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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 ACQUISITION OF THE TARGET GROUP

SALE AND PURCHASE AGREEMENT

The Purchaser, a wholly owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendors have agreed to sell the Target Group at a consideration of RMB1,440,060,039.11.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction of the Company under the Listing Rules and is accordingly subject to the announcement requirement under Chapter 14 of the Listing Rules.

None of the Directors was deemed to have material interests in the Agreement and the transactions contemplated thereunder and thus no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

The Board announces that after trading hours on 29 December 2022, the Purchaser, a wholly owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendors have agreed to sell the Target Group at a consideration of RMB1,440,060,039.11.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out as below:

- Date** : 29 December 2022
- Parties** : (i) The Purchaser;
(ii) Vendor 1;
(iii) Vendor 2; and
(iv) Target Company
- Subject matter** : the Purchaser has agreed to purchase, and the Vendors have agreed to sell the Target Group.
- Consideration** : the total consideration is RMB1,440,060,039.11, which was determined on normal commercial terms or better, after arm's length negotiation between the parties, and with reference to the appraised value of the Target Group as at 31 July 2022 ("**Valuation Benchmark Date**") as determined by an independent valuer using the income approach. Such consideration shall be satisfied by the internal resources of the Group.
- Conditions precedent** : the Agreement shall come into effect upon satisfaction of the following conditions:
- (1) the Purchaser having obtained internal authorization and approval for the Acquisition;
 - (2) the Purchaser having completed the filing of relevant valuation involved in the Acquisition.
- Payment of consideration** : the Purchaser shall pay the consideration to the Vendors in the following manner:
- (i) 30% of the total consideration shall be made within twenty Trading Days upon satisfaction of the below conditions:
 - a. the Agreement having been duly executed and delivered to all parties and came into effect; and
 - b. the legal ownership of the Target Company having been transferred to the Purchaser and all relevant filings and registrations having been completed.

- (ii) 60% of the total consideration shall be made within twenty Trading Days upon satisfaction of the below condition:
 - a. completion of the transfer of control of the Target Group.
- (iii) 80% of the total consideration shall be made within twenty Trading Days upon satisfaction of the below condition:
 - a. completion of project audit of the Target Group as at the completion date.
- (iv) the rest of the total consideration, after deducting the RMB10 million deposit reserved for rectification, shall be made within twenty Trading Days upon satisfaction of the below condition:
 - a. all the relevant assets and documents of the Target Group, including financial statements, proof of ownership, contracts, financial vouchers, assets inventories, archival materials, business projects approval documents, bidding documents, technical materials and intellectual property certificates, having been duly delivered to the Purchaser.

Shareholding structure of the Target Group

: the shareholding structure of the Target Group are set out as below:

No.	Subsidiaries	Percentage held by the Target Company
1	Yuncheng Shangyuan New Energy Co., Ltd.* (鄆城上元新能源有限公司), owns the Yuncheng County Yanhuang 50.6MW Wind Power Project (鄆城縣沿黃 50.6兆瓦風電項目)	100%
2	Yuncheng Guangrun New Energy Co., Ltd.* (鄆城廣潤新能源有限公司), owns the Yuncheng Yanhe 50MW Wind Power Project (鄆城沿河 50兆瓦風電項目)	100%
3	Lingbi County Bihui New Energy Development Co., Ltd.* (靈璧縣璧輝新能源開發有限公司), owns the Bihui New Energy Lingbi County Lingnan 50MW Wind Power Project (璧輝新能源靈璧縣靈南 50兆瓦風電項目)	100%
4	Dingyuan County Xunfeng New Energy Development Co., Ltd.* (定遠縣迅風新能源開發有限公司), owns the Xunfeng Dingyuan East 50MW Wind Power Project (迅風定遠東部 50兆瓦風電項目)	100%
5	Huojia County Tengfei Energy Technology Co., Ltd.* (獲嘉縣騰飛能源科技有限公司), owns the Shouhuaxin Energy Henan Huojia 40.5MW Wind Power Project (首華信能源河南獲嘉40.5兆瓦風電項目)	100%
6	Luyi County Brilliant Energy Development Co., Ltd.* (鹿邑縣輝煌能源開發有限公司), owns the Luyi County 100MW Wind Power Project (鹿邑縣 100兆瓦風電項目)	100%
7	Tianjin Qingzhifeng New Energy Technology Co., Ltd.* (天津清之風新能源科技有限公司), owns the 39MW Centralized Wind Power Project and 12.5MW Distributed Wind Power Project in Lianzhuang Town, Ninghe District, Tianjin (天津寧河區廉莊鎮39兆瓦集中式風電項目和12.5兆瓦分散式風電項目)	95%
8	Huai'an Bojing New Energy Co., Ltd. (淮安博景新能源有限公司), owns the Huai'an District Boli County 47.7MW Wind Power Project (淮安區博里鎮 47.7兆瓦風電項目)	94%

