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CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

華潤電力控股有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 423,798,196 SHARES AND
NOT MORE THAN 432,269,896 SHARES
IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TEN SHARES
HELD ON THE RECORD DATE AT HK\$14.00 PER RIGHTS SHARE**

Financial Advisers to the Company

**Goldman
Sachs**

J.P.Morgan

Underwriter to the Rights Issue

China Resources (Holdings) Company Limited

In order to strengthen the Company's capital base and position it to capture further opportunities as they arise, the Company proposes the Rights Issue comprising not less than 423,798,196 Rights Shares at the Subscription Price of HK\$14.00 per Rights Share on the basis of one (1) Rights Share for every ten (10) existing Shares held on the Record Date, based on the total number of Shares in issue as at the date of this announcement. The subscription monies payable by China Resources Holdings under the Rights Issue, amounting to approximately HK\$3,850,000,000 to subscribe for its entitlements and up to HK\$2,083,174,744 by virtue of its underwriting commitment under the Underwriting Agreement as the Underwriter, will be settled by China Resources Holdings assuming an equal amount of debt presently owing from the Group to China Resources National Corporation, the ultimate controlling shareholder of both the China Resources Holdings and the Company. To the extent that other Qualifying Shareholders exercise in full their rights under the Rights Issue, the latter amount will be reduced and the Company will instead receive up to HK\$2,083,174,744 in cash before expenses from other Qualifying Shareholders.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every ten (10) existing Shares held on the Record Date. Fractional entitlements to Rights Shares will not be provisionally allotted but will be aggregated and allotted to satisfy excess applications and/or sold for the benefit of the Company.

The Rights Issue is not available to the Non-Qualifying Shareholders.

As at the date of this announcement, the Company has outstanding Share Options in respect of 152,089,000 Shares, of which Share Options in respect of 84,717,000 Shares have been vested.

The Rights Issue is fully underwritten by the Underwriter and is conditional upon the fulfillment of the conditions set out under the section headed "Conditions of the Rights Issue" below. If the conditions are not fulfilled, the Rights Issue will not proceed. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (see section headed "Termination of the Underwriting Agreement" below). Accordingly, the Rights Issue may or may not proceed. Potential investors should exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser(s). Moreover, investors' attention is drawn to the section headed "Warning of the risk of dealing in the Shares and the nil-paid Rights Shares" below.

The last day of dealing in the Shares on a cum-rights basis is Wednesday, 17 June 2009. The Shares will be dealt with on an ex-rights basis from Thursday, 18 June 2009. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 29 June 2009 to Tuesday, 7 July 2009 (both days inclusive). To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as a member of the Company on the Record Date, any transfer of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009. The Acceptance Date is expected to be on Friday, 10 July 2009 or such later date as the Company and the Underwriter may agree. Any dealings in the Shares from now up to the time the Rights Issue becomes unconditional (which is expected to be 4:00 p.m. on Tuesday, 14 July 2009), or in the Rights Shares in nil-paid form on the Stock Exchange during the period in which they may be traded in their nil-paid form, will bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares and/or nil-paid Rights Shares are recommended to consult their own professional adviser(s).

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

The Company will despatch the Rights Issue Documents to each of the Qualifying Shareholders and the Prospectus to each of the Non-Qualifying Shareholders (if any), for their information only, as soon as practicable.

In order to strengthen the Company's capital base and position it to capture further opportunities as they arise, the Company proposes the Rights Issue at the Subscription Price of HK\$14.00 per Rights Share on the basis of one (1) Rights Share for every ten (10) existing Shares held on the Record Date, comprising not less than 423,798,196 Rights Shares based on the total number of Shares in issue as at the date of this announcement. The subscription monies payable by China Resources Holdings under the Rights Issue, amounting to approximately HK\$3,850,000,000 to subscribe for its entitlements and up to HK\$2,083,174,744 by virtue of its underwriting commitment under the Underwriting Agreement as the Underwriter, will be settled by China Resources Holdings assuming an equal amount of debt presently owing from the Group to China Resources National Corporation, the ultimate controlling

shareholder of both China Resources Holdings and the Company. To the extent that other Qualifying Shareholders exercise in full their rights under the Rights Issue, the latter amount will be reduced and the Company will instead receive up to HK\$2,083,174,744 in cash before expenses from other Qualifying Shareholders.

