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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)

SUPPLEMENTAL ANNOUNCEMENT — DISCLOSEABLE TRANSACTION TRANSFER OF COAL ASSETS

Reference is made to the announcement of China Resources Power Holdings Company Limited (the “**Company**”) dated 19 August 2018 (the “**Announcement**”) in relation to, among other things, the transfer framework agreement dated 17 August 2018 (the “**Equity Transfer Framework Agreement**”) entered into between the Company and Guoyuan Shidai Coal Asset Management Company Limited* (國源時代煤炭資產管理有限公司). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board announces that on 26 December 2018, the Company and its wholly-owned subsidiary, China Resources Coal Holdings (Shanxi) Co., Limited* (華潤煤業控股(山西)有限公司) (“**CR Coal Holdings**”), among others, entered into the formal equity transfer agreement (the “**Equity Transfer Agreement**”) and debt restructuring agreement (the “**Debt Restructuring Agreement**”) with Guoyuan Company in relation to the Transfer (collectively, the “**Transfer Agreements**”).

THE TRANSFER AGREEMENTS

On 26 December 2018, (i) CR Coal Holdings and the Company entered into the Equity Transfer Agreement with Guoyuan Company in relation to the transfer of equity interest in China Resources Coal and the Target Coal Companies (as defined below) and all the coal mines held by the Target Coal Companies to Guoyuan Company; and (ii) the Company entered into the Debt Restructuring Agreement with three wholly-owned subsidiaries, namely, China Resources Power Project Co., Ltd*

(華潤電力工程服務有限公司) (“**CR Project**”), China Resources Power Investment Co., Ltd.* (華潤電力投資有限公司) (“**CR Investment**”) and Shenzhen South China Energy Co., Ltd.* (深圳南國能源有限公司) (“**Shenzhen Energy**”), China Resources Coal, the Target Coal Companies (as defined below) and Guoyuan Company and its wholly-owned subsidiary, Shanxi Guoyuan Energy Management Co., Ltd.* (山西國源能源管理有限公司) (“**Shanxi Guoyuan**”) in relation to the transfer to and assumption by Shanxi Guoyuan, the debt liability of China Resources Coal and the Target Coal Companies.

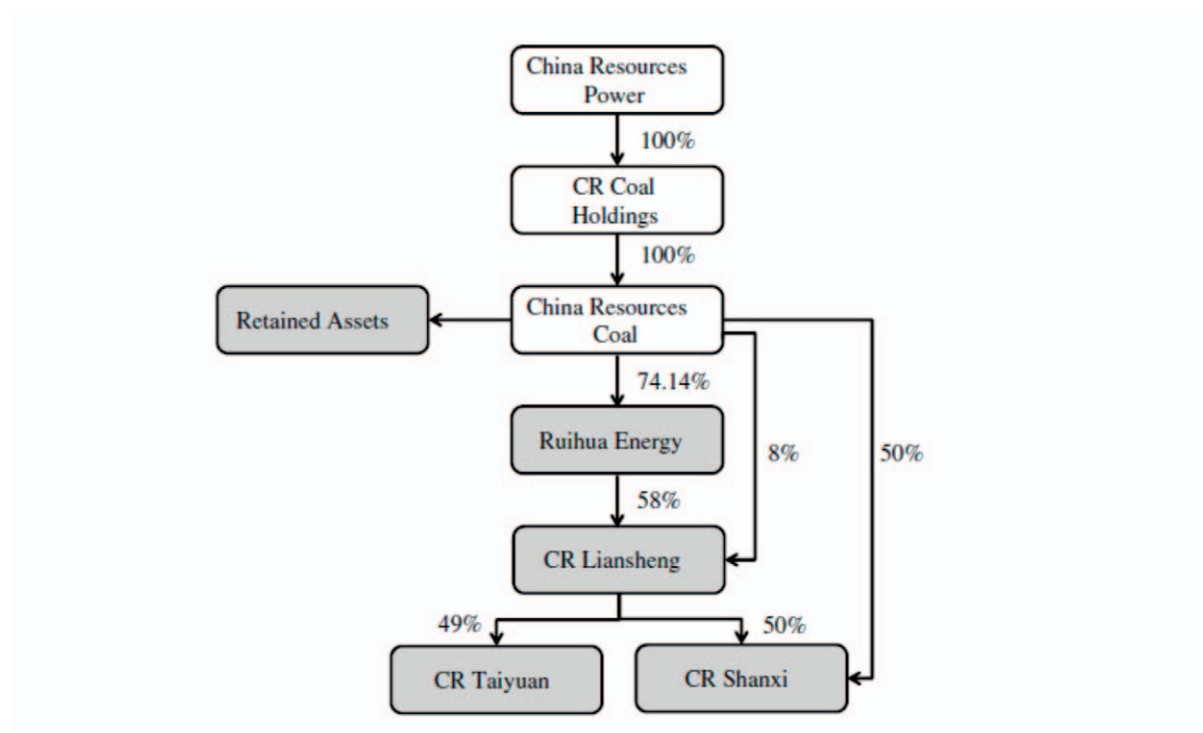
The principal terms of the Transfer Agreements are set out as follows:

Subject Matter

CR Coal Holdings and the Company have agreed to transfer the entire equity interest in China Resources Coal and four of the coal companies under China Resources Coal (the “**Transfer**”), namely (1) Shenzhen Ruihua Energy Investment Co., Limited* (深圳瑞華能源投資有限公司) (“**Ruihua Energy**”); (2) CR Liansheng; (3) CR Shanxi; and (4) CR Taiyuan (collectively, the “**Target Coal Companies**”) and all their coal mines.

The Transfer excludes all other companies and equities, other than the Target Coal Companies and their coal mines, held by China Resources Coal (being the Retained Assets), and in connection with the Transfer, the Retained Assets shall be carved out from China Resources Coal and the Company shall retain the beneficial ownership of the Retained Assets at all times. CR Coal Holdings and the Company shall use their reasonable endeavours to complete, and Guoyuan Company shall assist with, the carve-out of the Retained Assets prior to the change of industrial and administrative registration of China Resources Coal. For the avoidance of doubt, the Company shall retain the beneficial ownership of the Retained Assets at all times even if the carve-out of the Retained Assets has not been completed prior to the change of industrial and administrative registration of China Resources Coal.

Immediately prior to the Transfer, the Company (through its wholly-owned subsidiaries, CR Coal Holdings and China Resources Coal) beneficially owns 74.14%, 51%, 75.5% and 24.99% effective interest in Ruihua Energy, CR Liansheng, CR Shanxi and CR Taiyuan, respectively, and the shareholding structure immediately prior to the Transfer is as follows:



Upon completion of the Transfer, China Resources Coal, Ruihua Energy, CR Liansheng and CR Shanxi will cease to be subsidiaries of the Company.

Consideration and Payment Terms

The equity interest in China Resources Coal and each of the Target Coal Companies shall be acquired by Guoyuan Company at a consideration of RMB1, which was determined after arm's length negotiation among the parties with reference to, among other things, the valuation of China Resources Coal as at 30 June 2018 as assessed by an independent valuer and the book value of China Resources Coal as at 30 June 2018, and is payable by Guoyuan Company within 15 business days after the change of industrial and administrative registration of China Resources Coal.

Transfer and Repayment of Liability

All shareholder loans and accounts receivable in the total amount of approximately RMB21.9 billion owed by China Resources Coal and/or the Target Coal Companies to the Company and/or its subsidiaries (the “**Target’s Debt**”) shall be transferred to and assumed by Shanxi Guoyuan for a consideration of RMB11 billion which was determined after arm’s length negotiation between the parties. Before 28 December 2018, Shanxi Guoyuan or its designated entity shall pay to the Company, or a designated entity of the Company, a first instalment of RMB6 billion of the consideration of the Target’s Debt and the interest accrued thereon commencing 3 September 2018. The remaining RMB5 billion of the consideration of the Target’s Debt and the interest accrued thereon commencing 3 September 2018 shall be paid by Shanxi Guoyuan or its designated entity to the Company, or a designated entity of the Company, within three years after the transfer of the management rights of the Target Coal Companies. Shanxi Guoyuan or its designated entity shall pay all outstanding interest accrued between 3 September 2018 to the date on which the consideration for the transfer is fully paid, and the interest rate thereon shall be calculated on daily basis at the People’s Bank of China’s prevailing benchmark lending rate of the same tenor. Overdue amounts that are not paid based on the dates agreed by the parties are subject to default interests and compound interests in accordance with the charging practices of domestic commercial banks. The Company completed the transfer of the management rights of China Resources Coal and the Target Coal Companies on 3 September 2018.

Establishment of the Agreement

The Transfer Agreements shall be established upon execution by the relevant parties, and thereafter the parties shall (i) file the valuation report with the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (“**SASAC**”) or its designated authority, and obtain the relevant state-owned asset valuation filing record (if necessary); and (ii) obtain approval of the Transfer from SASAC.

Information about China Resources Coal and the Target Coal Companies

Please refer to the Announcement for the details of CR Liansheng, CR Shanxi and CR Taiyuan.

