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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)**

### **TRANSFER OF RENEWABLE ENERGY ACCOUNTS RECEIVABLES UNDER THE ABN TRANSACTION**

#### **INTRODUCTION**

The Board is pleased to announce that on 20 July 2021, CRP Investment, a direct wholly-owned subsidiary of the Company, entered into the Trust Contract with CR Trust, pursuant to which, among others, CRP Investment has agreed to entrust CR Trust with the Underlying Assets and CR Trust has agreed to be the trustee under the Trust Contract for the benefit of the Beneficiaries for the purpose of issuance of Asset Backed Notes. On the same date, CRP Investment, CR Trust, Guo Tai, Citic Securities, China Securities, Everbright, Industrial Bank and Bank of Communications have entered into the Underwriting Agreement, pursuant to which, Guo Tai as the lead underwriter and each of Citic Securities, China Securities, Everbright, Industrial Bank and Bank of Communications as the joint underwriter (“**Joint Underwriters**”) all be responsible for underwriting and subsequent information disclosure and supervising of the ABN Transaction. Apart from above, each of the Parties also entered into various Transaction Documents to accomplish the ABN Transaction.

#### **ABN TRANSACTION**

**Date:**

20 July 2021

**Parties:**

- (1) CRP Investment;
- (2) CR Trust;
- (3) Guo Tai;
- (4) Citic Securities;

- (5) China Securities;
- (6) Everbright;
- (7) Industrial Bank;
- (8) Bank of Communications;
- (9) the Project Companies; and
- (10) ABC.

### **Major terms relating to CRP Investment**

CRP Investment will transfer the Underlying Assets to the SPV, by way of the Trust with CR Trust as the trustee and the administration agency of the Trust, to enable the issuance of the Asset Backed Notes to the independent investors (the “**Transfer**”). The fund raised from the investors by the ABN Transaction will be an aggregate principal amount of RMB2,005,348,812.43, and will be received by CRP Investment.

As the Underlying Assets are the accounts receivables of renewable electricity energy subsidies to be collected by the Project Companies, CRP Investment shall remit to the SPV any such subsidies received from the government.

CRP Investment shall have the right (but not the obligation) to buy back the remaining Underlying Assets upon the fulfillment of all repurchase conditions pursuant to the Trust Contract.

CRP Investment shall pay rights maintenance fee (the “**Maintenance Fee**”) periodically to the Trust, to be distributed by CR Trust (after deducting management fee of the Trust and relevant taxation) to the Beneficiaries on the relevant payment dates. The Maintenance Fee in each period shall be equal to the sum of the relevant taxes payable, the expenses borne by the Trust assets, the expected returns of the Senior Asset Backed Notes and the periodic returns of the Subordinated Asset Backed Notes. CR Trust shall notify CRP Investment of the exact amount of each sum of Maintenance Fee. While the Maintenance Fee amount will be subject to the circumstances at time of the calculation, CRP Investment expects the total amount of Maintenance Fee will be approximately RMB150,000,000.

CRP Investment shall also provide liquidity support when the Trust has insufficient cash flow to pay tax, expenses borne by the Trust assets and expected returns of Senior Asset Backed Notes (and the outstanding principal balance of the Senior Asset Backed Notes, if applicable).

### **Major terms relating to CR Trust**

CR Trust is entitled to receive remuneration for managing the Trust, which will be paid out of the Trust assets, in accordance with applicable laws and regulations and the Transaction Documents. CRP Investment is not responsible for the payment of such management fee. CR Trust will convene meetings of the Beneficiaries for voting on material issues related to the Trust, and manage the Trust in accordance with voting results. CR Trust will be free from the expenses and debts incurred in handling Trust affairs which will be borne by the Trust assets.