ISSUE STATISTICS OF THE RIGHTS ISSUE

Basis of the Rights Issue:	One (1) Rights Share for every ten (10) Shares held on the Record Date by the Qualifying Shareholders
Subscription Price:	HK\$14.00 per Rights Share
Number of Shares in issue :	4,237,981,969 Shares as at the date of this announcement
Number of Shares which may be issued pursuant to the vested Share Options:	84,717,000 Shares
Number of Rights Shares:	Not less than 423,798,196 Rights Shares (assuming none of the Share Options is exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009) with an aggregate nominal value of HK\$423,798,196 Not more than 432,269,896 Rights Shares (assuming all of the vested Share Options are exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009) with an aggregate nominal value of HK\$432,269,896
Underwriter:	China Resources Holdings
Underwriting Commission:	Nil
Minimum enlarged issued share capital upon completion of the Rights Issue:	4,661,780,165 Shares
Maximum enlarged issued share capital upon completion of the Rights Issue:	4,754,968,865 Shares

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional new Shares which may be allotted and issued pursuant to the exercise of the Share Options at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009. As at the date of this announcement, the Company has outstanding Share Options in respect of 152,089,000 Shares, of which Share Options in respect of 84,717,000 Shares have been vested. If all the subscription rights attaching to the vested Share Options are duly exercised and Shares are allotted and issued pursuant to such exercise at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009, the number of issued Shares could increase to 4,322,698,969. The number of Rights Shares that may be issued pursuant to the Rights Issue and the enlarged share capital upon completion of the Rights Issue could correspondingly increase to 432,269,896 and 4,754,968,865, respectively. As at the date of this announcement, save and except for the outstanding Share Options (both vested and unvested), the Company has no outstanding securities or warrants in issue which confer any right to subscribe for or convert or exchange into Shares.

The nil-paid Rights Shares to be provisionally allotted pursuant to the terms of the Rights Issue represent 10% of the Company's existing issued share capital as at the date of this announcement or approximately 9.09% of the enlarged issued share capital of the Company immediately after the completion of the Rights Issue assuming that none of the Share Options is exercised before such completion.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The purpose of the Rights Issue is to strengthen the Company's capital base, augment its overall financial position, and provide more flexibility to enable the Company to capture any development and expansion opportunities which may arise in the future, including development and acquisition of additional coal reserves in the PRC, development of renewable energy plants (including construction of wind farms and hydro-electric plants) and construction of large-scale, efficient coal-fired generation units.

The Directors and senior management of the Company are confident of the long-term prospects of China's macro-economy and power industry, and aim to ensure that the Company is well-positioned to capture any development and expansion opportunities that may arise. In line with the Company's set business strategies, the Company plans to make further investments in large coal reserves in the PRC in order to secure its future fuel supply and competitive advantages in cost of production. The Company will also make further investments in the renewable energy sector, particularly the construction of wind farms and hydro-electric plants. The Directors believe this will not only enable the Company to discharge its environmental and social responsibilities, but also enable the Company to generate a steady stream of income

and satisfactory return for the Shareholders. In addition, the Company will continue to invest in large-scale, efficient coal-fired generation units in the more affluent regions in the PRC which the Company believes will generate a satisfactory return for the Shareholders.

Unlike borrowings or issuance of debt securities, the Rights Shares to be issued under the Rights Issue will form part of the equity capital of the Company which will become a stable and long-term capital source and strengthen the balance sheet of the Company, providing more flexibility to finance its expansion needs in the future. Furthermore, the Rights Issue is fully underwritten by China Resources Holdings, the Company's controlling shareholder, which demonstrates its confidence and conviction in the Company's future and growth prospects. In addition, the Directors believe that the Rights Issue is the preferred mode of securing such equity funding as it provides the Company's existing Shareholders with equal access to participate in such potential future growth.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole for the reasons mentioned above.

USE OF PROCEEDS

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

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional advisory fees, printing and translation expenses, of approximately HK\$10 million, will be borne by the Company. After taking into account the estimated expenses in relation to the Rights Issue set out above, the net subscription price per Rights Share is expected to be approximately HK\$13.98.