China Resources Coal

China Resources Coal was incorporated in 2012 with a registered capital of RMB200 million, and is the holding company of China Resources Power's main coal assets. Prior to the Transfer, China Resources Coal directly held 74.14% equity interest in Ruihua Energy and beneficially owned 51%, 75.5% and 24.99% effective interest in CR Liansheng, CR Shanxi and CR Taiyuan, respectively. The net profits/losses before and after tax of China Resources Coal for the years ended 31 December 2016 and 2017 and the six months ended 30 June 2018 are set out as follows:

	For the six months ended 30 June 2018	For the year ended 31 December 2017	For the year ended 31 December 2016
	<i>Approximately RMB' million (Unaudited)^(Note 1)</i>	<i>Approximately RMB' million (Unaudited)^(Note 2)</i>	<i>Approximately RMB' million (Unaudited)^(Note 2)</i>
Net profit/(loss) before tax	(562)	683	(2,016)
Net profit/(loss) after tax	(623)	585	(2,018)

Note 1: Inclusive of a one-off disposal loss of RMB 730 million arising from the divestiture of the Retained Assets.

Note 2: Inclusive of the net profit/(loss) of the Retained Assets

The unaudited net asset value of China Resources Coal as at 30 June 2018 was approximately RMB(12,547) million.

Ruihua Energy

Ruihua Energy was incorporated in June 2009 with a registered capital of RMB2,204 million. Ruihua Energy is principally engaged in investment in development of energy enterprises. Prior to the Transfer, Ruihua Energy directly held 58% equity interest in CR Liansheng, which in turn held 50% and 49% equity interest in CR Shanxi and CR Taiyuan, respectively. The net profits/losses before and after tax of

Ruihua Energy for the years ended 31 December 2016 and 2017 and the six months ended 30 June 2018 are set out as follows:

	For the six months ended 30 June 2018	For the year ended 31 December 2017	For the year ended 31 December 2016
	<i>Approximately RMB' million (Unaudited)</i>	<i>Approximately RMB' million (Unaudited)</i>	<i>Approximately RMB' million (Unaudited)</i>
Net profit/(loss)			
before tax	182	832	(952)
Net profit/(loss)			
after tax	121	734	(952)

The unaudited net asset value of Ruihua Energy as at 30 June 2018 was approximately RMB(8,580) million.

Further Information on the Parties

Please refer to the Announcement and the above paragraphs for the details of the Company, China Resources Coal, Guoyuan Company and Target Coal Companies.

CR Project was incorporated in June 2004 and is a wholly-owned subsidiary of the Company. It is principally engaged in power engineering consultancy, technical consultancy, technical services, project company management consultancy and services.

CR Investment was incorporated in October 2006 and is a wholly-owned subsidiary of the Company. It is principally engaged in investments.

Shenzhen Energy was incorporated in September 2007 and is a wholly-owned subsidiary of the Company. It is principally engaged in technology development of clean and renewable energy and related technical consultancy and investment in industrial development.

Shanxi Guoyuan was incorporated in November 2018 and is a wholly-owned subsidiary of Guoyuan Company. It is principally engaged in contractual energy management and enterprise management consultancy.

REASONS FOR AND BENEFITS OF THE TRANSFER

As disclosed in the Announcement, the strategic direction of the Company 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; and will also enable the Company to 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 each of the Transfer Agreements 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 Transfer Agreements.

FINANCIAL IMPACT OF THE TRANSFER AND THE USE OF PROCEEDS

As disclosed in the Announcement, the Company was in the process of ascertaining the potential financial impact of the Transfer at the time of execution of the Equity Transfer Framework Agreement.

Subject to the review of the Company's auditors, based on the consideration of RMB1 and the consideration of the Target's Debt of RMB11 billion, it is expected that the Company will record a loss arising from the Transfer of approximately HK\$3,212 million^(Note 3) upon completion of the Transfer (without taking into consideration foreign exchange impact and the profit and loss accrued by China Resources Coal post 30 June 2018).

Note 3: The amount of approximately HK\$3,212 million is mainly based on the difference between the considerations of Transfer and Target's Debt and the Company and its subsidiaries' share of unaudited net asset value and debt cost in China Resources Coal as at 30 June 2018 (the evaluation reference date).

As disclosed in the Announcement, the Board intends to utilize the proceeds from the Transfer and the consideration of the Target's Debt contemplated under the Transfer Agreements for the Company and its subsidiaries' general working capital and repayment of bank loans.

LISTING RULES IMPLICATIONS

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Guoyuan Company, Shanxi Guoyuan and their respective ultimate beneficial owners are independent third parties. As one or more of the applicable percentage ratios exceed 5% but are less than 25%, the Transfer contemplated under the Transfer Agreements constitutes a discloseable transaction under Chapter 14 of the Listing Rules, and is therefore subject to the announcement requirement but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.12649.

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

Hong Kong, 26 December 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 (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.

** For identification purposes only*