The Target Group will be consolidated in the Group as subsidiaries.

Completion conditions

- : the completion is conditional upon:
- (i) there having been no burden, encumbrance or restriction of rights such as entrustment, pledge (except for pledge for financing purposes) and judicial seizure on the shareholders' rights of Vendors in the Target Company and the Target Company in its subsidiaries;
 - (ii) the business projects of the Target Group having all been connected to the grid at full capacity in accordance with the relevant laws and regulations and the requirements of government authorities, and each subsidiary of the Target Company has obtained a legally valid electricity business licence (power generation category);
 - (iii) the Agreement and other transaction documents (if applicable) having been duly executed and delivered;
 - (iv) representations and warranties of the Vendors remain true, accurate and complete in all respects and are not misleading in any way from the date of the Agreement to the Completion and all the relevant obligations of the Vendors having been duly performed;
 - (v) there having been no occurrence of material adverse events;
 - (vi) no law or government order having been formulated, issued, promulgated, implemented or passed that would make the Acquisition illegal, or restrict or prohibit the Acquisition;
 - (vii) no claims that have arisen or may arise that may restrict the Acquisition, or that may render the Acquisition unenforceable or illegal.

The Vendors agree that they shall use their best endeavours to procure above conditions precedent being satisfied within 30 Trading Days from the effective date of the Agreement. The Vendors shall, within five Trading Days upon the satisfaction of the aforesaid conditions precedent, send to the Purchaser a written notice (the "**Notice**") confirming that such conditions precedent have been satisfied.

Completion

- : the legal ownership of the Target Company shall be transferred to the Purchaser and all relevant filings and registrations shall be completed within 10 Trading Days upon the Notice having been issued by the Vendors.

The Vendors shall also duly deliver the business licence, seal and stamp, the list of bank accounts opened and the U shield, KEY, secret key and related login name and password related to all bank accounts of the Target Group to the Purchaser.

FINANCIAL INFORMATION OF THE TARGET GROUP

As at the Valuation Benchmark Date, the carrying amount of the net assets of the Target Company was RMB546,712,000, and the appraised value was RMB1,659,268,500.

Relevant financial information of the Target Group in 2020 is unavailable as all its business projects started to operate since the end of 2020.

Set out below is the audited consolidated financial information of the Target Company for the year ended 31 December 2021 and seven months ended 31 July 2022.

	For the year ended 31 December 2021 (RMB) (audited)	For the seven months ended 31 July 2022 (RMB) (audited)
Net profit before taxation	231,869,765.18	118,783,134.56
Net profit after taxation	231,869,765.18	116,469,604.42

The original acquisition costs of the Target Group by Vendors are RMB74,806,000. The reason for the difference between the original acquisition costs and the current consideration of the Acquisition is that after the acquisition of the Target Group, the Vendors had paid the costs of engineering, procurement, construction and other expenses for the Target Group by increasing the registered capital of the Target Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Group owns wind power projects with capacity of 440.3MW, mainly locating in the central-eastern region of China which is highly compatible with the development area of the Company. The Group expect synergy effect to be created thereby. The resources controlled by the Target Group are of high quality. The Acquisition will further improve the development of the Group's renewable energy sector, which is in line with the overall development strategy of the Group.