The net proceeds from the Rights Issue, after the deduction of all estimated expenses payable by the Company, are estimated to be approximately HK\$5,923 million. The Directors currently intend to apply the net proceeds from the Rights Issue as follows:

- approximately HK\$3,850 million (representing the subscription monies payable by China Resources Holdings by taking up its entitlements under the Rights Issue) will be used to strengthen the Company's financial position and equity base by China Resources Holdings assuming an equal amount of debt presently owing from the Group to China Resources National Corporation;

- the balance of the net proceeds of approximately HK\$2,073 million will be used:
 - (a) to the extent that China Resources Holdings is required to subscribe for more Rights Shares pursuant to the Underwriting Agreement, to strengthen the Company's financial position and equity base by China Resources Holdings assuming an equal amount of debt presently owing from the Group to China Resources National Corporation; and
 - (b) as to the remainder, being the proceeds from other Qualifying Shareholders' exercise of their rights under the Rights Issue, to enhance the Company's cash position.

The resulting strengthened capital base, and potentially enhanced cash position, will enhance the resources available to the Company for financing its investments in any development and expansion opportunities that may arise in the future, including any opportunity that may arise for its development and acquisition of additional coal reserves in the PRC, development of renewable energy plants (including construction of wind farms and hydro-electric plants) and construction of large scale, efficient coal-fired generation units, as well as for general working capital purposes.

As at 31 December 2008, the aggregate amount of debt owing from the Group to China Resources National Corporation, the ultimate controlling shareholder of both China Resources Holdings and the Company, was approximately HK\$5,527 million.

QUALIFYING SHAREHOLDERS

The Company will send the Rights Issue Documents to the Qualifying Shareholders and, for information purposes only, the Prospectus to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder. Application for all or part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

In order to be registered as a member of the Company on the Record Date in respect of any Shares, the holders must have lodged a transfer of such Shares (together with the relevant share certificate(s)) with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009. Holders of the Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with and subject to their respective terms and conditions at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009 in order to be entitled to participate in the Rights Issue.

RIGHTS OF THE NON-QUALIFYING SHAREHOLDERS

The Rights Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

Based on the register of members of the Company, as at the date of this announcement, the Company has a total of 31 Overseas Shareholders.

In determining whether there will be Non-Qualifying Shareholders, if on the Record Date there are any Overseas Shareholders, the Company will instruct its legal advisers to make enquiry regarding the applicable legal restrictions (if any) and regulatory requirements (if any) of the relevant jurisdictions outside Hong Kong in connection with extending the Rights Issue to such Overseas Shareholders. The Company will comply with all necessary requirements specified in Rule 13.36(2) of the Listing Rules and will only exclude from the Rights Issue those Overseas Shareholders whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions, consider it necessary or expedient to exclude. The basis of exclusion of such Overseas Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus.

The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL or EAF to the Non-Qualifying Shareholders.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Shareholders who are determined to be Non-Qualifying Shareholders, if any, to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, will be distributed pro rata to such Non-Qualifying Shareholders provided that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for applications for excess Rights Shares by the Qualifying Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Monday, 22 June 2009 to Wednesday, 24 June 2009, both days inclusive, for the purposes of determining entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

SUBSCRIPTION PRICE

The Subscription Price of HK\$14.00 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotments under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- a discount of approximately 21.88% to the closing price of HK\$17.92 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 19.56% to the average closing price of HK\$17.40 per Share for the five consecutive trading days up to and including the Last Trading Day;
- a discount of approximately 16.91% to the average closing price of HK\$16.85 per Share for the ten consecutive trading days up to and including the Last Trading Day;
- a discount of approximately 20.29% to the theoretical ex-rights price of HK\$17.56 per Share based on the closing price of HK\$17.92 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- a premium of approximately 116.72% to the audited net asset value (excluding minority interests) as at 31 December 2008 of HK\$6.46 per Share.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing Share prices for the ten consecutive trading days up to the Last Trading Day and the current financial position of the Group.

As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the subscription price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. The Directors are of the view that it is common in the Hong Kong market to issue rights shares at a discount to the market price and consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

BASIS OF PROVISIONAL ALLOTMENTS

One (1) Rights Share (in nil-paid form) for every ten (10) Shares held by Qualifying Shareholders on the Record Date.

