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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)

ANNOUNCEMENT
ISSUE OF GREEN RENEWABLE CORPORATE BONDS 2020
(FIRST TRANCHE)

Reference is made to the Overseas Regulatory Announcement of Huadian Fuxin Energy Corporation Limited (the “**Company**”) dated 13 April 2020 in relation to the issue of green renewable corporate bonds 2020 (first tranche).

The full text regarding the Announcement on Public Issue of Green Renewable Corporate Bonds 2020 (First Tranche) by Huadian Fuxin Energy Corporation Limited to Eligible Investors is published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn). Please refer to the attached summary of the issue on the next page.

The announcement is hereby made.

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

Beijing, the PRC, 13 April 2020

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.

HUADIAN FUXIN ENERGY CORPORATION LIMITED
ISSUE OF GREEN RENEWABLE CORPORATE BONDS 2020
(FIRST TRANCHE)

I. BASIC INFORMATION OF THE ISSUE

1. Issuer: Huadian Fuxin Energy Corporation Limited.
2. Bonds name: Public Issue of Green Renewable Corporate Bonds 2020 (First Tranche) of Huadian Fuxin Energy Corporation Limited.
3. Aggregate issue amount: The aggregate size of the issue is up to RMB5 billion (inclusive). The bonds will be issued in tranches and this tranche has a issue size of up to RMB2 billion (inclusive).
4. Type and term of bonds: The basic term of the bond is no more than 5 years (inclusive), which consists of two types. For type 1, every three interest-accruing years constitutes one term. At the end of each term, the issuer is entitled to extend the type 1 bonds for an additional term (i.e. three years) or to redeem the type 1 bonds in full as they fall due at the end of the term. For type 2, every five interest-accruing years constitutes one term. At the end of each term, the issuer is entitled to extend the type 2 bonds for an additional term (i.e. five years), or to redeem the type 2 bonds in full as they fall due at the end of the term.

Type 1 bond is abbreviated as “G20FXY1” with bond code of “163431”. Type 2 bond is abbreviated as “G20FXY2” with bond code of “163432”.

5. Reallocation between two types of bonds: A mechanism will be arranged to allow reallocation between two types of bonds, without any limitations on reallocation proportion. The issuer and the lead underwriter will negotiate and determine, based on off-line indicative demand for the issue of bonds, whether to exercise the two-way reallocation mechanism within the aggregate size of the issue.
6. Par value and issue price of bonds: RMB100 each, issued at par.

7. Bond rate and its determination method: Fixed interest rate will be adopted for this tranche of bonds. Interests shall be calculated annually at a simple rate and no compound interest will be accrued. In case of deferral, the deferred interests shall be accrued at the coupon rate for the current period in the period of delay.

The coupon rate for the first period will be determined by the issuer and the lead underwriter through consultation within the preset range in accordance with the results of offline bookkeeping and filing of the qualified investors, and will remain unchanged in the first period and be reset in each period thereafter.

The coupon rate for the first period represents the initial benchmark interest rate plus initial spread. The coupon rate for subsequent periods will be adjusted to the benchmark interest rate for the current period plus initial spread and 300 basis points. The initial spread is the coupon rate for the first period less the initial benchmark interest rate. Where the benchmark interest rate for the current period is not available on the date of interest rate reset due to macro economy, changes in policy and other factors, the benchmark interest rate for the current period shall be the one for the previous period prior to the date of interest rate reset.

Method for determination of the benchmark interest rate of type 1 in this tranche of bonds: the initial benchmark interest rate shall be the arithmetic mean (rounded to 0.01%) of Treasury Bond yield with 3 years maturity periods as shown in China Bond Inter-bank Fixed Rate Treasury Bond Yield Curve which is published on China Bond information website (中國債券信息網) (www.chinabond.com.cn) (or other websites as recognized by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of book-building; the benchmark interest rate for subsequent period shall be arithmetic mean (rounded to 0.01%) of Treasury Bond yield with 3 years maturity periods as shown in China Bond Inter-bank Fixed Rate Treasury Bond Yield Curve which is published on China Bond information website (中國債券信息網) (www.chinabond.com.cn) (or other websites as recognized by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset.

Method for determination of the benchmark interest rate of type 2 in this tranche of bonds: the initial benchmark interest rate shall be the arithmetic mean (rounded to 0.01%) of Treasury Bond yield with 5 years maturity periods as shown in China Bond Inter-bank Fixed Rate Treasury Bond Yield Curve which is published on China Bond information website (中國債券信息網) (www.chinabond.com.cn) (or other websites as recognized by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of book-building; the benchmark interest rate for subsequent period shall be arithmetic mean (rounded to 0.01%) of Treasury Bond yield with 5 years maturity periods as shown in China Bond Inter-bank Fixed Rate Treasury Bond Yield Curve which is published on China Bond information website (中國債券信息網) (www.chinabond.com.cn) (or other websites as recognized by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset.

8. Renewal by the issuer: The bonds consist of two types. Type 1 has a basic term of three years, with every three interest-accruing years constituting one term. At the end of each term, the issuer is entitled to extend the type 1 bonds for an additional term (i.e. three years) or to redeem the type 1 bonds in full as they fall due at the end of the term. Type 2 has a basic term of five years, with every five interest-accruing years constituting one term. At the end of each term, the issuer is entitled to extend the type 2 bonds for an additional term (i.e. five years), or to redeem the type 2 bonds in full as they fall due at the end of the term. Announcement on exercise of renewal option shall be disclosed by the issuer to qualified investors not less than 35 trading days prior to the interest payment date of the year of exercising such renewal option.
9. Deferred interest payment: The bonds confer the issuer the right to defer interest payment, so that at each interest payment date of the bonds, the issuer shall have the option to defer payment of interests for the relevant term as well as all interests already deferred in accordance with this clause and the accreted interests thereon to the next payment date without any limitation with respect to the number of deferrals, except for occurrence of any trigger events for compulsory interest payment. The above mentioned deferring of interest payment does not constitute the issuer's default of interest payment in full as agreed. If the issuer decides to defer interest payment, an announcement on deferral of interest payment shall be published by the issuer to qualified investors 10 trading days prior to the interest payment date.

