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華潤電力控股有限公司
China Resources Power Holdings Company Limited
(Incorporated in Hong Kong)
(Company Number: 836)



華潤燃氣控股有限公司
China Resources Gas Group Limited
(Incorporated in Hong Kong)
(Company Number: 1193)

J I T A C E M E T

CHI A E CE E H LDI G C M A LIMITED
A D

CHI A E CE GA G LIMITED
T F M E E E G G DE
CHI A E CE (H LDI G) C M A LIMITED

T H G H T H E A C I T I F
CHI A E CE GA G LIMITED
T B E I M L E M E T E D B A F A C H E M E F A A G E M E T
T H A T C T T T E
A M A J A D C E D E D T A A D I F
CHI A E CE E H LDI G C M A LIMITED

A D

E M T I F T A D I G

F r t C r (H) C mp L m t



F r t C r F r t C r
r H C mp L m t G Gr p L m t

Morgan Stanley



I T D I

The respective boards of directors of CR Power and CR Gas have been informed by CR Holdings, their common controlling shareholder, to consider the feasibility and advantages of combining their businesses under one energy group. After due consideration, the boards of directors of CR Power and CR Gas are pleased to announce the Proposed Merger, which, if implemented, will be in the combination of CR Power and CR Gas through the acquisition of CR Gas by CR Power with the objective of forming an integrated energy and utility group with a presence in more than 20 provinces, autonomous regions and municipalities in China. In this regard, it is also the intention of CR Power to change its name to “China Resources Energy Holdings Limited” “華潤能源控股有限公司” upon completion of the Proposed Merger.

T H E E D M E G E

T r a n s a c t i o n s m e n t i o n e d

The CR Gas Optionholder who holds 2,000 outstanding CR Gas Share Options exercised the CR Gas Share Options on 9th May, 2013 and CR Gas is processing his application and it is expected the allotment and issue of 2,000 CR Gas Shares will be completed on or before 13th May, 2013. Based on the Share Exchange Ratio, 2,157,292,484 Consideration Shares will be issued by CR Power for the cancellation of all the Scheme Shares, under a Specific Mandate to be proposed and granted to the directors of CR Power at the EGM.

The Share Exchange Ratio was determined on the basis of, among other things, the prevailing closing prices of CR Power Shares and CR Gas Shares prior to the publication of this announcement and the two companies' earnings, cashflows, dividends and attributable assets.

C o n d i t i o n s

The Scheme is conditional upon the satisfaction or valid waiver, as applicable, of the conditions described in the section headed "Conditions of the Scheme" below. All Conditions will have to be satisfied or validly waived, as applicable, on or before a long-stop date to be set out in the Scheme Document, otherwise the Scheme will not become effective. Such long-stop date is expected to be no later than 90 days after the date to be scheduled for the Court Meeting and the SGM or such later date as may be proposed by CR Gas and permitted by the Executive. When all of the Conditions are satisfied or validly waived, as applicable, the Scheme will become effective and binding on CR Gas and all the Scheme Shareholders.

r e s t r i c t i o n s

As at the date of this announcement, there are 2,224,012,871 CR Gas Shares in issue, comprising 1,423,183,791 CR Gas Shares held directly or indirectly by CR Holdings and CR Power Concert Parties, representing some 63.99% of the issued share capital of CR Gas, and 800,829,080 CR Gas Shares held by other shareholders of CR Gas, representing some 36.01% of the issued share capital of CR Gas. CR Holdings and other parties acting in concert with CR Power will, in compliance with the Takeovers Code, abstain from voting at the Court Meeting but not the SGM. All CR Gas Independent Shareholders shall be entitled to vote at the Court Meeting and the SGM other than the trustee of the CR Gas Award Trust, under which terms, is not entitled to exercise any voting rights attaching to the CR Gas Shares held by the trust.

As at the date of this announcement, CR Holdings also held indirectly 3,025,001,999 CR Power Shares, representing some 63.32% of the issued share capital of CR Power. Upon completion of the Proposed Merger, the percentage shareholding of CR Holdings in CR Power will amount to approximately 63.52%, which is about the same percentage as its original shareholding interests in each of CR Gas and CR Power prior to the Proposed Merger.

CR Gas Board

The CR Gas Board will apply to the Stock Exchange for the withdrawal of the listing of CR Gas Shares on the Stock Exchange immediately following the effective date of the Scheme. The CR Gas Board intends that the listing of CR Gas Shares on the Stock Exchange shall be maintained in the event that the Scheme is not approved or does not become effective.

Major transaction for CR Power

Since the highest of the applicable percentage ratios of the transactions contemplated under the Proposed Merger exceeds 25% but is below 100%, the Proposed Merger constitutes a major transaction for CR Power under the Listing Rules. In addition, since CR Holdings is the controlling shareholder of both CR Power and CR Gas, the Proposed Merger constitutes a connected transaction for CR Power under the Listing Rules. As such, the Proposed Merger and the issue of Consideration Shares under the Specific Mandate will be subject to the approval of the CR Power Independent Shareholders at the EGM.

GENERAL

CR Power IBC

The CR Power IBC comprising all the independent non-executive directors of CR Power has been formed to advise CR Power Independent Shareholders in relation to the Proposed Merger as a connected transaction. CR Power will appoint an independent financial adviser to advise the CR Power IBC and CR Power Independent Shareholders in respect of the Proposed Merger.