## **Major terms relating to the Beneficiaries**

The Beneficiaries shall pay for the Asset Backed Notes and enjoy returns generated by the Trust. They will participate in the meetings to vote on relevant matters concerning the Trust, including:

- a) matters of general consent which require unanimous consent of all Beneficiaries, including early termination of Trust, approval of proposals that involve motions modifying the terms of the ABN Transaction, the rights of Beneficiaries, or the basic characteristics of the ABN Transaction and adding or changing the option clauses, investor protection mechanisms or investor protection clauses in the Transaction Documents and the Prospectus for Target Offering (《定向募集說明書》).
- b) special resolution matters which require consent of more than 90% of the total voting rights of Beneficiaries, including approving resignation of CR Trust, dismissing CR Trust, releasing CR Trust from its obligations under the Transaction Documents, authorizing others to exercise relevant rights on its behalf, approval of a third party to undertake the liquidation obligations of the Asset Backed Notes, dismissing or changing the Trust's manager or changing the terms of the Trust involving the rights and obligations of Beneficiaries, changes to the Transaction Documents that may significantly affect the Beneficiaries' rights under the ABN Transaction and other circumstances as required by laws and regulations.
- c) ordinary motions which requires consent of more than 50% of the total voting rights of the Beneficiaries, including other modifications to the Transaction Documents and Trust affairs.

## **Major terms relating to the Underwriters**

Guo Tai shall assist in preparing the Transaction Documents and applying for regulatory approval for the ABN Transaction. It will help complete the issuance of the Asset Backed Notes and underwriting, and carry out follow-up management work. Guo Tai shall receive an underwriting fee. Joint Underwriters shall participate in the underwriting of the Asset Backed Notes as co-underwriters and receive an underwriting fee. ABC shall provide custody services for the Trust assets.

## **INFORMATION OF THE UNDERLYING ASSETS**

CRP Investment is principally engaged in construction, operation and management of power plants and other power generation related equipment, technical services regarding electric power business, information consultation, purchase and sale services of electric and thermal products, electric power engineering design and construction, and distribution network operation. According to government policies, Project Companies under the control of CRP Investment or its connected persons completing the obligations of renewable power generation are entitled to receive subsidies from relevant government authorities.

The Underlying Assets represent the accounts receivables of renewable electricity energy subsidy to be collected by the Project Companies. Those accounts receivables have been transferred to CRP Investment pursuant to the Transaction Documents. The Underlying Assets include 1,141 renewable energy subsidies of 49 Project Companies over 14 districts in the PRC with total amount of RMB2,005,348,812.43. The collection period of those subsidies ranges from over 20 months to over 30 months.

CR Trust, as the trustee under the Trust Contract and the administration agency of the Trust, shall manage the Trust assets for the benefits of the Beneficiaries. Upon the Trust becoming effective, the Underlying Assets shall become the assets under the Trust and CRP Investment will cease to have any rights or interests in the Underlying Assets. CR Trust shall have the right to manage the Underlying Assets.

## **FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE ABN TRANSACTION**

CRP Investment will receive proceeds from the ABN Transaction in the amount of the value of the Underlying Assets. CRP Investment expects to bear an expense of approximately RMB150,000,000 for the Maintenance Fee. The Maintenance Fee is the sum of the relevant taxes payable, the expenses borne by the Trust assets, the expected returns of the Senior Asset Backed Notes and the periodic returns of the Subordinated Asset Backed Notes. According to the assessment on cash flow of accounts receivables of the Underlying Assets, the Maintenance Fee is expected to be approximately RMB150,000,000.

The proceeds received from the issue of the Asset Backed Notes will be applied to repayment of the loans from other financial institutions and others (if applicable).

## **REASONS FOR AND BENEFITS OF THE ABN TRANSACTION**

The ABN Transaction will accelerate the collection of the funds in relation to accounts receivables of renewable energy subsidies and replenish the Company's operating cash flow.

In view of the above, the Directors (including independent non-executive Directors) consider that the terms of the ABN Transaction are conducted in the ordinary and usual course of business of the Company and are fair and reasonable, on normal commercial terms or better after arm's length negotiations among the parties and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE 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 China Resources (Holdings) Company Limited with 62.94% equity interests and public shareholders with 37.06% equity interests. The ultimate beneficial owner of the Company is China Resources National Corporation (中國華潤有限公司) which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

