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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

Reference is made to the announcement of the Company dated 2 March 2016 in relation to the Original Joint Venture Agreement entered into between CRP Investment, a wholly-owned subsidiary of the Company, and Beijing Jingneng in relation to the formation of the Joint Venture. The Joint Venture will be engaged in the development of power projects, including a 2×660 MW ultra-supercritical indirect air cooling coal-fired generating units power project in Inner Mongolia. At the request of the Ministry of Commerce of the PRC, the registered capital of the Joint Venture as stated in the Original Joint Venture Agreement is required to be adjusted, and accordingly, on 19 September 2016, the Parties entered into the New Joint Venture Agreement to reflect the adjusted registered capital of the Joint Venture. The Original Joint Venture Agreement is replaced and superseded by the New Joint Venture Agreement in its entirety.

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

Reference is made to the announcement of the Company dated 2 March 2016 in relation to the Original Joint Venture Agreement entered into between CRP Investment, a wholly-owned subsidiary of the Company, and Beijing Jingneng in relation to the formation of the Joint Venture. At the request of the Ministry of Commerce of the PRC, the registered capital of the Joint Venture as stated in the Original Joint Venture Agreement is required to be adjusted, and accordingly, on 19 September 2016, the Parties entered into the New Joint Venture Agreement to reflect

the adjusted registered capital of the Joint Venture. The Original Joint Venture Agreement is replaced and superseded by the New Joint Venture Agreement in its entirety. The principal terms of the New Joint Venture Agreement are set out below.

THE NEW JOINT VENTURE AGREEMENT

Date

19 September 2016

Parties

- (i) CRP Investment; and
- (ii) Beijing Jingneng.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing Jingneng and its ultimate beneficial owner(s) are Independent Third Parties.

Capital Contribution

The total investment amount of the Joint Venture is estimated to be RMB6,195 million, and the registered capital of the Joint Venture will be RMB2,065 million, being 33.34% 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	1,445,500,000	70%
Beijing Jingneng	619,500,000	30%

The Joint Venture will be an indirect non wholly-owned subsidiary of the Company.

The Parties shall pay 30% of their respective capital contribution within three months from the date the Joint Venture obtains its business license, and the remaining portion of their respective capital contribution shall be made based on the actual capital requirement of the Joint Venture, which shall be pro rata to their percentage of equity interest in the Joint Venture and shall be paid within 30 business days upon receipt of payment request from 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 financial resources of the Joint Venture are insufficient, the Parties may provide guarantees to enable the Joint Venture to obtain financing, or provide 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 2×660 MW ultra-supercritical indirect air cooling coal-fired generating units power project in Inner Mongolia.

Board composition

The board of directors of the Joint Venture will consist of seven directors, five of whom will be appointed by CRP Investment, and the remaining two directors will be appointed by Beijing Jingneng. The chairman of the Joint Venture will be appointed by CRP Investment.

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

Beijing Jingneng has strength and abundant resources in the power sector in the PRC, and has great advantage in the power market in the Beijing area. Through the formation of the Joint Venture, the Company and Beijing Jingneng are able to complement the strength of each other and share resources, which is beneficial to the development of the power market and the sale of electricity by the Joint Venture.

The Directors are of the view that the terms of the New 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.

Beijing Jingneng

Beijing Jingneng (stock code: 600578) is a company listed on the Shanghai Stock Exchange engaged in the power business and is a subsidiary of Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司) (Jingneng Group). Its power assets are located in areas such as Hebei, Inner Mongolia, Shanxi, Ningxia and Hubei. As of the end of 2015, Beijing Jingneng had controlling interests in sixteen power generation enterprises and equity interests in ten energy enterprises.

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:

“Beijing Jingneng” Beijing Jingneng Power Company Limited* (北京京能電力股份有限公司), a company established in the PRC with limited liability

“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 (Xilingole) Co., Ltd.* (華潤電力(錫林郭勒)有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Joint Venture Agreement”	the joint venture agreement dated 19 September 2016 entered into between CRP Investment and Beijing Jingneng in relation to the formation of the Joint Venture
“Original Joint Venture Agreement”	the joint venture agreement dated 2 March 2016 entered into between CRP Investment and Beijing Jingneng in relation to the formation of the Joint Venture, which is replaced and superseded by the New Joint Venture Agreement in its entirety
“Parties”	parties to the New Joint Venture Agreement, being CRP Investment and Beijing Jingneng, 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
“%” per cent.

By order of the Board
**CHINA RESOURCES POWER
HOLDINGS COMPANY LIMITED**
ZHOU Junqing
Chairman

Hong Kong, 19 September 2016

As at the date of this announcement, the executive Directors are Ms. ZHOU Junqing, Mr. ZHANG Shen Wen, 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. Elsie LEUNG Oi-sie, Dr. Raymond Kuo-fung CH'IEN and Mr. Jack SO Chak Kwong.

** For identification purposes only*