CR Gas IBC

The CR Gas IBC comprising all the independent non-executive directors of CR Gas has been formed to advise CR Gas Independent Shareholders in relation to the Scheme. Platinum Securities Company Limited has been appointed as the independent financial adviser to advise the CR Gas IBC and CR Gas Independent Shareholders in respect of the Scheme.

D e s c r i p t i o n o f t h e S c h e m e

A circular containing, amongst others, further information on the Proposed Merger, the advice from the independent financial adviser to CR Power IBC and CR Power Independent Shareholders, notice of EGM to be held for the purposes of considering and, if thought fit, approving, among other matters, the Proposed Merger as a major and connected transaction and the issue of Consideration Shares will be despatched to the CR Power Shareholders on or before 31st May, 2013 in accordance with the Listing Rules.

A Scheme Document containing, amongst others, further information on the Proposed Merger, the recommendation from the CR Gas IBC in respect of the Proposed Merger, the advice from the independent financial adviser to the CR Gas IBC in respect of the Proposed Merger, and notices of the Court Meeting and the SGM of CR Gas to be held for the purposes of considering and, if thought fit, approving, among other matters, the transactions contemplated under the Proposed Merger including the Scheme will be despatched to CR Gas Shareholders as soon as practicable in accordance with the Takeovers Code.

W a i t i n g f o r t r a d i n g

At the request of CR Power and CR Gas, trading in the listed securities of both companies on the Stock Exchange was suspended with effect from 9:00 a.m. on 6th May, 2013 pending the release of this announcement. Application has been made by both companies to the Stock Exchange for the resumption of trading in their respective listed securities with effect from 9:00 a.m. on 10th May, 2013.

T h e S t o c k E x c h a n g e h a s a p p r o v e d t h e a p p l i c a t i o n s o f b o t h C R P o w e r a n d C R G a s f o r t h e r e s u m p t i o n o f t r a d i n g i n t h e i r r e s p e c t i v e l i s t e d s e c u r i t i e s w i t h e f f e c t f r o m 9:00 a.m. o n 10th M a y, 2013.

INTRODUCTION

The respective boards of directors of CR Power and CR Gas have been informed by CR Holdings, their common controlling shareholder to consider the feasibility and advantages of combining their businesses under one energy group. After due consideration, the boards of directors of CR Power and CR Gas are pleased to announce the Proposed Merger which, if implemented, will result in the combination of CR Power and CR Gas through the acquisition of CR Gas by CR Power with the objective of forming an integrated energy and utility group with a presence in more than 20 provinces, autonomous regions and municipalities in China.

The Proposed Merger will be implemented by way of a scheme of arrangement for CR Gas under Section 99 of the Companies Act whereby all Scheme Shares will be cancelled in consideration for the issue of Consideration Shares to the Scheme Shareholders. The Proposed Merger will also constitute a major and connected transaction for CR Power under the Listing Rules.

Upon the Scheme becoming effective, CR Gas will issue 1,000,000 new CR Gas Shares to CR Power such that CR Gas will become a wholly owned subsidiary of CR Power, and the CR Gas Board will immediately thereafter, make an application for the withdrawal of listing of CR Gas Shares on the Stock Exchange.

THE PROPOSED MERGER

Set out below are the terms of the Proposed Merger:

TERMS

Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled and, in consideration thereof, all Scheme Shareholders will be entitled to receive:

For every 100 CR Gas Shares held by a Scheme Shareholder, he/she shall be entitled to receive 100,000 CR Power Shares.

For every 100 CR Gas Shares held by a Scheme Shareholder, he/she shall be entitled to receive 100,000 CR Power Shares.

The above terms shall be subject to the terms and conditions of the Scheme.

T . S a . E a . R a .

Based on the closing share price of CR Power Shares of HK\$25.40 per share as at the Last Trading Day and the Share Exchange Ratio of 0.97 CR Power Share for every Scheme Share cancelled, the consideration for each Scheme Share is equivalent to a value of approximately HK\$24.64 and represents:

- (1) a premium of approximately 12.77% over the closing price of HK\$21.85 per CR Gas Share as quoted on the Stock Exchange on the Last Trading Date;
- (2) a premium of approximately 15.25% over the average closing price of HK\$21.38 per CR Gas Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (3) a premium of approximately 15.25% over the average closing price of HK\$21.38 per CR Gas Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (4) a premium of approximately 368.44% over the audited consolidated net asset value of approximately HK\$5.26 per CR Gas Share as at 31st December, 2012

The Share Exchange Ratio was determined on the basis of, among other things, the prevailing closing prices of CR Power Shares and CR Gas Shares prior to the publication of this announcement and the two companies' earnings, cashflows, dividends and attributable assets.

Under the Proposed Merger, Scheme Share with a net asset value per share of approximately HK\$5.26 and earnings per share of approximately HK\$0.82 will effectively be exchanged to Consideration Share with a higher net asset value per share of approximately HK\$11.35 and earnings per share of approximately HK\$1.59, representing an increase of 115.78% and 93.90% respectively, based on the audited consolidated financial statements of CR Gas and CR Power for the year ended 31st December, 2012.

During the six months preceding the date of this announcement, the highest closing price of CR Gas Shares quoted on the Stock Exchange was HK\$22.60 on 12th April, 2013 and the lowest closing price of CR Gas Shares quoted on the Stock Exchange was HK\$15.92 on 4th January, 2013.