The Board (including the independent non-executive Directors), is of the view that the transaction under the Agreement is conducted in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF PARTIES

The Group

The Company was incorporated in Hong Kong with limited liability and the Shares 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 CRH with 62.94% equity interests and public shareholders with 37.06% equity interests. The ultimate beneficial owner of the Company is CRNC which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC. The Purchaser is a wholly owned subsidiary of the Company and is principally engaged in investment in renewable energy fields including wind and photovoltaic power generation.

Target Group

The Target Company was incorporated in the PRC with limited liability and is owned by Vendor 1 with 99.999% equity interests and Vendor 2 with 0.001% equity interest. The Target Group is principally engaged in renewable energy power generation technology development, renewable energy technology research and development, renewable energy power generation, power station development, construction, operation, power production and sales.

Vendor 1

Vendor 1 is principally engaged in equity investment and industry investment. It has three general partners, namely, each of CRP Investment (Shenzhen), a wholly-owned subsidiary of the Company, and Hanwei Runneng, an indirect non-wholly-owned subsidiary of CR Capital, controls 0.15% equity interest of Vendor 1 and Guoxin Guorun controls 0.03% equity interest of Vendor 1. Among the limited partners, China Merchants Securities Asset Management owns 45% equity interests, CRP Project Service owns 12.25% equity interests, CR Venture Capital owns 12.75% equity interests and other independent limited partners own the rest of the equity interests of Vendor 1. Further details of Vendor 1 are set out in the announcement of the Company dated 1 February 2018.

Vendor 2

Vendor 2 is principally engaged in enterprise management consulting and marketing planning. It is owned by Chen Zhi with 36% equity interests, Xia Meng with 28% equity interests, Zhao Jianjian with 21% equity interests and Xiong Haibo with 15% equity interests. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the aforesaid individuals are independent third parties.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction of the Company under the Listing Rules and is accordingly subject to the announcement requirement under Chapter 14 of the Listing Rules.

None of the Directors was deemed to have material interests in the Agreement and the transactions contemplated thereunder and thus no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

PROFIT FORECASTS UNDER THE VALUATION REPORT

According to the Valuation Report dated 8 November 2022 issued by the Valuer, the Valuer mainly applied the discounted cash flow method under the income approach and based on certain assumptions in the valuation to appraise the value of the Target Group, which constitutes a profit forecast under Rule 14.61 of the Listing Rules and the requirements of Rule 14.60A and 14.62 of the Listing Rules are therefore applicable.

Main Assumptions

For the valuation of the market value of the entire equity interests in the Target Group, the Valuer has mainly adopted the income approach and the following valuation assumptions:

General Assumptions

1. *Transaction Assumption*

The transaction assumption assumes that all assets to be appraised are already in the process of being transacted, and the Valuer simulates the market for appraisal according to the transaction conditions of the appraised assets. The transaction assumption is one of the most basic preconditional assumptions for the performance of an asset appraisal.

2. *Open Market Assumption*

The open market assumption assumes that as for the subject assets transacted in the market, or the subject assets to be transacted in the market, both parties to the transaction have equal footings and have the opportunity and time to obtain sufficient market information, so as to make a rational judgment on the functions, use and transaction price of the subject assets. The open market assumption is based on the fact that the subject assets can be publicly traded in the market.

3. *Going-concern Assumption*

The going-concern assumption refers to such an assumption that, the subject assets will continue to be used as per its current purpose and the manner, scale, frequency and environment of use, or continue to be used on the basis of certain change therein, and the Valuer determines the method, parameters and basis for appraisal accordingly.

Special Assumptions

1. During the forecast period, there will be no significant changes in the external economic environment, national macro-economy and industrial policies, trade policies and tax policies, in which the main operating entities of the Target Group are located.
2. There will be no significant changes in the future social and economic environment where the Target Group are located and the policies (such as tax policies and tax rates) that have been implemented where the Target Group are located.
3. There will be no major changes to the market environment and competitive relationship involved in/with the main business of the Target Group and its subsidiaries.

