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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)

CONNECTED TRANSACTION

Disposal of the Target

The Board announces that on 31 March 2018, Shouzheng entered into the Share Transfer Agreement with CRC to dispose of its 100% shareholding interest in the Target for an initial consideration of RMB15,181,200 (approximately HK\$18,823,500).

CRC is the controlling shareholder of the Company and thus a connected person of the Company. Shouzheng is a wholly-owned subsidiary of the Company. As such, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As applicable percentage ratios of the transactions contemplated under the Share Transfer Agreement exceed 0.1% but are below 5%, the Disposal constitutes a connected transaction for the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

On 31 March 2018, Shouzheng (a wholly-owned subsidiary of the Group) entered into the Share Transfer Agreement with CRC (the Company's controlling shareholder) to dispose of its 100% shareholding interest in the Target for a consideration of RMB15,181,200 (approximately HK\$18,823,500).

SHARE TRANSFER AGREEMENT

Date:

31 March 2018

Parties:

- (1) China Resources Co., Limited (as purchaser)
- (2) Shouzheng Tendering (Hong Kong) Company Limited (as vendor)

Assets to be disposed of:

100% shareholding interest in the Target with all rights and interests therein, free from any third party rights, liens, claims, equities, charges and encumbrances.

Consideration:

The consideration payable by CRC for the Disposal is RMB15,181,200. The total consideration has been arrived at after arm's length negotiations between CRC and the Company based on an independent valuation report prepared by Vocation (Beijing) International Asset Valuation Co., Ltd (“**Valuation Report**”).

The final consideration shall be paid in full within 60 days of the date of the Share Transfer Agreement.

Representations and Warranties:

Under the Share Transfer Agreement, the parties agree to procure the completion of industrial and commercial registration for the change of shareholder of the Target and filing with the ministry of commerce within 30 days of the Share Transfer Agreement.

Termination:

The Share Transfer Agreement may be terminated upon written consent of the parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The tendering agency service provided by the Target is not the principal business of the Group. The qualification requirement of a tendering agency has been canceled and it is expected that a number of construction cost consultancy firms and project management firms may commence tendering agency business as a part of their operations in the tendering agency market. The existing tendering agencies will encounter more challenging market conditions and the Target may experience a decrease in its profitability due to intensifying competition. In the event the Group requires tendering agency service after the Disposal, it can enlist the service of external service providers (whether independent third parties or connected persons of the Company, in the latter case subject to compliance with relevant requirements

under the Listing Rules as applicable) on such terms as commercially acceptable to the Company. Also, upon the transfer of equity interest in the Target, the tendering agency service fee and the platform licensing fee to be charged by the Target shall be determined by reference to the relevant national regulations and shall be lowered in line with market conditions as appropriate. The Company therefore considers that the Disposal is in line with the Group's business focus.

As good corporate governance measure, Mr. LI Ru Ge, Mr. WANG Yan and Mr. CHEN Ying have abstained from voting on the board resolution in view of their senior management roles at CRC.

Save for those Directors who abstained from voting, the Board believes that the terms of the Share Transfer Agreement are fair and reasonable, on normal commercial terms or better and are in the interests of the Company and its shareholders as a whole.

No Director has a material interest in the Disposal.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Company will record a gain of RMB173,600 from the Disposal.

The Board intends to apply the proceeds from the Disposal as working capital.

INFORMATION ON THE TARGET

The Target was incorporated in May 2015 by Shouzheng with a registered capital of RMB50 million. As at 31 October 2017, the Target had total assets of approximately RMB393.4 million and net assets of approximately RMB15 million.

The Target's scope of business includes construction supervision, construction tendering agency, economic information consultancy, investment consultancy, supply chain management and logistics solution design. The Target is principally engaged in construction tendering agency services.

The Target is a wholly owned subsidiary of Shouzheng, which in turn is a wholly-owned subsidiary of the Group.

Set out below is the key financial information on the Target:

	Six months ended 30 June 2017 RMB (unaudited)	Year ended 31 December 2016 RMB (audited)	Year ended 31 December 2015 RMB (audited)
Net profit before taxation	32,543,944	58,848,695	1,825,624
Net profit after taxation	23,799,255	44,114,253	1,369,218

The unaudited net asset value of the Target as at 30 June 2017 was approximately RMB 74.3 million, including undistributed profit of approximately RMB64.7 million. In October 2017, the Target made a dividend distribution of approximately RMB49 million. In March 2018, a sum of approximately RMB15 million representing the profit of the Target for November and December 2017 has been distributed to Shouzheng. The profit of the Target for January to March 2018, to be assessed based on an independent audit, will also be distributed to Shouzheng.

FURTHER INFORMATION ON THE PARTIES

CRC is principally engaged in seven core businesses, namely consumer products (retail, brewery, food and beverage), power, real estate, cement, gas, pharmaceutical and financial services as well as other operations including microelectronics, textiles and chemical products.

Shouzheng is principally engaged in the business of project investment and management.

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

LISTING RULES IMPLICATIONS

CRC is the controlling shareholder of the Company and thus a connected person of the Company. Shouzheng is a wholly-owned subsidiary of the Company. As such, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As applicable percentage ratios of the transactions contemplated under the Share Transfer Agreement exceed 0.1% but are below 5%, the Disposal constitutes a connected transaction for the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong, the shares of which are listed and traded on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“CRC”	China Resources Co., Limited (華潤股份有限公司), a joint stock limited liability company incorporated in the PRC, being a substantial shareholder of the Company;
“Directors”	the directors of the Company;
“Disposal”	the disposal by Shouzheng of its 100% shareholding in the Target to CRC pursuant to the terms of the Share Transfer Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, being the lawful currency of the PRC;

“Share Transfer Agreement”	the agreement dated 31 March 2018 entered into between CRC and Shouzheng in relation to the Disposal
“Shouzheng”	Shouzheng Tendering (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance (Cap 622)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target”	守正招標有限公司, a limited liability company incorporated in the PRC

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

Hong Kong, 3 April 2018

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, Mr. HU Min and Ms. WANG Xiao Bin; 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.