During the six months preceding the date of this announcement, the highest closing price of CR Power Shares quoted on the Stock Exchange was HK\$25.40 on 29th April, 30th April, and 3rd May, 2013 and the lowest closing price of CR Power Shares quoted on the Stock Exchange was HK\$15.96 on 9th November, 2012.

The CR Gas Optionholder who holds 2,000 outstanding CR Gas Share Options exercised the CR Gas Share Options on 9th May, 2013 and CR Gas is processing his application and it is expected the allotment and issue of 2,000 CR Gas Shares will be completed on or before 13th May, 2013. A total of 2,157,292,484 Consideration Shares will be issued for the Proposed Merger under a Specific Mandate to be proposed and granted to the directors of CR Power at the EGM. The Consideration Shares, when allotted and issued as fully paid, will rank pari passu in all respects with all the existing CR Power Shares. There is no restriction on the subsequent sale of the Consideration Shares. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Under the Scheme, fraction of CR Power Shares will not be issued to any Scheme Shareholder. Fractional entitlements to CR Power Shares will be aggregated and sold on the market, the proceeds of which will be retained for the benefit of CR Energy Group.

E EA CHEME HA EH LDE

Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to accept Consideration Shares under the Proposed Merger to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any taxes, duties and other amounts required to be paid in such jurisdictions. Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to CR Gas and CR Power that those local laws and requirements have been complied with. Scheme Shareholders who are in doubt as to such position, are advised to consult professional advisers.

CHEME HA EH LDE DE T HE C GA EM L EE I CE T I E A A D CHEME

Subsequent to the termination in 2008 of the share option scheme of CR Gas adopted on 26th November, 2001 (and subsequently amended on 21st February, 2002), CR Gas has no share option schemes outstanding. The CR Gas Share Options were granted prior to the termination of the share option scheme of CR Gas.

CR Gas adopted an incentive award scheme for employees on 1st December, 2008, which was amended to become the present form of the CR Gas Cash Award Scheme

on 16th March, 2010. The CR Gas Cash Award Scheme is subject to the administration of the CR Gas Board. For the purposes of the CR Gas Cash Award Scheme, the trustee of the CR Gas Award Trust holds, and, when required pursuant to the terms of the CR Gas Award Trust, sells CR Gas Shares to raise cash to satisfy payment of cash awards granted to and vested in employees of CR Gas under the CR Gas Cash Award Scheme. As at the date of this announcement, a total of 53,546,984 CR Gas Shares, representing approximately 2.4% of the issued share capital of CR Gas, are held by the trustee for the CR Gas Award Trust. There is no outstanding award granted which has not been vested under the CR Gas Cash Award Scheme. The trustee is not permitted by the terms of the CR Gas Award Trust to acquire any further CR Gas Shares other than those CR Gas Shares already held by the trustee as at the time the incentive award scheme was revised to become the CR Gas Cash Award Scheme in 2010. The trustee does not have any power to exercise the voting rights⁴(2010.)-3. u

Environmental concerns and energy security issues are one of the core focuses of the Chinese Government and clear targets have been set up in order to achieve the goals of emission reduction and environmental protection. The Chinese government has, for example, targeted to increase the percentage of natural gas contribution to primary energy consumption to 7.5% by 2015 from 4.4% in 2010. In addition, natural gas consumption is expected to increase from 130.7 billion cubic meters (bcm) in 2011 to 230.0 bcm by 2015. As such, following the Proposed Merger, CR Energy Group aims to explore upstream business opportunities in natural gas production from conventional natural gas, coal mine methane, coke oven gas, coal gasification and other unconventional gas sources such as coal bed methane and shale gas. For example, the Chinese Government has set specific targets to: a) increase coal mine methane production from 7.5 bcm in 2010 to 14.0 bcm in 2015; b) increase coal bed methane production from 1.5 bcm in 2010 to 16.0 bcm by 2015; and c) increase shale gas production to 60.0-100.0 bcm by 2020 in the *12th Five-Year Plan for CBM (CMM) Exploration and Utilization* and the *Shale Gas Development Plan (2011-2015)*. CR Energy Group may also consider building additional midstream infrastructure such as LNG liquefaction facilities and regasification terminals, LNG trucking facilities to deliver natural gas to CR Gas' existing downstream natural gas distribution networks. The directors of CR Power and CR Gas believe that CR Energy Group is well positioned to explore business opportunities in natural gas production because: (1) CR Power already owns some coal mine resources which have reserves for coal bed methane and coal mine methane; (2) CR Gas has an established end user base for natural gas with a gas sales volume of 9.3 bcm in 2012 and approximately 14.2 million connected customers across 20 provinces at the end of 2012; and (3) CR Power's gas-fired power plants create demand for natural gas that may be supplied by the CR Energy Group in the future. CR Power currently has an attributable gas-fired power generation installed capacity of 77 megawatt (MW) in operation as of December 31, 2012 and plans to construct more gas-fired power plants in the future.