4. The future operation and management team of the Target Group will be diligent in their duties, maintain its core composition, continue to maintain the existing operation strategies and continue to operate the Target Group. The Target Group will maintain their business cooperation with their current suppliers and customers, and there will be no significant impact on the business development, cost control and other operating activities of the Target Group.
5. The future principal business, revenue and cost composition and operation strategies of the Target Group will remain consistent with recent years without any significant changes. Profit or loss that may be realised or incurred as a result of the changes in the main business conditions, which may be caused by future changes in the management, operation strategies and business environment will not be considered.
6. For future business operations, there will be no significant changes in the expenses incurred by the Target Group as compared to current levels, and the Target Group will maintain their recent trend for expenses.
7. In view of the frequent changes or significant changes in a company's monetary funds or the bank deposits in the course of operation, as for the financial expenses under the valuation, the Valuer neither took into account the interest income generated by the deposits nor considered the uncertain gains or losses such as the exchange gains or losses.
8. It is assumed that the basic information and financial information provided by the Vendors and the Target Group are true, accurate and complete.
9. For bank borrowings, new borrowings and repayments in future periods will occur at the end of the period, and interest expenses on bank borrowings are estimated on the basis of the opening balance of borrowings in each period.
10. The various wind power projects of the Target Group have been connected to the grid, but the declaration of subsidies for individual projects has not yet been completed and not all subsidies from the national renewable energy development fund have been obtained as of the Valuation Benchmark Date. The valuation assumes a three-year delay in the recovery of aforementioned subsidies for each of the subsidiaries.

Confirmation

The Reporting Accountants (as defined below) have been engaged to report on the calculations of the discounted cash flows used in the valuation prepared by the Valuer. The Reporting Accountants have reported that so far as the calculations are concerned, the discounted cash flows have been properly compiled in all material aspects in accordance with the bases and assumptions as set out in the valuation. The text of the report issued by the Reporting Accountants in relation to the calculations of the discounted cash flows is set out in Appendix I to this announcement for the purpose under Rule 14.62(2) of the Listing Rules.

A letter from the Board, confirming that the profit forecast in the valuation has been made after due and careful enquiry by the Board, is set out in Appendix II to this announcement.

Experts

The following are the qualifications of experts who have provided opinions and/or suggestions contained in this announcement:

Name	Qualification
China United Assets Appraisal Group Co., Ltd.	Independent valuation firm with asset valuation qualification in PRC
Deloitte Touche Tohmatsu (the “ Reporting Accountants ”)	certified public accountants

Each of the experts mentioned above has given and none of the experts has withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names included herein in the form and context in which it is included.

As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, as far as the Directors are aware, none of the experts nor their respective subsidiaries mentioned above had, or had had, any direct or indirect interest in any material assets which have been since 31 December 2021 (being the date to which the latest published audited consolidated accounts of the Company were made up) acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Target Company by the Purchaser;
“Agreement”	the sale and purchase agreement dated 29 December 2022 entered into between the Purchaser and the Vendors in relation to the Acquisition;
“Audit”	a special audit conducted by an accounting firm appointed by the Purchaser on the Target Group;
“Board”	The board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan;

“China Merchants Securities Asset Management”	China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司), a limited liability company established in the PRC which is wholly owned by China Merchants Securities Co., Ltd., a company listed on the Stock Exchange (stock code: 6099) and Shanghai Stock Exchange (stock code: 600999);
“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;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, which is ultimately owned by CRNC;
“CR Capital”	China Resources Capital Management Limited (華潤資本管理有限公司), a company incorporated in Hong Kong with limited liability, and a subsidiary of CRH;
“CR Venture Capital”	China Resources Venture Capital (Tianjin) Co., Ltd.* (華潤投資創業(天津)有限公司), an indirect non-wholly-owned subsidiary of CR Capital;
“CRNC”	China Resources National Corporation* (中國華潤有限公司), a company incorporated in the PRC with limited liability and the ultimate holding company of the Company;
“CRP Investment (Shenzhen)”	Shenzhen China Resources Power Investment Company Limited* (深圳市潤電投資有限公司), a wholly-owned subsidiary of the Company established in the PRC;
“CRP Project Service”	China Resources Power Project Service Co., Ltd.* (華潤電力工程服務有限公司), a direct wholly-owned subsidiary of the Company established in the PRC;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guoxin Guorun”	Guoxin Guorun (Hangzhou) Investment Management Company Limited* (國新國潤(杭州)投資管理有限公司), an independent third party;
“Hanwei Runneng”	Hanwei Runneng Equity Investment (Tianjin) Company Limited* (漢威潤能股權投資(天津)有限公司), an indirect non-wholly-owned subsidiary of CR Capital;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;