STATUS OF THE RIGHTS SHARES

When allotted, issued and fully paid, the Rights Shares will rank pari passu with the then existing Shares in issue in all respects. Holders of such Rights Shares will receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

CERTIFICATES FOR THE RIGHTS SHARES AND REFUND CHEQUES FOR THE RIGHTS ISSUE

Subject to the fulfilment of the conditions of the Rights Issue, certificates for the fully-paid Rights Shares and refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted by ordinary post to those entitled thereto on or before Monday, 20 July 2009 at their own risk. One share certificate will be issued for all the Rights Shares allotted to an applicant. Dealings in the fully-paid Rights Shares are expected to commence on or about Wednesday, 22 July 2009.

FRACTIONAL ENTITLEMENTS TO THE RIGHTS SHARES

Fractional entitlements to Rights Shares will not be provisionally allotted. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted to a nominee appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold in the market. The net proceeds of such sale will be retained by the Company for its own benefit. Any unsold Rights Shares will be made available for excess application.

APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders shall be entitled to apply for any unsold entitlements of the Shareholders who are determined to be Non-Qualifying Shareholders, any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders, and any unsold Rights Shares created by aggregating fractions of the Rights Shares.

Applications may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings; and

- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess Rights Shares in proportion to the Shares held by them on the Record Date, and with board lot allocations to be made on a best effort basis.

Shareholders or potential investors should note that the number of excess Rights Shares which may be allocated to them may be different where they make applications for excess Rights Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders/investors. Shareholders and investors whose Shares are held by a nominee company should note that for the purposes of the principles above, the Board will regard the nominee company (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders and investors whose Shares are registered in the name of the nominee companies should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names and apply for the excess Rights Shares themselves.

Shareholders and investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for completion of the relevant registration at or before 4:30 p.m. on Friday, 19 June 2009.

SHARE OPTIONS AND ADJUSTMENTS TO THE SHARE OPTIONS GRANTED BY THE COMPANY

As at the date of this announcement, the Company has outstanding Share Options in respect of 152,089,000 Shares, of which Share Options in respect of 84,717,000 Shares have been vested.

The Rights Issue will cause adjustments to the subscription price and/or the number of Shares to be issued under the outstanding Share Options (both vested and unvested) under the terms of the Share Option Schemes. Adjustments to certain terms of the Share Options shall be made pursuant to the Share Option Schemes and in compliance with Rule 17.03(13) of the Listing Rules. Auditors will be engaged by the Company to confirm to the Directors in writing that such adjustments satisfy the requirements under Rule 17.03(13) of the Listing Rules. The Company will inform the Share Optionholders of the Share Options of such adjustments accordingly by written notice to each of the Share Optionholders.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no such listing or permission to deal is being or is proposed to be sought, on any other stock exchange.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 Shares (as the Shares are currently traded on the Stock Exchange in board lots of 2,000 Shares). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy and any other applicable fees and charges in Hong Kong.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional, amongst other things, on:

1. the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof;
2. the delivery to the Stock Exchange and the registration by the Registrar of Companies in Hong Kong on or prior to the Prospectus Posting Date of the Rights Issue Documents (and all other documents required to be attached thereto) in compliance with the Companies Ordinance and the Listing Rules;
3. the posting on the Prospectus Posting Date of copies of the Rights Issue Documents to the Qualifying Shareholders and a letter from the Company (in a form to be approved by the Stock Exchange) explaining the treatment of Non-Qualifying Shareholders to the Non-Qualifying Shareholders accompanied by a copy of the Prospectus stamped “For Information Only”;
4. the provisional allotment of the Rights Shares to the Qualifying Shareholders by the posting of the Rights Issue Documents to the Qualifying Shareholders on the Prospectus Posting Date, as well as the provisional allotment of the Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, and those Rights Shares created by the aggregation of fractions of Rights Shares, to a nominee appointed by the Company, in each case in nil-paid form on or before the Prospectus Posting Date; and
5. the Listing Committee of the Stock Exchange agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on or before the Prospectus Posting Date and such listing and permission not having been withdrawn or revoked at or before 4:00 p.m. on the third Business Day following the Acceptance Date.

The conditions set out above are not capable of being waived. If any of the above conditions are not fulfilled at or before the time and date specified therein or, in the absence of such specification, by 4:00 p.m. on the Allotment Date (or such later time and/or date as the Company and the Underwriter may agree in writing), the Underwriting Agreement will terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and neither the Company nor the Underwriter shall have any claim against the other party save that the Company shall reimburse the Underwriter all reasonable costs and expenses incurred by it in connection with the Rights Issue. If the Underwriting Agreement terminates in accordance with its terms, the Rights Issue will not proceed and the Undertaking Letter given by China Resources Holdings will lapse.