In addition to natural gas production, the directors of CR Power and CR Gas consider distributed power generation may be another attractive area for business growth. Distributed power generation normally refers to power generation from small-scale power generation units from various fuel sources including but not limited to natural gas, wind, solar, hydro and biomass. Accordingly, distributed power generation is generally perceived as a clean and environmentally friendly source of energy because the main fuel sources are typically derived from natural gas and renewable sources of energy. Distributed power generation units can be connected to the power grid and, or, directly connected to end users. Some distributed power generation facilities have poly-generation functionalities, providing steam, hot water and cold water to end

users. In the 12th Five-Year Plan for energy, the Chinese government has set specific targets for distributed power generation including the construction of around 1,000 distributed generation projects fueled by natural gas and the establishment of around 10 demonstration zones for distributed generation fueled by natural gas by 2015. The directors of CR Power and CR Gas believe that CR Energy Group would be well positioned to develop distributed power generation because: (1) CR Power's and CR Gas' core business strengths complement each other to develop distributed power generation where CR Power provides expertise in power plant construction, management and operation, and CR Gas can secure gas supply; (2) CR Power has already begun to conduct distributed power generation / poly-generation at its China Resources Golden Concord (Beijing) Cogen Power Plant, a 150MW gas-fired generation facility that provides power, steam, hot water and cold water to commercial and industrial users in the Beijing Economic and Technological Development Area.

The directors of CR Power and CR Gas believe that the CR Energy Group can broaden its geographical presence by further penetrating into areas where currently either CR Power or CR Gas but not both entities have presence. CR Power currently has operations in 20 provinces, autonomous regions and municipalities while CR Gas has operations in 23 provinces, autonomous regions and municipalities. CR Gas may be able to leverage CR Power's and its associate companies' existing commercial and government relationship in Beijing, Gansu and Guizhou to enter into new city gas concessions as it currently does not have operations in these provinces and municipality; CR Power, on the other hand, may be able to leverage CR Gas' existing footprint in Shanghai, Qinghai, Chongqing, Jiangxi, Tianjin and Fujian to enter into these new markets where it currently does not have operations. Even in the 17 provinces, autonomous regions and municipalities where both CR Power and CR Gas both have existing operations, namely Anhui, Guangdong, Guangxi, Hebei, Heilongjiang, Henan, Hubei, Hunan, Inner Mongolia, Jiangsu, Jilin, Liaoning, Shandong, Shanxi, Sichuan, Yunnan and Zhejiang, there is limited overlap of operations in the same cities and/or counties.

The directors of CR Power and CR Gas further believe that the CR Energy Group will be able to optimise financing cost because CR Energy Group will potentially enjoy improved earnings stability from a more diversified business mix; the combined entity will also have an enlarged balance sheet and larger cashflow from operations compared with either company on a standalone basis, which should allow more flexibility in the funding of future capital expenditure. These factors together may help reduce the overall financing cost of CR Energy Group.

The directors of CR Power and CR Gas, other than their respective independent non-executive directors whose view will be given after taking into account the recommendation from the respective independent financial advisers retained to advise them, believe that the Proposed Merger is fair and reasonable and in the interests of the respective shareholders of CR Gas and CR Power as a whole.

CONDITIONS OF THE SCHEME

The Scheme will become effective and binding on CR Gas and all Scheme Shareholders subject to the satisfaction or valid waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting at the Court Meeting representing not less than three-fourths in value of those CR Gas Shares that are voted by the Scheme Shareholders at the Court Meeting either in person or by proxy, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the CR Gas Shares held by the CR Gas Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast against the resolution to approve (by way of poll) the Scheme is not more than 10% of the votes attaching to all the CR Gas Shares held by the CR Gas Independent Shareholders;
- (b) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (c) compliance, to the extent necessary, with the procedural requirements of section 46(2) of the Companies Act of Bermuda and compliance with any conditions imposed under section 46(2) of the Companies Act of Bermuda in each case in relation to the reduction of the issued share capital of CR Gas;

- (d) the passing at the SGM by CR Gas Shareholders (other than those who are prohibited from voting under relevant laws, rules or regulations) of a special resolution to approve the reduction of the issued share capital of CR Gas by cancelling and extinguishing the Scheme Shares and (unless previously approved by way of general mandate by shareholders) the passing at the SGM by CR Gas Shareholders (other than those who are prohibited from voting under relevant laws, rules or regulations) of an ordinary resolution to allot and issue 1,000,000 new CR Gas Shares to CR Power (or its nominee or designated subsidiary) immediately before the reduction of the issued share capital of CR Gas referred to in this condition (d);
- (e) the CR Power Independent Shareholders having approved by way of poll at the EGM of the Proposed Merger and the transactions contemplated thereunder and the allotment and issue of the Consideration Shares to the Scheme Shareholders under a Specific Mandate;
- (f) the granting by the Stock Exchange of the listing of, and permission to deal in, the Consideration Shares, on the Stock Exchange;
- (g) all other necessary authorisations, consents and approvals of any government or governmental or regulatory body or court or institution in relation to the Proposed Merger having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, Bermuda, the PRC and other relevant jurisdictions;
- (h) all necessary consents which may be required for the implementation of the Proposed Merger under any existing material contractual obligations (including consents required in connection with existing loan, credit or similar facilities and agreements) of any of the members of the CR Gas Group or any of the members of the CR Power Group having been obtained or waived by the relevant party or parties;
- (i) no event having occurred which would make the Proposed Merger or the cancellation of the Scheme Shares void, unenforceable or illegal or which would prohibit the implementation of the Proposed Merger or impose any additional material conditions or obligations with respect to the Proposed Merger or any part thereof or on the cancellation of the Scheme Shares; and
- (j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and

there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposed Merger or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposed Merger or its implementation, in accordance with its terms).

