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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 28 June 2022 in relation to, among other things, the Framework Agreement entered into between CRH and the Company in relation to the cooperation on the Integrated Energy Projects.

As the demand on the Integrated Energy Projects by CRH Group is anticipated to exceed the original projection, the original annual cap for the Integrated Energy Projects for each of the two financial years ending 31 December 2023 and 31 December 2024 is expected to be insufficient. Accordingly, on 19 October 2023, CRH and the Company entered into the Supplemental Framework Agreement to revise the annual caps for the Integrated Energy Projects for the two financial years ending 31 December 2023 and 31 December 2024, respectively. Save for the revision of the annual caps for the Integrated Energy Projects, all terms and conditions of the Framework Agreement (including the pricing policy and payment arrangement) remain unchanged.

As at the date of this announcement, CRH, being the controlling shareholder of the Company with 62.94% equity interests, is a connected person of the Company under the Listing Rules and entering into the Framework Agreement (including the Supplemental Framework Agreement) with CRH would constitute continuing connected transactions of the Company. As the applicable percentage ratios of the Company calculated based on the revised annual caps for the Integrated Energy Projects exceed 0.1% but are less than 5%, the revision of such annual caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 28 June 2022 in relation to, among other things, the Framework Agreement entered into between CRH and the Company in relation to the cooperation on the Integrated Energy Projects.

As the demand on the Integrated Energy Projects by CRH Group is anticipated to exceed the original projection, the original annual cap for the Integrated Energy Projects for each of the two financial years ending 31 December 2023 and 31 December 2024 is expected to be insufficient. Accordingly, on 19 October 2023, CRH and the Company entered into the Supplemental Framework Agreement to revise the annual caps for the Integrated Energy Projects for the two financial years ending 31 December 2023 and 31 December 2024, respectively.

Save for the revision of the annual caps for the Integrated Energy Projects, all terms and conditions of the Framework Agreement remain unchanged.

SUPPLEMENTAL FRAMEWORK AGREEMENT

Revised Annual Caps

Pursuant to the Supplemental Framework Agreement, the revised annual caps for the transactions contemplated under Framework Agreement (i.e. the Integrated Energy Projects) for the two financial years ending 31 December 2023 and 31 December 2024 are set out as follows:

For the financial year ending 31 December 2023 (RMB)		For the financial year ending 31 December 2024 (RMB)	
Original annual cap	Revised annual cap	Original annual cap	Revised annual cap
200,000,000	300,000,000	200,000,000	400,000,000

In assessing the revised annual caps, the Board has considered the increasing pace and progress of the Integrated Energy Projects taking into account that the government has been vigorously developing the integrated energy industry, the historical transaction amount (the transaction amount from January to September 2023 in particular), and the expected transaction amount of existing projects and new projects covered by the Framework Agreement (a number of which have completed agreements signing).

Others

Save for the revision of the annual caps for the Integrated Energy Projects, all terms and conditions of the Framework Agreement (including the pricing policy and payment arrangement) remain unchanged.

For the financial year ended 31 December 2022, the transaction amount of Integrated Energy Projects under the Framework Agreement did not exceed the relevant annual cap for that financial year. In addition, from 1 January 2023 to the date of this announcement, the transaction amount of Integrated Energy Projects under the Framework Agreement has not exceeded the original annual cap for the financial year ending 31 December 2023.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT AND THE SUPPLEMENTAL FRAMEWORK AGREEMENT

The transactions contemplated under the Framework Agreement serve as a good opportunity for the Group to explore the possibility to develop integrated energy business which is in line with the government's policy of "carbon peak and carbon neutrality". The transactions may also enhance the scale and the profitability of the Group's integrated energy sector. Entering into the Supplemental Framework Agreement and increasing the annual caps would enable the Group to leverage the strengths and resources of other business units of CRH and build a stable and mutually-beneficial relationship between the Group and other business units for the development of integrated energy business.

Having considered the above factors, the Board (including the independent non-executive Directors) considers that the Framework Agreement and the Supplemental Framework Agreement and the transactions contemplated thereunder (together with the revised annual caps) are negotiated on an arm's length basis and are on normal commercial terms or better, in the interests of the Company and the Shareholders as a whole, fair and reasonable and in the ordinary and usual course of business of the Group.

INFORMATION OF THE CONTRACT 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 investing, developing, operating and managing wind farms, photovoltaic power plants, hydro-electric power plants and other clean and renewable energy projects and coal-fired power plants in China. The Company is owned by CRH with 62.94% equity interests. The ultimate beneficial owner of the Company is CRC which is beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

CRH

CRH was incorporated in Hong Kong with limited liability and is ultimately owned by CRC with 100% equity interests. It carries out comprehensive business in the Chinese mainland and Hong Kong, including consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CRH, being the controlling shareholder of the Company with 62.94% equity interests, is a connected person of the Company under the Listing Rules and entering into the Framework Agreement (including the Supplemental Framework Agreement) with CRH would constitute continuing connected transactions of the Company. As the applicable percentage ratios of the Company calculated based on the revised annual caps for the Integrated Energy Projects exceed 0.1% but are less than 5%, the revision of such annual caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since none of the Directors had a material interest in the aforementioned transactions, none of the Directors should abstain from voting on the relevant Board resolution.

DEFINITIONS

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

“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;
“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 CRC;
“CRH Group”	CRH and its subsidiaries (excluding the Group for the purpose of this announcement);
“CRC”	China Resources Company Limited (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;
“Directors”	the directors of the Company;
“Framework Agreement”	the “Framework Agreement in relation to the Cooperation on Integrated Energy Projects”, which was entered into between CRH and the Company on 28 June 2022 for the period from 28 June 2022 to 31 December 2024;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;

“Integrated Energy Projects”	the energy projects provided by the Group to CRH Group pursuant to the Framework Agreement and the Supplemental Framework Agreement, including: that the Group will utilize the rooftops and relevant storage and operation space of CRH Group to install photovoltaic power station facilities and will supply power and provide integrated energy services to CRH Group after photovoltaic power stations are put into operation; the Group will also utilize the waste steam, heat and pressure to construct power generation projects to supply power and provide integrated energy services to CRH Group; and the Company will take advantage of its power industry resources to construct energy storage and cold storage projects to supply power and provide integrated energy services to CRH Group based on the peak-to-trough price difference of CRH Group’s power consumption throughout the whole day and in accordance with its energy consumption needs and conditions;
“Listing Rules”	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;
“Shares”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Supplemental Framework Agreement”	the supplemental agreement to Framework Agreement in relation to the cooperation on Integrated Energy Projects, which was entered into between CRH and the Company on 19 October 2023, to revise the annual caps of transactions under the Framework Agreement.

By order of the Board
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
SHI Baofeng
Chairman

Hong Kong, 19 October 2023

As at the date of this announcement, the Board of the Company comprises three executive Directors, namely Mr. SHI Baofeng (Chairman), Mr. ZHANG Junzheng and Mr. SONG Kui; three non-executive Directors, namely Mr. ZHOU Bo, Mr. ZHANG Yingzhong and Mr. CHEN Guoyong; 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.