## **INFORMATION OF CR TRUST**

CR Trust is a limited liability company incorporated in the PRC and is principally engaged in fund trust, chattel trust, real estate trust, marketable securities trust; other property or property right trust; investment fund business as the initiator of investment fund or fund management company; operating the business of enterprise assets reorganization, merger and acquisition, project financing, corporate financing, financial consultant, securities underwriting business approved by relevant departments of the State Council, intermediary, consulting, credit investigation and other related business, agency custody and safe deposit box business, use of inherent property in the form of interbank deposit, interbank lending, leasing and investment, providing guarantee for others with inherent property, interbank lending and other business as required by laws and regulations or approved by China Banking Regulatory Commission. CR Trust is owned by China Resources Financial Holding Investment Co., Ltd\* (華潤金控投資有限公司) with 51% equity interests and Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) (a company owned by Shenzhen State-owned Assets Supervision and Administration Commission of the State Council of the PRC with 100% equity interest) with 49% equity interests. Its ultimate beneficial owner is China Resources National Corporation which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

## **INFORMATION OF GUO TAI**

Guo Tai is a joint stock limited company incorporated in the PRC. The principal businesses of the company are securities brokerage, proprietary securities trading, securities underwriting and sponsorship and relevant financial services.

## **INFORMATION OF CITIC SECURITIES**

Citic Securities is a limited liability company incorporated in the PRC, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 600030) and Main Board of the Stock Exchange (stock code: 6030). Citic Securities is principally engaged in securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province); securities investment consulting; financial advisory services related to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary business; securities asset management; margin financing and securities lending; securities investment fund sales agency; provision of brokerage services to futures companies; distribution of financial products; and stock options market making.

## **INFORMATION OF CHINA SECURITIES**

China Securities is a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601066) and Main Board of the Stock Exchange (stock code: 6066). China Securities is principally engaged in investment banking business, wealth management business, trading and institutional client services business and asset management business.

## **INFORMATION OF EVERBRIGHT**

Everbright is a joint stock company incorporated in the PRC with limited liability and one of the major commercial banks in the PRC mainly engaged in commercial banking operations, including retail banking, corporate banking and treasury operations.

## **INFORMATION OF INDUSTRIAL BANK**

Industrial bank is a limited liability company incorporated in the PRC and is principally engaged in (1) absorbing public deposits; (2) issuing short-term, medium-term and long-term loans; (3) handling domestic and foreign settlement; (4) handling bill acceptance and discount; (5) issuing financial bonds; (6) acting for issuing, cashing and underwriting government bonds; (7) buying and selling government bonds and financial bonds; (8) acting as an agent to issue securities other than stocks; (9) trading or acting as an agent for trading securities other than stocks; (10) asset custody business; (11) engaging in interbank lending; (12) buying and selling foreign exchange and acting as an agent; (13) foreign exchange settlement and sale business; (14) engaging in bank card business; (15) providing letter of credit service and guarantee; (16) acting for payment and insurance business; (17) providing safe deposit box service; (18) financial consultant, credit investigation, consultation and witness business; and (19) other businesses approved by the banking regulatory authority under the State Council.

## **INFORMATION OF BANK OF COMMUNICATIONS**

Bank of Communications is a limited liability company incorporated in the PRC and is principally engaged in banking and related financial businesses, including corporate banking, personal banking and inter-bank and financial market businesses.

## **INFORMATION OF ABC**

ABC is a limited liability company incorporated in the PRC and is principally engaged in providing banking and related financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Guo Tai, Citic Securities, China Securities, Everbright, Industrial Bank, Bank of Communications and ABC and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **INFORMATION OF PROJECT COMPANIES**

Project Companies are 49 companies controlled by CRP Investment or its connected persons. They are entitled to apply for renewable electricity energy subsidy from relevant government authorities according to Measures for the Administration of Subsidy Funds for Renewable Energy Price 《(可再生電價附加補助資金管理辦法)》.