CR Power reserves the right to waive any of Conditions (g), (h), (i) and (j) either in whole or in respect of any particular matter. Conditions (a) to (f) cannot be waived by either CR Gas or CR Power in any event. All of the Conditions will have to be satisfied or validly waived, as applicable, on or before a long-stop date to be set out in the Scheme Document. Such long-stop date is expected to be no later than 90 days after the date to be scheduled for the Court Meeting and the SGM or such later date as may be proposed by CR Gas and permitted by the Executive, otherwise the Scheme will not become effective. If the Conditions are satisfied or waived, as applicable, the Scheme will become effective and binding on CR Gas and all the Scheme Shareholders.

Assuming that the Conditions are satisfied or validly waived, as applicable, it is expected that the Scheme will become effective on or before 31st July, 2013. A detailed timetable will be included in the Scheme Document.

CR Power is not a party to any agreements or arrangements which relate to circumstances in which it may or may not invoke or seek to invoke any of the above Conditions. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, CR Power will not invoke any condition so as to cause the Scheme not to become effective unless the circumstances which give rise to the right to invoke the condition are of material significance to CR Power in the context of the Proposed Merger.

At the time of the announcement of the Proposed Merger, CR Power was not aware of any circumstances which might give rise to the right to invoke any of the above Conditions.

HA EH LDI G T E

As shown in the table below, as at the date of this announcement, there are 2,224,012,871 CR Gas Shares in issue, comprising 1,423,183,791 CR Gas Shares

Shareholder	As at the date of this announcement		Upon completion of the Proposed Merger	
	Number of CR Gas Shares	Percentage of Issued Share Capital	Number of CR Gas Shares	Percentage of Issued Share Capital
CR Power	—	0.00%	1,000,000	100%
CR Holdings	1,422,298,991	63.95%	—	—
CR Power Concert Parties	884,800	0.04%	—	—
CR Holdings and CR Power Concert Parties	1,423,183,791	63.99%		
Morgan Stanley Group (Note)	61,629	0.00%	—	—
CR Gas Independent Shareholders	800,767,451	36.01%	—	—
Total	2,224,012,871	100.00%	1,000,000	100.00%

Note: As at the date of this announcement, the Morgan Stanley Group (other than those members having exempt principal trader or exempt fund manager status) which is a presumed party acting in concert with CR Power, owns, or controls 61,629 CR Gas Shares.

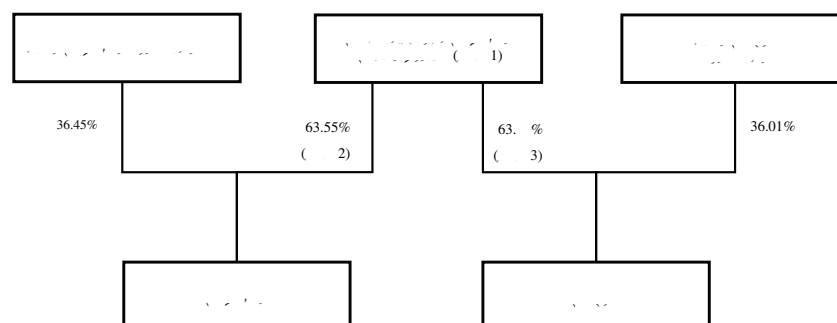
As shown in the table below, as at the date of this announcement, there are 4,777,044,081 CR Power Shares in issue. CR Holdings and CR Power Concert Parties are interested in 3,035,700,453 CR Power Shares, representing approximately 63.55% of the issued share capital of CR Power.

Shareholder	As at the date of this announcement		Upon completion of the Proposed Merger	
	Number of CR Power Shares	Percentage of Issued Share Capital	Number of CR Power Shares	Percentage of Issued Share Capital
CR Holdings	3,025,001,999	63.32%	4,404,632,020	63.52%
CR Power Concert Parties	10,698,454	0.22%	11,556,710	0.17%
CR Holdings and CR Power Concert Parties	3,035,700,453	63.55%	4,416,188,730	63.69%
Morgan Stanley Group (Note)	319,405	0.01%	379,185	0.00%
Other CR Power Shareholders	1,741,024,223	36.45%	1,740,944,223	25.11%
CR Gas Independent Shareholders	—	—	776,744,427	11.20%
Total	4,777,044,081	100.00%	6,934,336,565	100.00%

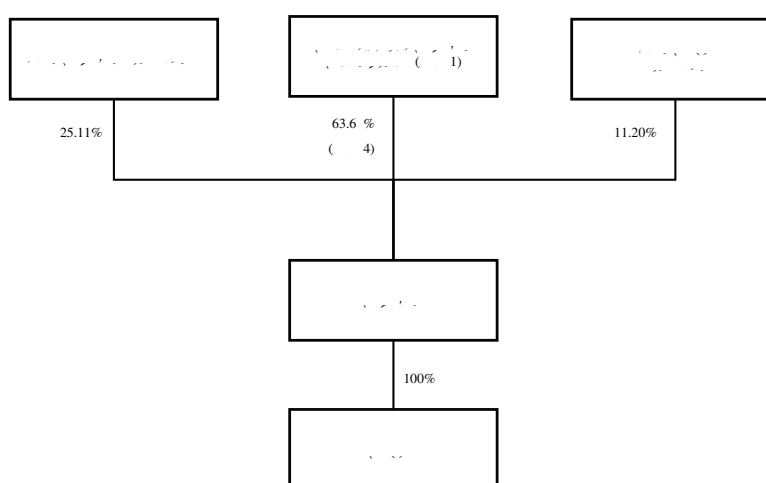
Note: As at the date of this announcement, the Morgan Stanley Group (other than those members having exempt principal trader or exempt fund manager status) which is a presumed party acting in concert with CR Power, owns, or controls 319,405 CR Power Shares.

