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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 22 December 2017, CRP Investment, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Yunrun Energy 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 2×660MW 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 22 December 2017, CRP Investment, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Yunrun Energy 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

22 December 2017

Parties

- (i) CRP Investment; and
- (ii) Yunrun Energy.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yunrun Energy 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 estimated to be RMB5,439 million, and the registered capital of the Joint Venture will be RMB1,813 million, being approximately one-third 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 | 1,450.4 million | 80% |
| Yunrun Energy | 362.6 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 in proportion to their respective shareholding percentages within 30 business days upon receipt of written request for payment of the registered capital from the Joint Venture, based on the actual capital requirement of the Joint Venture.

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 may 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 2×660MW ultra-supercritical generation units in Guangdong, the PRC.

Board composition

The board of directors of the Joint Venture will consist of five directors, four of whom will be appointed by CRP Investment, and the remaining one director will be appointed by Yunrun Energy. The chairman of the Joint Venture will be appointed by CRP Investment, and the vice chairman of the Joint Venture will be appointed by Yunrun Energy.

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

Yunrun Energy has strength and abundant resources in the power sector in Yunfu City, Guangdong Province, and has great advantage in the local power market. Through the formation of the Joint Venture, the Company and Yunrun Energy are able to complement the strength of each other and share resources, which is beneficial to the 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.

Yunrun Energy

Yunrun Energy is a wholly state-owned enterprise established in the PRC. It is principally engaged in the investment, development, construction, operation and management of power energy projects.

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:

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| “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) Company Limited * (華潤電力(雲浮)有限公司) |
| “Joint Venture Agreement” | the joint venture agreement dated 22 December 2017 entered into between CRP Investment and Yunrun Energy in relation to the formation of the Joint Venture |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Parties” | parties to the Joint Venture Agreement, being CRP Investment and Yunrun Energy, 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 |
| “Yunrun Energy” | Yunfu Yunrun Energy Investment Company Limited* (雲浮市雲潤能源投資有限公司), 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, 22 December 2017

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

** For identification purposes only*