserve of 131 million tonnes, with a designed annual capacity of 4.65 million tonnes. As at 31 December 2017, it had 852 employees.

	For the six months ended 30 June 2018 RMB'000 (Unaudited)	For the year ended 31 December 2017 RMB'000 (Audited)	For the year ended 31 December 2016 RMB'000 (Audited)
Net profit before tax	42,049	104,511	(339,950)
Net profit after tax	42,049	104,511	(339,950)

The unaudited net asset value of CR Shanxi as at 30 June 2018 was RMB-90.89 million, excluding the impairment provisions made by China Resources Power on CR Shanxi's assets in the consolidation processes.

CR Taiyuan

CR Taiyuan was incorporated in April 2010 with a registered capital of RMB4.0 billion. As at the end of 2017, CR Taiyuan owned 3 coal mines, among which, 1 was in operation, 1 was suspended and 1 was planned to be closed. CR Taiyuan has a total reserve of 451 million tonnes, with a designed annual capacity of 2.85 million tonnes. As at the end of 2017, it had 1684 employees.

	For the six months ended 30 June 2018 RMB'000 (Unaudited)	For the year ended 31 December 2017 RMB'000 (Audited)	For the year ended 31 December 2016 RMB'000 (Audited)
Net profit before tax	(58,713)	(779,742)	(781,382)
Net profit after tax	(58,713)	(779,742)	(781,382)

The unaudited net asset value of CR Taiyuan as at 30 June 2018 was RMB-596.80 million, excluding the impairment provisions on CR Taiyuan's assets made by China Resources Power when preparing the consolidated financial statements.

As at the end of 2017, the total reserves of the Three Companies amounted to 1.204 billion tonnes, with a total of 23 mines. Among them, 8 were in operation with a designed capacity of 7.2 million tonnes; 5 were under construction or suspended with a designed capacity of 4.8 million tonnes; 10 mines were designated as elimination of over-capacity with a designed capacity of 5.4 million tonnes. As at the end of 2017, the Three Companies had a total of 8,267 employees.

Reasons for and Benefits of the Transfer

The strategic direction of China Resources Power is to become a green, low-carbon, clean and efficient integrated energy company. The Board believes that the Transfer of coal assets will help optimize the Company's business structure and promote its strategic transformation, thereby making the main business focus clearer and enhancing the Company's core competitiveness; it will also help the Company concentrate its capital, management, know-how and resources more effectively on its main businesses and optimize the Company's capital structure.

The Directors are of the view that the terms of the Equity Transfer Framework Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

None of the Directors had any material interests in the Equity Transfer Framework Agreement.

Financial Impact from the Transfer and the Use of Proceeds

As the Transfer involving China Resources Power carving out the Retained Assets, which will involve complicated legal, tax and accounting procedures, the Company is not in a position to ascertain the financial impact from the Transfer at this stage but further announcement will be published by the Company upon the execution of the formal equity transfer agreement.

The Board intends to utilize the proceeds from the transfer and the repayment of the shareholder loan contemplated under the Equity Transfer Framework Agreement as general working capital and to repay bank loans.

Listing Rules Implications

China Resources Coal is an indirect wholly-owned subsidiary of the Company. To the best of the knowledge, information and belief of the Directors having made all

reasonable enquiries, Guoyuan Company and its ultimate beneficial owners are independent third parties. As one or more of the applicable percentage ratios exceed 5% but are less than 25%, the Equity Transfer Framework Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the announcement requirement under chapter 14 of the Listing Rules.

Further Information on the Parties

The Company is principally engaged in the investment, development, operation and management of power plants and coal mines in the PRC.

China Resources Coal is a wholly-owned subsidiary of the Company which is principally engaged in the development and operation of coal mines in the PRC.

Guoyuan Company was incorporated in July 2016, and is the asset management platform company of coal mine assets of central government controlled State-owned Enterprises (“Central SOEs”). Its major tasks are to promote the elimination of over capacity of Central SOEs with coal businesses, to promote optimization and consolidation of industry structure, improve quality and efficiencies, and achieve the optimization adjustment and transformation and upgrade of the coal assets held by Central SOEs. Guoyuan Company was jointly established by China Guoxin, China Coal Group, China Chengtong and National Energy Group.

Resumption of Trading

Upon the request of the Company, trading of the Company’s shares has been halted from 9:00 a.m. on 17 August 2018, pending the release of this announcement. The Company has made an application to the Stock Exchange for resumption of trading in the Shares from 9:00 a.m. on 20 August 2018.

Definitions

In this announcement, unless the context requires otherwise, the following terms shall have the meanings as set out below:

“Board”	the board of Directors of the Company;
“China Resources Coal”	China Resources Coal (Group) Co., Ltd.* (華潤煤業(集團)有限公司), a company established in the PRC with limited liability, being a wholly-owned subsidiary of the Company;

“Company” or “China Resources Power”	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;
“CR Liansheng”	Shanxi China Resources Liansheng Energy Investment Co., Ltd.* (山西華潤聯盛能源投資有限公司), a company established in the PRC with limited liability, being an indirect subsidiary of the Company;
“CR Shanxi”	Shanxi China Resources Coal Co., Ltd.* (山西華潤煤業有限公司), a company established in the PRC with limited liability, being an indirect subsidiary of the Company;
“CR Taiyuan”	Taiyuan China Resources Coal Co., Ltd.* (太原華潤煤業有限公司), a company established in the PRC with limited liability, being an associate of the Company;
“Directors”	the director(s) of the Company;
“Equity Transfer Framework Agreement”	the framework agreement dated 17 August 2018 entered into between China Resources Power and Guoyuan Company in relation to the asset transfer;
“Guoyuan Company”	Guoyuan Shidai Coal Asset Management Company Limited* (國源時代煤炭資產管理有限公司), a company established in the PRC with limited liability;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“normal commercial terms”	has the meaning ascribed thereto under the Listing Rules;
“PRC”	the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Transfer”

the transfer of the equity of China Resources Coal and the Three Companies and all coal mines of the Three Companies to Guoyuan Company

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

Hong Kong, 19 August 2018

* *The English name is a translation of its Chinese name and is included for identification purposes only.*

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.