As at the date of this announcement, CR Holdings holds indirectly, 1,422,298,991 CR Gas Shares and 3,025,001,999 CR Power Shares, representing approximately 63.95% and 63.32% of the respective issued share capital of the two companies. Upon completion of the Proposed Merger, CR Holdings will be interested in 4,404,632,020 shares of CR Power, amounting to approximately 63.52% which is about the same percentage as its original shareholding interest in each of CR Gas and CR Power prior to the Proposed Merger.

The chart below sets out the simplified group structures of CR Gas and CR Power as at the date of this announcement before the Proposed Merger:



The following chart shows the group structure of the CR Energy Group after the Proposed Merger:



Notes:

1. Parties acting in concert with CR Power include CR Holdings and CR Power Concert Parties.
2. Each of CRH (Power) Limited and Commotra Company Limited are directly interested in 3,024,999,999 and 2,000 CR Power Shares respectively and both companies are wholly owned subsidiaries of CR Holdings. CR Holdings is therefore deemed to be interested in 3,025,001,999 CR Power Shares.

CR Power Concert Parties are interested in 10,698,454 CR Power Shares.

3. CRH (Gas) Limited and Commotra Company Limited are directly interested in 1,407,828,991 shares and 14,470,000 shares in CR Gas respectively and both companies are wholly-owned subsidiaries of CR Holdings. CR Holdings is therefore deemed to be interested in 1,422,298,991 CR Gas Shares.

CR Power Concert Parties are interested in 884,800 CR Gas Shares.

4. CRH (Gas) Limited, CRH (Power) Limited and Commotra Company Limited will be directly interested in 1,365,594,121 shares, 3,024,999,999 shares, and 14,037,900 shares in CR Power respectively and all are wholly-owned subsidiaries of CR Holdings. CR Holdings will therefore be deemed to be interested in 4,404,632,020 shares of CR Power.

CR Power Concert Parties will be interested in 11,556,710 shares of CR Power.

DEALING IN THE

Disclosure of dealings in CR Gas Shares and CR Power Shares as required by the Takeovers Code or Listing Rules will be set out in the Scheme Document.

CONVERTIBLE SECURITIES, INCLUDING THE A A GEMENT

Save for the CR Gas Share Options, CR Gas does not have any outstanding options, warrants, derivatives or other convertible securities. Save as disclosed in the section titled “Shareholding Structure”, none of CR Power and persons acting in concert with it owns or controls or has direction over any CR Gas Shares or any options, warrants, derivatives or other convertible securities in respect of CR Gas Shares.

Save for the arrangements contemplated under the Proposed Merger, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to CR Gas Shares or CR Power Shares which might be material to the Proposed Merger. CR Power confirms that, as at the date of this announcement, there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CR Gas which CR Power or any persons acting in concert with it has borrowed or lent.

Other than 39,297,826 outstanding options under the share option schemes of CR Power adopted on 6th October, 2003, CR Power does not have any outstanding options, warrants, derivatives or other convertible securities as at the date of this announcement.

As at the date of this announcement, CR Power and parties acting in concert with it have not received any irrevocable commitment to vote for or against the Scheme at the Court Meeting.

A summary of the audited consolidated results of CR Power for each of the 3 years ended 31st December, 2012 is set out below:

HK\$ '000	For the year ended 31st December 2010	2011	2012
Turnover	48,578,313	60,708,674	62,435,520
Profit attributable to equity holders of the Company	8,252,816	9,540,390	12,005,857
Profit attributable to the Company	4,903,654	4,450,576	7,478,916

As at 31st December, 2012, the net asset value of CR Power was approximately HK\$54,043 million.

INFORMATION ON CR GAS

CR Gas is a limited liability company incorporated in Bermuda and CR Gas Shares have been listed on the Stock Exchange since 7th November, 1994 and adopted its current name since 2008. The CR Gas Group is principally engaged in downstream city gas distribution in the PRC.

A summary of the audited consolidated results of CR Gas for each of the 3 years ended 31st December, 2012 is set out below:

HK\$ '000	For the year ended 2010	2011	2012
	(in thousands)	(in thousands)	
Turnover	9,331,482	14,208,046	19,590,613
Profit attributable to equity holders of the Company	1,433,044	2,103,895	3,010,958
Profit attributable to the Company	786,676	1,176,268	1,650,964

As at 31st December, 2012, the net asset value of CR Gas was approximately HK\$11,704 million.

THE EFFECTS OF THE PROPOSED MERGER ON THE COMPANY

As detailed in section titled “Reasons and benefits of the Proposed Merger” above, following implementation of the Proposed Merger, CR Gas will continue to carry on its gas distribution business and explore further opportunities under the CR Energy Group platform. Further, the Proposed Merger will not of itself have any impact on the continued employment of the employees of CR Gas and its subsidiaries.