## DEFINITION

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

“ABC”	Shenzhen Branch of Agricultural Bank of China Limited. Agricultural Bank of China Limited is a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601288) and Main Board of the Stock Exchange (stock code: 1288)
“ABN Transaction”	the transactions contemplated under the Transaction Documents in connection with the issuance and securitization of the Asset Backed Notes in the aggregate value of RMB2,005,348,812.43
“Asset Backed Notes”	a debt financing instrument issued by the Trust to investors in the interbank bond market, backed by the cash flow generated from the Underlying Assets and repayable within a fixed period of time. It is a proof of entitlement to the corresponding trust beneficiary rights under the Trust for the holders
“Bank of Communications”	Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601328) and Main Board of the Stock Exchange (stock code: 3328)
“Beneficiary(ies)”	the holder(s) of the Asset Backed Notes, also being the beneficiary(ies) of the Trust
“Board”	the board of Directors of the Company
“China Securities”	CSC Financial Co., Ltd. (中信建投證券股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601066) and Main Board of the Stock Exchange (stock code: 6066)



“Citic Securities”	Citic Securities Company Limited (中信証券股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 600030) and Main Board of the Stock Exchange (stock code: 6030)
“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
“CRP Investment”	China Resources Power Investment Co., Ltd. (華潤電力投資有限公司), a limited liability company incorporated in the PRC and is wholly owned by the Company
“CR Trust”	China Resources Shengguotou Trust Co., Ltd. (華潤深國投信託有限公司), a limited liability company incorporated in PRC
“Director(s)”	the directors of the Company
“Everbright”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601818) and Main Board of the Stock Exchange (stock code: 6818)
“Fund”	The fund raised by the ABN Transaction to an aggregate principal amount of RMB2,005,348,812.43
“Group”	the Company and its subsidiaries
“Guo Tai”	Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601211) and Main Board of the Stock Exchange (stock code: 2611)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Industrial Bank”	Industrial Bank Co.,Ltd. (興業銀行股份有限公司), company incorporated in the PRC with limited liability, the shares of which are listed and traded on the Shanghai Stock Exchange (stock code: 601166)



“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	CRP Investment, CR Trust, Guo Tai, Citic Securities, China Securities, Everbright, Industrial Bank, Bank of Communications, Project Companies and ABC
“Project Companies”	the 49 companies running renewable energy projects controlled by CRP Investment or its connected persons
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Asset Backed Notes”	Asset Backed Notes with an expected term of 2 years and enjoy priority in benefit distribution, liquidation, expected return compared to Subordinate Asset Backed Notes, the expected principal amount of which is RMB1,985,000,000
“SPV”	A special purpose legal entity to be established pursuant to the Trust for the purpose of holding the Underlying Assets for the benefit of the Beneficiaries as the legal owners of the SPV
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinate Asset Backed Notes”	Asset Backed Notes with an expected term of 3 years and do not enjoy priority in benefit distribution or liquidation compared to Senior Asset Backed Notes and do not have guaranteed return, the expected principal amount of which is RMB20,348,812.43
“Transaction Documents”	Trust Contract, Underwriting Agreement and other related documents in respect of the ABN Transaction
“Trust”	the trust declared under the Trust Contract in relation to holding the Underlying Assets for the purpose of the issuance of Asset Backed Notes and realizing the bankruptcy isolation of the Underlying Assets
“Trust Contract”	the trust contract dated 20 July 2021 entered into among CRP Investment and CR Trust in respect of the formation of the Trust and the transfer of the Underlying Assets
“Underlying Assets”	accounts receivables of renewable energy subsidy to be collected by Project Companies

“Underwriting Agreement” the underwriting agreement dated 20 July 2021 entered into among CRP Investment, CR Trust, Guo Tai, Citic Securities, China Securities, Everbright, Industrial Bank and Bank of Communications in respect of the underwriting arrangement of the Asset Backed Notes

“%” per cent

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

Hong Kong, 20 July 2021

*As at the date of this announcement, the Board of the Company comprises three non-executive directors, namely Mr. WANG Chuandong (Chairman), Mr. CHEN Ying and Mr. WANG Yan; three executive directors, namely Mr. TANG Yong, Mr. ZHANG Junzheng and Ms. WANG Xiao Bin; and four independent non-executive directors, namely, Mr. MA Chiu-Cheung, Andrew, Ms. LEUNG Oi-sie, Elsie, Dr. CH’IEN K.F., Raymond and Mr. SO Chak Kwong, Jack.*