UNDERWRITING ARRANGEMENTS

Undertaking from China Resources Holdings

As at the date of this announcement, China Resources Holdings, as the legal and beneficial owner, is interested in 2,750,000,000 Shares in total, representing approximately 64.89% of the existing issued share capital of the Company. China Resources Holdings will receive a pro rata entitlement to Rights Shares in its capacity as a Shareholder. China Resources Holdings has undertaken to the Company to take up all of the Rights Shares to be provisionally allotted to it on a pro rata basis in full.

Settlement

The parties to the Underwriting Agreement have agreed that the aggregate amount of the subscription monies in respect of any Rights Shares to be taken up by the Underwriter as the underwriter to the Rights Issue, in the event of under-subscription of the Rights Issue, will be settled by China Resources Holdings assuming an equal amount (as determined by the Company) of debt presently owing from the Group to China Resources National Corporation.

The Directors consider that this arrangement set out above is fair and reasonable insofar as the Shareholders are concerned.

Principal terms of the Underwriting Agreement

Date: 4 June 2009 (after the trading hours on the Stock Exchange)

Underwriter: China Resources Holdings

Number of the Underwritten Rights Shares:	Not less than 148,798,196 Rights Shares (assuming none of the Share Options is exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009);
	Not more than 157,269,896 Rights Shares (assuming all of the vested Share Options are exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009).

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional upon, among other things:

- (i) delivery of the Undertaking Letter duly executed by China Resources Holdings to the Company having honoured its obligations to take up its proportional entitlement to the Rights Shares;
- (ii) all necessary approvals, permits, waivers, consents and authorisations having been obtained for the Rights Issue, the provisional allotment and allotment of the Rights Shares;
- (iii) the Stock Exchange granting or agreeing to grant (subject to allotment) listing of, and permission to deal in, all the Rights Shares, in their nil-paid and fully-paid forms, by not later than Thursday, 25 June 2009 and Monday, 20 July 2009, respectively, and such listing not being revoked prior to 4:00 p.m. on the day which is the third Business Day following the Acceptance Date;
- (iv) the delivery on or before the Prospectus Posting Date of one such signed copy of each of the Rights Issue Documents to the Underwriter and the Stock Exchange;
- (v) the filing and registration on or prior to the Prospectus Posting Date of one such signed copy of each of the Rights Issue Documents (and all other documents required to be attached) with the Registrar of Companies in Hong Kong, complying with the requirements of the Companies Ordinance;
- (vi) the posting of the Rights Issue Documents to the Qualifying Shareholders on or before the Prospectus Posting Date; and
- (vii) the Underwriting Agreement becoming unconditional and not being terminated by the Underwriter.

If any of the above conditions are not fulfilled or waived at or before the time and date specified therein or, in the absence of such specification, the Allotment Date (or such later time and/or date as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and neither the Company nor the Underwriter shall have any claim against the other party save that the Company shall reimburse the Underwriter all reasonable costs and expenses incurred by it in connection with the Rights Issue.

Restriction on Issue of Shares etc. by the Company

The Company has undertaken to the Underwriter that:

- (a) except for (i) the Rights Shares to be allotted and issued pursuant to the Rights Issue and (ii) any Shares or other securities or rights issued or granted to the Shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with its articles of association or on the exercise of any other rights (including the Share Options) existing at the date of this Underwriting Agreement; and
- (b) except with the prior written consent of the Underwriter (which may be given or withheld at the absolute discretion of the Underwriter),

from the date of the Underwriting Agreement up to 90 days after the first day of trading of the Rights Shares in fully-paid form on the Stock Exchange, the Company will not (i) allot or issue or sell or offer to allot or issue or sell or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for or purchase Shares, or deposit Shares with a depository in connection with the issue of depository receipts, or (ii) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any Shares or has an effect on the market in the Shares similar to that of a sale of interest in Shares or repurchase any Shares or (iii) offer or agree or announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may, in its reasonable discretion, terminate the Underwriting Agreement at any time prior to 4:00 p.m. on the Allotment Date if:

(A) there shall develop, occur, exist or come into effect:

- (i) any new law or regulation or any change or prospective change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the PRC or any other place in which any member of the Group conducts or carries on business; or
- (ii) any change or prospective change in, or any event or series of events resulting or likely to result in any change in local, national or international financial, political, military, industrial, economic, currency or (whether or not sui generis with any of the foregoing) market conditions; or
- (iii) any change or prospective change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise); or
- (iv) any material change in the business or in the financial or trading position or prospects of the Group; or
- (v) any act of God, war, riot, public disorder, any outbreak or escalation of hostilities, declaration of emergency, calamity, crisis, epidemic, terrorism or any event or a series of events beyond the control of the Underwriter; or
- (vi) any suspension in the trading of the Shares on the Stock Exchange; or
- (vii) any litigation against any member of the Group by a third party; or
- (viii) any moratorium on commercial banking activities having been declared by the PRC or Hong Kong authorities,

which, in the reasonable opinion of the Underwriter:

- (a) is likely to have a material adverse effect on the Company or the Group or the Rights Issue; or

- (b) is likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) is so material as to make it inadvisable or inexpedient for the Company to proceed with the Rights Issue; or
- (B) there comes to the notice of the Underwriter:
- (i) any matter or event showing any of the representations and warranties or any undertakings of the Company under the Underwriting Agreement to be untrue or misleading or as having been breached in any respect; or
 - (ii) any change or development involving a prospective change in Hong Kong taxation or exchange control which will or may materially and adversely affect the Group or a material proportion of the existing Shareholders in their capacity as such.

In the event the Underwriter exercises its rights to terminate the Underwriting Agreement, with certain exceptions, the obligations of the parties shall cease and be null and void and none of the parties shall, save in respect of any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the others arising out of or in connection with the Underwriting Agreement.

Pursuant to Rule 14A.31(3)(c) of the Listing Rules, the entering into the Underwriting Agreement constitutes an exempted connected transaction of the Company and is therefore exempt from the reporting, announcement and independent shareholders approval requirements.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

NON-DISPOSAL UNDERTAKING

China Resources Holdings has undertaken to the Company that, it shall not without the prior written consent of the Company and unless in compliance with the Listing Rules, at any time from the date of this announcement up to 90 days after the first day of trading of the Rights Shares in fully-paid form on the Stock Exchange, offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any of the Shares (including the Rights Shares) in respect of which it is shown in this announcement to be the beneficial owner.

SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE RIGHTS ISSUE

Based on the best knowledge of the Directors and the public filings made pursuant to the SFO, the Company's current shareholding structure and its shareholding structure as a result of the Rights Issue will be as follows:

(a) Assuming none of the Share Options is exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009

	Current shareholding		Immediately upon completion of the Rights Issue Assuming none of the Shareholders (save for China Resources Holdings) take up the Rights Shares and China Resources Holdings as the Underwriter takes up all of the Underwritten Rights Shares			
	No. of Shares	%	Assuming all the Shareholders take up their respective provisional allotments of the Rights Shares in full		Assuming all the Shareholders take up their respective provisional allotments of the Rights Shares in full	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Controlling Shareholder						
China Resources Holdings (<i>Note</i>)	2,750,000,000	64.89	3,025,000,000	64.89	3,173,798,196	68.08
Directors						
Song Lin	1,260,000	0.03	1,386,000	0.03	1,260,000	0.03
Wang Shuai Ting	3,450,000	0.08	3,795,000	0.08	3,450,000	0.07
Tang Cheng	2,028,000	0.05	2,230,800	0.05	2,028,000	0.04
Zhang Shen Wen	2,388,000	0.05	2,626,800	0.05	2,388,000	0.05
Wang Xiao Bin	2,480,000	0.06	2,728,000	0.06	2,480,000	0.05
Jiang Wei	840,000	0.02	924,000	0.02	840,000	0.02
Chen Xiao Ying	53,355,969	1.26	58,691,565	1.26	53,355,969	1.15
Anthony H. Adams	18,000	0.00	19,800	0.00	18,000	0.00
Public Shareholders						
Public	1,422,162,000	33.56	1,564,378,200	33.56	1,422,162,000	30.51
Total	<u>4,237,981,969</u>	<u>100.00</u>	<u>4,661,780,165</u>	<u>100.00</u>	<u>4,661,780,165</u>	<u>100.00</u>

(b) Assuming all of the vested Share Options are exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009