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Upon the Scheme becoming effective, the CR Gas Board will apply to the Stock Exchange for the withdrawal of the listing of CR Gas Shares on the Stock Exchange immediately following the effective date of the Scheme. The Scheme Shareholders will be notified by way of a press announcement of the exact dates of the last day of dealing in CR Gas Shares and on which the Scheme and the withdrawal of the listing of CR Gas Shares will become effective. A detailed timetable will be set out in the Scheme Document, which will also contain, amongst other things, further details of the Scheme.

The CR Gas Board intends that the listing of CR Gas Shares on the Stock Exchange will be maintained in the event that the Scheme is not approved or does not become effective.

DISCLOSED DEALING

The respective associates as defined in Takeovers Code, (including, among others, persons holding 5% or more of a class of relevant securities as defined in Note 4 to Rule 22 of the Takeovers Code) of CR Power and CR Gas are reminded to disclose their dealings in the relevant securities of CR Gas and CR Power under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below whereby the terms used therein shall have the same meaning as those ascribed to them in the Takeovers Code:

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Since the highest of all applicable percentage ratios of the transactions contemplated under the Proposed Merger exceeds 25% but is below 100%, the Proposed Merger constitutes a major transaction for CR Power under the Listing Rules.

In addition, since CR Holdings is the controlling shareholder of both CR Power and CR Gas, the Proposed Merger constitutes a connected transaction for CR Power under the Listing Rules. As such, the Proposed Merger and the issue of Consideration Shares under Specific Mandate will therefore be subject to, amongst other things, the approval of the CR Power Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Based on the equivalent value of approximately HK\$24.64 for each Scheme Share and the total number of 2,224,012,871 Scheme Shares to be cancelled under the Proposed Merger, the value represented by the Scheme Shares amounts to approximately HK\$54.80 billion as at the date of this announcement.

The consideration for cancellation of all the Scheme Shares will be settled by issue of the Consideration Shares by CR Power under a Specific Mandate to be proposed and granted to the directors of CR Power at the EGM. The Consideration Shares, when allotted and issued as fully paid, will rank pari passu in all respects with all the CR Power Shares in issue. There is no restriction to the subsequent sale of the Consideration Shares.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued.

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To better represent the market position and prospect of the enlarged CR Energy Group, the directors of CR Power intend to change its name from “China Resources Power Holdings Company Limited 華潤電力控股有限公司” to “China Resources Energy Holdings Limited 華潤能源控股有限公司” upon the Proposed Merger becoming effective. Further announcement will be made as and when appropriate.

GENERAL

CR Power IBC and CR Gas IBC

The CR Power IBC comprising Mr. Anthony H. Adams, Mr. Chen Ji Min, Mr. Ma Chiu-Cheung, Andrew, Ms. Elsie Leung Oi-sie and Dr. Raymond K.F. Ch'ien being all of the independent non-executive directors of CR Power has been formed to advise CR Power Independent Shareholders in relation to the Proposed Merger as a connected transaction. CR Power will appoint an independent financial adviser to advise the CR Power IBC and CR Power Independent Shareholders in respect of the Proposed Merger.

The CR Gas IBC comprising Mr. Wong Tak Shing, Ms. Yu Jian, Mr. Yu Hon To, David and Mr. Qin Chaokui being all of the independent non-executive directors of CR Gas has been formed to advise CR Gas Independent Shareholders. Platinum Securities Company Limited has been appointed as the independent financial adviser to advise the CR Gas IBC and CR Gas Independent Shareholders in respect of the Proposed Merger to be implemented by way of Scheme.

As Mr. Du Wenmin, Mr. Wei Bin, Mr. Huang Daoguo and Mr. Chen Ying are non-executive directors of both CR Gas and CR Power, they have abstained from voting at the board meeting of CR Gas and CR Power at which the Proposed Merger was considered and approved. CR Gas Board after taking into consideration of the possible conflict of interests of these non-executive directors approved the formation of the CR Gas IBC comprising only the independent non-executive directors.

Documents to be Despatched to CR Power and CR Gas Shareholders

A circular containing, amongst others, further information on the Proposed Merger, the advice from the independent financial adviser to CR Power IBC and CR Power Independent Shareholders, notice of EGM to be held for the purposes of considering and, if thought fit, approving, among other matters, the Proposed Merger as a major and connected transaction under the Listing Rules and the issue of Consideration Shares will be despatched to the CR Power Shareholders on or before 31st May, 2013 in accordance with the Listing Rules.

A Scheme Document containing, amongst others, further information on the Proposed Merger, the recommendation from the CR Gas IBC in respect of the Proposed Merger, the advice from the independent financial adviser to the CR Gas IBC and CR Gas Independent Shareholders in respect of the Proposed Merger and the Scheme, and notices of the Court Meeting and the SGM of CR Gas to be held for the purposes of considering and, if thought fit, approving, among other matters, the transactions contemplated under the Proposed Merger will be despatched to CR Gas Shareholders as soon as practicable in accordance with the Takeovers Code.

At the request of CR Power and CR Gas, trading in the shares of both companies on the Stock Exchange was suspended with effect from 9:00 a.m. on 6th May, 2013 pending the release of this announcement. Application has been made by both companies to the Stock Exchange for the resumption of trading in their respective listed securities with effect from 9:00 a.m. on 10th May, 2013.