“independent third party(ies)”	third party(ies) who/which is/are not connected person(s) of the Group;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“Purchaser”	China Resources New Energy Investment Co., Ltd. (華潤新能源投資有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Guangdong Runneng New Energy Co., Ltd.* (廣東潤能新能源有限公司), a company incorporated in the PRC with limited liability and is owned by Vendor 1 with 99.999% equity interests and Vendor 2 with 0.001% equity interest;
“Target Group”	the Target Company and its subsidiaries;
“Trading Day”	a day on which the Stock Exchange is open for business;
“Vendor 1”	Guangdong Run Innovation Energy Equity Investment Fund Partnership (Limited Partnership) (廣東潤創新能源股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC;
“Vendor 2”	Shanghai Orange Xu Enterprise Management Partnership (Limited Partnership)* (上海橙緒企業管理合夥企業(有限合夥)), a limited partnership established in the PRC;
“Vendors”	Vendor 1 and Vendor 2.

* For identification purposes only

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

Hong Kong, 29 December 2022

As at the date of this announcement, the Board of the Company comprises three non-executive directors, namely Mr. WANG Chuandong (Chairman), Mr. LIU Guixin and Mr. CHEN Guoyong; three executive directors, namely Mr. SHI Baofeng, Mr. ZHANG Junzheng and Ms. WANG Xiao Bin; and four independent non-executive directors, namely Ms. LEUNG Oi-sie, Elsie, Dr. CH’IEN Kuo-fung, Raymond, Mr. SO Chak Kwong, Jack and Mr. YANG Yuchuan.

APPENDIX I

The following is the text of the report dated 29 December 2022 from the Reporting Accountants, prepared for inclusion in this announcement.

Independent Assurance Report on the Calculations of Discounted Future Estimated Cash Flows

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF 100% EQUITY INTEREST IN GUANGDONG RUNNENG NEW ENERGY CO., LTD (廣東潤能新能源有限公司)

TO THE DIRECTORS OF CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司) dated 8 November 2022 in respect of 100% equity interests in Guangdong Runneng New Energy Co., Ltd (廣東潤能新能源有限公司) (the “**Target Company**”) as at 31 July 2022 (the “**Valuation**”) are based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in an announcement dated 29 December 2022 to be issued by China Resources Power Holdings Company Limited (the “**Company**”) in connection with the discloseable transaction for the acquisition of the Target Group (as defined in the announcement) (the “**Announcement**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 December 2022

APPENDIX II — LETTER FROM THE BOARD

The following is the text of the letter dated 29 December 2022 from the Board prepared for inclusion in this announcement.

To: The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sir/Madam,

Company : **China Resources Power Holdings Company Limited (Stock Code: 836) (the “Company”)**

Re : **Profit Forecast — Confirmation letter under the requirements of Rule 14.62(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”)**

Reference is made to the announcement of the Company dated 29 December 2022 in relation to the valuation report dated 8 November 2022 (the “**Valuation Report**”) prepared by China United Assets Appraisal Group Co., Ltd. (the “**Valuer**”). The Valuer adopted income approach in valuation of Guangdong Runneng New Energy Co., Ltd.* (廣東潤能新能源有限公司) and its subsidiaries.

The board of directors of the Company (the “**Board**”) has reviewed the basis and assumptions of the valuation and discussed the same with the Valuer. The Board has also considered the report issued by Deloitte Touche Tohmatsu on 29 December 2022 in relation to the calculations of the profit forecast in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the board of directors of the Company confirmed that the profit forecast used in the aforesaid Valuation Report has been made after due and careful enquiry.

The Board of Directors
**CHINA RESOURCES POWER
HOLDINGS COMPANY LIMITED**

29 December 2022