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**華電福新能源股份有限公司**  
**HUADIAN FUXIN ENERGY CORPORATION LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 00816)**

## **CONTINUING CONNECTED TRANSACTION — FINANCIAL SERVICES FRAMEWORK AGREEMENT**

### **FINANCIAL SERVICES FRAMEWORK AGREEMENT**

The Board hereby announces that on 26 September 2019, the Company entered into the Financial Services Framework Agreement with China Fortune Trust, a subsidiary of Huadian, pursuant to which China Fortune Trust will provide entrusted loans, fund trust, property rights trust, financial consultancy, securities underwriting and other financial services to the Group based on the Financial Services Framework Agreement, for a term commencing on 26 September 2019 and ending on 31 December 2020.

### **LISTING RULES IMPLICATIONS**

China Fortune Trust is a subsidiary of Huadian, the Controlling Shareholder of the Company, and therefore China Fortune Trust is a connected person of the Company. Accordingly, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios with respect to the transactions under the Financial Services Framework Agreement together with other financial services under the August Financial Services Framework Agreement, calculated on an aggregated basis pursuant to Rule 14A.81 of the Listing Rules, exceed 0.1% but less than 5%, the financial services provided under the Financial Services Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from circular and Independent Shareholders' approval requirements under Chapter 14A.76(2) of the Listing Rules.

## **INTRODUCTION**

The Board hereby announces that on 26 September 2019, the Company entered into the Financial Services Framework Agreement with China Fortune Trust, a subsidiary of Huadian, pursuant to which China Fortune Trust will provide entrusted loans, fund trust, property rights trust, financial consultancy, securities underwriting and other financial services to the Group based on the Financial Services Framework Agreement, for a term commencing on 26 September 2019 and ending on 31 December 2020.

## **FINANCIAL SERVICES FRAMEWORK AGREEMENT**

The principal terms of the Financial Services Framework Agreement are set out as follows:

Date:	26 September 2019
Parties:	(1) The Company; and (2) China Fortune Trust
Term:	For a term commencing on 26 September 2019 and ending on 31 December 2020. The Financial Services Framework Agreement may be renewed as agreed by both parties upon expiry thereof.
Subject:	China Fortune Trust will provide entrusted loans, fund trust, property rights trust, financial consultancy, securities underwriting and other financial services to the Group based on the Financial Services Framework Agreement.

## **PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION**

In terms of the transactions under the Financial Services Framework Agreement, the proposed caps of financial service fees paid by the Group to China Fortune Trust for each of the years ended 31 December 2019 and 2020 were RMB5 million. The proposed caps of financial service fees have been determined after arm's length negotiation between both parties with reference to the fees charged for provision of similar services by other financial institutions in the PRC, while taking into account the future business demand of the Group in respect of relevant financial services.

In terms of the transactions under the Financial Services Framework Agreement, the Group did not engage in any historical transaction with China Fortune Trust.

## **PRICING POLICIES**

The fees charged for financial services under the Financial Services Framework Agreement shall be no higher than the same type of services for the same period, namely (i) relevant standard fees promulgated by the People's Bank of China (if applicable); (ii) fees charged by domestic major commercial banks; and (iii) fees charged by China Fortune Trust from other members of Huadian Group with the same level of credit ratings (if applicable).

In addition, in terms of the transactions under the Financial Services Framework Agreement, provided that the Company is well aware of the market prices and that the conditions of relevant financial services provided by China Fortune Trust are the same with or more favorable than those provided by other financial institutions, the Company is entitled to select the relevant financial services offered by China Fortune Trust. However, having taken into account the actual circumstances, the Company may also select relevant financial services offered by other financial institutions during the term of the Financial Services Framework Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**

The main reasons for the Company to select China Fortune Trust to provide the financial service are as follows:

- (1) Due to the long-term cooperation relationship between the Group and China Fortune Trust, the Group expects that it will benefit from China Fortune Trust's familiarity with the industry and operation of the Group. Through years of cooperation, China Fortune Trust is familiar with the asset structure, business operation, financing needs and fund management of the Group as well as the Group's entire financial management system, so it will be at an advantage to provide the Group with more appropriate, effective and flexible financial services compared with independent commercial banks in the PRC;
- (2) According to the requirements of relevant documents on replacing the business tax with value-added tax issued by the State Administration of Taxation of the PRC, and in order to fully utilise the difference in tax rates arising from the grant of entrusted loans and other products through trust companies and commercial banks, the grant of entrusted loans through the trust companies will help the Company to lower taxes, and increase the net profit attributable to the Company and return on net assets of the Company.
- (3) China Fortune Trust undertook to provide the financial services to the Company on same or better terms as compared with those offered by other financial institutions for the same type of services.

## **LISTING RULES IMPLICATIONS**

China Fortune Trust is a subsidiary of Huadian, the Controlling Shareholder of the Company, and therefore China Fortune Trust is a connected person of the Company. Accordingly, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios with respect to the transactions under the Financial Services Framework Agreement together with other financial services under the August Financial Services Framework Agreement of the Company, calculated on an aggregated basis pursuant to Rule 14A.81 of the Listing Rules, exceed 0.1% but less than 5%, the financial services provided under the Financial Services Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from circular and Independent Shareholders' approval requirements under Chapter 14A.76(2) of the Listing Rules.

Mr. Tao Yunpeng, Director of the Company, abstained from voting on the board resolution in relation to the Financial Services Framework Agreement and the transactions contemplated thereunder. Save as the above, each of Directors has confirmed that he has no material interest in the Financial Services Framework Agreement and the transactions contemplated thereunder.

The Board (including independent non-executive Directors) is of the view that the terms of the Financial Services Framework Agreement and the related annual caps are entered into on normal commercial terms and thus fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

The Group is primarily engaged in the development, management and operation of hydropower projects and coal-fired power plants in Fujian province and wind power and other clean energy projects throughout China.

China Fortune Trust is a subsidiary of Huadian, the Controlling Shareholder of the Company, and it is principally engaged in asset trust, movable property trust, real estate trust, negotiable securities trust, other properties or property rights trust, and business operations concerning enterprise asset restructuring, mergers and acquisitions, project financing, enterprise wealth management, financial consultancy and others.

Huadian is the Controlling Shareholder of the Company and the main businesses of Huadian Group include power generation and supply of electricity and heat, the development of power-related primary energy such as coal and the supply of technological related services.

## DEFINITIONS

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

“August Financial Services Framework Agreement”	the financial services framework agreement dated 9 August 2019 entered into between the Company and China Huadian Finance Corporation Limited
“Board”	the board of Directors of the Company
“Company”	Huadian Fuxin Energy Corporation Limited (華電福新能源股份有限公司), a joint stock limited company incorporated in the PRC on 19 August 2011, the H shares of which are listed on the main board of the Stock Exchange (stock code: 816)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Services Framework Agreement”	the financial services framework agreement dated 26 September 2019 entered into between the Company and China Fortune Trust
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huadian”	China Huadian Corporation Ltd. (中國華電集團有限公司), the Controlling Shareholder of the Company
“Huadian Group”	Huadian and its subsidiaries (excluding the Company and its subsidiaries)
“China Fortune Trust”	China Fortune International Trust Co., Ltd.*(華鑫國際信託有限公司)
“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, but for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Huadian Fuxin Energy Corporation Limited**  
**HUANG Shaoxiong**  
*Chairman of the Board*

Beijing, the PRC, 26 September 2019

*As at the date of this announcement, the executive Directors are Mr. HUANG Shaoxiong, Mr. WU Jianchun and Mr. DU Jiangwu; the non-executive Directors are Mr. TAO Yunpeng, Mr. SHI Chongguang and Mr. WANG Bangyi; and the independent non-executive Directors are Mr. ZHANG Bai, Mr. TAO Zhigang and Mr. WU Yiqiang.*

\* *For identification purpose only*