DEFINITIONS

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda
“Conditions”	the conditions of the Scheme, as set out above in this announcement under the section headed “Conditions of the Scheme”
“Consideration Share(s)”	CR Power Share(s) to be issued under a Specific Mandate as consideration for the cancellation of all the Scheme Shares
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the CR Gas Independent Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“CR Energy Group”	the enlarged CR Power and its subsidiaries, including the CR Gas Group immediately after the Proposed Merger
“CR Gas”	China Resources Gas Group Limited, a company incorporated in Bermuda, whose shares are currently listed on the Stock Exchange
“CR Gas Award Trust”	the irrevocable trust constituted by the Amended and restated trust deed dated 16th April, 2010 for CR Gas to implement the CR Gas Cash Award Scheme
“CR Gas Board”	the board of directors of CR Gas

“CR Gas Cash Award Scheme”	the cash award scheme of CR Gas constituted by the Amended and Restated Rules Relating to Cash Award Scheme (adopted on 1st day of December 2008 and revised on 16th day of March, 2010), as amended from time to time
“CR Gas Group”	CR Gas and its subsidiaries
“CR Gas IBC”	an independent committee of the CR Gas Board established to advise the CR Gas Independent Shareholders in relation to the Proposed Merger, the composition of which is set out in the section headed “General - CR Gas IBC”
“CR Gas Independent Shareholder(s)”	all CR Gas Shareholder(s), other than CR Holdings and CR Power Concert Parties and certain entities within the Morgan Stanley Group
“CR Gas Optionholder”	a holder of CR Gas Share Options who is a CR Gas Independent Shareholder
“CR Gas Share Option(s)”	the 2,000 outstanding options granted to the CR Gas Optionholder
“CR Gas Shares”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of CR Gas
“CR Gas Shareholder(s)”	holder(s) of CR Gas Share(s)
“CR Holdings”	China Resources (Holdings) Company Limited, the controlling shareholder of both CR Power and CR Gas
“CR Power”	China Resources Power Holdings Company Limited, a company incorporated in Hong Kong, whose shares are currently listed on the Stock Exchange
“CR Power Board”	the board of directors of CR Power

“CR Power Concert Parties”	certain directors of CR Holdings, being Mr. Song Lin, Mr. Qiao Shibo, Mr. Jiang Wei, Mr. Du Wenmin (who is also is a director of CR Power) and Mr. Wang Chuandong who are interested in 1,386,000, 888,000, 600,000, 480,240 and 101,800 CR Power Shares respectively, and Mr. Qiao Shibo, Mr. Du Wenmin and Mr. Wang Chuandong who are interested in 400,000, 54,000 and 330,000 CR Gas Shares respectively, and certain directors of CR Power, being Ms. Zhou Jun Qing, Mr. Wang Yu Jun, Mr. Zhang Shen Wen, Ms. Wang Xiao Bin and Mr. Raymond Ch’ien who are interested in 490,864, 381,870, 2,671,120, 3,664,560 and 34,000 of CR Power Shares respectively, and Ms. Zhou Jun Qing, Mr. Zhang Shen Wen, who are interested in 34,800 and 66,000 CR Gas Shares respectively or such other concert parties of CR Power from time to time, excluding the Morgan Stanley Group
“CR Power Group”	CR Power and its subsidiaries
“CR Power IBC”	an independent committee of the CR Power Board established to advise the CR Power Independent Shareholders in relation to the Proposed Merger, the composition of which is set out in the section headed “General - CR Power IBC”
“CR Power Independent Shareholder(s)”	all CR Power Shareholder(s), other than CR Holdings and its associates and certain entities within the Morgan Stanley Group
“CR Power Share(s)”	ordinary share(s) of HK\$1 each in the share capital of CR Power
“CR Power Shareholder(s)”	holder(s) of CR Power Share(s)
“EGM”	the extraordinary general meeting of CR Power to be convened and held for considering and, if thought fit, approving, among other matters, the Proposed Merger as a major and connected transaction and the issue of Consideration Shares

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being of the Executive Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Last Trading Day”	3rd May, 2013, being the last trading day of the shares of CR Power and CR Gas immediately before the publication of this announcement;
“Morgan Stanley”	Morgan Stanley Asia Limited, a licensed corporation licensed to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
“Morgan Stanley Group”	Morgan Stanley and its affiliates
“PRC” and “China”	the People’s Republic of China
“Proposed Merger”	the proposed combination of CR Power and CR Gas to form an enlarged energy and utility group through the acquisition of CR Gas by CR Power to be implemented by way of the Scheme
“Record Date”	record date for determining entitlements under the Scheme
“Scheme”	a scheme of arrangement between CR Gas and the Scheme Shareholders under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares in consideration and exchange for the Consideration Shares
“Scheme Document”	the document to be despatched to the shareholders of CR Gas containing, amongst other things, details of the Proposed Merger and the Scheme

“Scheme Share(s)”	all the CR Gas Shares in issue and such further CR Gas Shares as may be issued prior to the Record Date
“Scheme Shareholders”	CR Gas Shareholder(s) whose name(s) appear on CR Gas’s register of shareholders on the Record Date
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of CR Gas to be convened and held for the purposes of passing all necessary resolutions for the implementation of the Proposed Merger
“Share Exchange Ratio”	the share exchange ratio of 97 CR Power Shares for every 100 Scheme Shares
“Specific Mandate”	the issue mandate to be proposed at the EGM to be granted to the directors of CR Power to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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Hong Kong, 10th May, 2013

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