	Current shareholding		Immediately upon completion of the Rights Issue Assuming none of the Shareholders (save for China Resources Holdings) take up the Rights Shares and China Resources Holdings as the Underwriter takes up all of the Underwritten Rights Shares			
	No. of Shares	%	Assuming all the Shareholders take up their respective provisional allotments of the Rights Shares in full		Assuming none of the Shareholders (save for China Resources Holdings) take up the Rights Shares and China Resources Holdings as the Underwriter takes up all of the Underwritten Rights Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Controlling Shareholder						
China Resources Holdings (<i>Note</i>)	2,750,000,000	64.89	3,025,000,000	63.62	3,182,269,896	66.93
Directors						
Song Lin	1,260,000	0.03	2,662,000	0.06	2,420,000	0.05
Wang Shuai Ting	3,450,000	0.08	5,181,000	0.11	4,710,000	0.10
Tang Cheng	2,028,000	0.05	2,230,800	0.05	2,028,000	0.04
Zhang Shen Wen	2,388,000	0.05	2,758,800	0.06	2,508,000	0.05
Wang Xiao Bin	2,480,000	0.06	3,608,000	0.08	3,280,000	0.07
Jiang Wei	840,000	0.02	1,408,000	0.03	1,280,000	0.03
Chen Xiao Ying	53,355,969	1.26	58,691,565	1.23	53,355,969	1.12
Anthony H. Adams	18,000	0.00	151,800	0.00	138,000	0.00
Wu Jing Ru	0	0.00	132,000	0.00	120,000	0.00
Chen Ji Min	0	0.00	88,000	0.00	80,000	0.00
Ma Chiu Cheung, Andrew	0	0.00	88,000	0.00	80,000	0.00
Public Shareholders						
Public	<u>1,422,162,000</u>	<u>33.56</u>	<u>1,652,968,900</u>	<u>34.76</u>	<u>1,502,699,000</u>	<u>31.61</u>
Total	<u>4,237,981,969</u>	<u>100.00</u>	<u>4,754,968,865</u>	<u>100.00</u>	<u>4,754,968,865</u>	<u>100.00</u>

Note:

China Resources Holdings is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by China Resources Co., Limited, which is in turn held as to approximately 99.98% by China Resources National Corporation. Each of China Resources National Corporation, China Resources Co., Limited and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the share capital of the Company as those of China Resources Holdings.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Last day of dealings in Shares on a cum-rights basis	Wednesday, 17 June 2009
First day of dealings in Shares on an ex-rights basis	Thursday, 18 June 2009
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 19 June 2009
Register of members of the Company closed (both days inclusive)	Monday, 22 June 2009 Wednesday, 24 June 2009
Record Date	Wednesday, 24 June 2009
Despatch of the Rights Issue Documents	Thursday, 25 June 2009
Register of members re-opens	Thursday, 25 June 2009
First day of dealings in nil-paid Rights Shares	Monday, 29 June 2009
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Thursday, 2 July 2009
Last day of dealings in nil-paid Rights Shares	Tuesday, 7 July 2009
Latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares (<i>Note</i>)	4:00 p.m. on Friday, 10 July 2009

Latest time for the termination of
the Underwriting Agreement and
for the Rights Issue to become
unconditional4:00 p.m. on Tuesday, 14 July 2009

Announcement of results of the Rights IssueThursday, 16 July 2009

Despatch of refund cheques in respect of
unsuccessful applications for the excess
Rights Shares on or beforeMonday, 20 July 2009

Despatch of certificates for
fully-paid Rights Shares on or beforeMonday, 20 July 2009

Commencement of dealings
in fully-paid Rights Shares9:30 a.m. on Wednesday, 22 July 2009

Note: If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on the latest date for acceptance for the offer of Rights Shares at any time between 12:00 noon and 4:00 p.m., the latest acceptance time for the offer of the Rights Shares will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY BEFORE THE DATE OF THIS ANNOUNCEMENT

The Company has not engaged in or initiated any equity fund raising exercise during the 12 months immediately before the date of this announcement or any rights issue exercise prior to such 12-month period.

WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, based on information currently available to them, in the absence of unforeseen circumstances and assuming daily business operations and conditions remain unchanged, the Group will have sufficient working capital for its present requirements at least up to the completion of the Rights Issue.

As required by the Listing Rules, the Prospectus will include a statement about the Directors’ opinion as to whether the Group will have sufficient working capital for its present requirements following the completion of the Rights Issue. The statement will be made after detailed analysis and due and careful enquiries by the Directors, and will be subject to review by the Company’s reporting accountants.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional, inter alia, upon the fulfilment of the conditions set out above under the section headed “Conditions of the Rights Issue”. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the failure to satisfy certain conditions precedent, unless waived, or on the occurrence of certain events, including but not limited to force majeure, as described above under the section headed “Termination of the Underwriting Agreement”. Accordingly, the Rights Issue may or may not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings: -

“Acceptance Date”	the latest date for acceptance of, and payment for, the Rights Shares and application for the excess Rights Shares;
“Allotment Date”	the third Business Day after the Underwriter has been notified by the Company pursuant to the Underwriting Agreement of the aggregate number of Underwritten Rights Shares which have not been taken up;
“Board”	the board of Directors;
“Business Day”	a day, other than a Saturday and a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours;

“China Resources Holdings”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated under the laws of Hong Kong and the controlling shareholder of the Company holding approximately 64.89% of its issued share capital as at the date of this announcement;
“China Resources National Corporation”	China Resources National Corporation* (中國華潤總公司), a company incorporated in the PRC holding an effective interest of approximately 99.98% in China Resources Holdings and the ultimate holding company of the Company;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“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;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	director(s) of the Company;
“EAF(s)”	application form(s) for excess Rights Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Last Trading Day”	4 June 2009, being the last full trading day of the Shares before the publication of this announcement;
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;

“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Director(s), based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares on account of either legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in such place;
“Overseas Shareholder(s)”	Shareholder(s) with registered addresses (as shown in the register of members of the Company on the Record Date) outside Hong Kong;
“PAL(s)”	provisional allotment letter(s) for the Rights Issue;
“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Prospectus Posting Date”	the date of despatch of the Prospectus;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date;
“Record Date”	Wednesday, 24 June 2009, or such later date as the Board may adopt for determining the entitlement of the Qualifying Shareholders to subscribe for the Rights Shares;
“Rights Issue”	the issue of the Rights Shares by the Company on the basis of one (1) Rights Share for every ten (10) Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue Documents;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);

“Rights Share(s)”	not less than 423,798,196 new Shares (assuming none of the Share Options is exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009) and not more than 432,269,896 new Shares (assuming all of the Share Options are exercised at or before 4:30 p.m. (Hong Kong time) on Friday, 19 June 2009) to be offered to the Qualifying Shareholders for subscription pursuant to the Rights Issue;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“Share(s)”	the ordinary share(s) of a nominal value of HK\$1.00 each in the share capital of the Company;
“Share Option(s)”	share option(s) granted under the Share Option Schemes and outstanding as at the date of this announcement;
“Share Option Schemes”	the pre-IPO share option scheme and the share option scheme adopted by the Company on 6 October 2003;
“Share Optionholder(s)”	holders of the Share Options;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$14.00 per Rights Share;
“Undertaking Letter”	the letter dated 4 June 2009 from China Resources Holdings to the Company to undertake the subscription in full of China Resources Holdings’ entitlement under the Rights Issue on the terms and subject to the conditions set out therein;
“Underwriter”	China Resources Holdings;
“Underwriting Agreement”	the underwriting agreement dated 4 June 2009 entered into between the Company and the Underwriter in relation to the Rights Issue;

“Underwritten Rights Shares”

all of the Rights Shares, other than those Rights Shares undertaken to be subscribed by China Resources Holdings, fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement;

“%”

per cent.

By Order of the Board
**CHINA RESOURCES POWER HOLDINGS
COMPANY LIMITED**

Wang Xiao Bin

Executive Director and Company Secretary

Hong Kong, 4 June 2009

As at the date of this announcement, the executive Directors are Mr. SONG Lin, Mr. WANG Shuai Ting, Mr. TANG Cheng, Mr. ZHANG Shen Wen and Ms. WANG Xiao Bin; the non-executive Directors are Mr. JIANG Wei and Ms. CHEN Xiao Ying; and the independent non-executive Directors are Mr. Anthony H. ADAMS, Mr. WU Jing Ru, Mr. CHEN Ji Min and Mr. MA Chiu-Cheung, Andrew.

* *For identification purposes only*