Compound interest shall be payable for the deferred amount at the interest rate adopted in the relevant term. In case that the issuer continues to choose deferred payments on next interest payment date, the compound interest accrued from the above deferred amount will be aggregated with all previous deferred interests and accreted interests thereon and then be re-calculated.

10. Trigger events for compulsory interest payment: upon occurrence of the following events within 12 months prior to the interest payment date, the issuer shall not defer payment of interests for relevant period as well as all interests already deferred in accordance with this clause and the accreted interests thereon: (1) payment of dividend to ordinary shareholders (except state-owned shareholders); (2) reduction of registered capital.
11. Restrictions under deferred interest payment: if the issuer has optioned to defer interest payment, before full repayment of the deferred interests and the accreted interests thereon, the issuer shall not engage in the following: (1) payment of dividend to ordinary shareholders (except state-owned shareholders); (2) reduction of registered capital.
12. Order of repayment: in the event of winding up, the order of settlement of the bonds is inferior to ordinary bonds and other debts of the issuer.
13. Accounting treatment: according to the relevant requirements of the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (2017) and its application guidance, and the Provisions on Accounting Treatment of Perpetual Bonds (Caikuai [2019] No. 2), the issuer classifies the bonds as equity instruments.
14. Redemption by the issuer:
 - (1) Redemption of the bonds by the issuer due to changes in tax policy

Where the issuer is obliged to pay extra taxes and charges for the bonds as a result of changes in or amendments to relevant laws and regulations or judicial interpretations thereof and such taxes and charges or relevant payments in arrears thereof remain inevitable upon the issuer's reasonable auditing countermeasures, the issuer is entitled to redeem this tranche of bonds.

(2) Redemption by the issuer due to changes in the accounting standards

According to the relevant requirements of the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (2017) and its application guidance, and the Provisions on Relevant Accounting Treatment of Perpetual Bonds (Caikuai [2019] No. 2), the proceeds from the issue of this tranche of bonds will be accounted as equity by the issuer. The issuer has the right to redeem this tranche of bonds in the event that any changes in the accounting standards or any alteration or revision to other applicable laws and regulations in the future would affect the proceeds from the issue of this tranche of bonds to be accounted as equity in the consolidated financial statements of the issuer.

The issuer is entitled to exercise its redemption right by the end of the year when such revised accounting standards take effect. In the event of the issuer's exercise of redemption option, an announcement shall be disclosed to qualified investors 20 trading days prior to such practicable date for redemption. The redemption plan is not subject to withdrawal upon disclosure.

The issuer will redeem all the bonds in this tranche from the investors at par value plus interest accrued for the current term and the deferred interest and yields (if any). The payment method for redemption is the same as that for the payment of the principal and accrued interest when this tranche of bonds becomes due, namely, the holders of bonds shall be determined and paid in accordance with the relevant requirements of the registration agency of this tranche of bonds. This tranche of bonds will continue to exist if the issuer does not exercise the redemption option.

Save for the above two circumstances, the issuer is not entitled nor obliged to redeem this tranche of bonds.

15. Method for principal and interest payment: The interests of the bonds shall be paid annually if the issuer does not exercise its option for deferred interest payment. At the end of each agreed period, the issuer has the right to choose to extend the bonds or to pay the bonds in full at the end of the period. The payment of principal and interest of the bonds will be calculated in accordance with the relevant provisions of the bond registration authority. The payment method of principal and interest and other specific arrangements shall be handled in accordance with the relevant provisions of the bond registration authority.
16. Value date: The value date for this tranche of bonds shall be on 15 April 2020.
17. Interest payment date: the interest payment date of the bonds is 15 April every year within the term of the bonds. If it falls on a statutory holiday or date of close of business, then it shall be postponed to the next working day. During the postponement period, no interest shall be accrued.
18. Payment date: If the issuer chooses to repay the bonds in full in a year of exercising the renewal option, the interest payment date for such interest-bearing year shall be the payment date for the bonds. If such date falls on a non-trading day, then it shall be postponed to the next trading day. During the postponement period, no interest shall be accrued.
19. Issuance target and arrangement for placing of the Company's shareholders: the bonds are issued to the qualified investors, but not allotted to the original shareholders of the Company preferentially.
20. Form of the bonds: Bonds which are booked under the names of investors. The bonds subscribed for by investors are entrusted and registered in the custodial account opened with a bond registrar. Upon the completion of the issue of bonds, holders of bonds can transfer or pledge the bonds in accordance with the requirements of relevant competent authorities.

21. Use of proceeds and special account of proceeds: the proceeds of the bonds will be used to repay the Company's interest bearing debts, supplement the working capital after deducting the issuance expenses, and support the business development of green industry sector of the Company. After the issuance of the bonds is completed, the net amount after deducting the issuance expenses will be deposited in the special account designated by the management, and the special funds will be used for special purposes.
22. Guarantee: The bonds to be issued are unsecured.
23. Credit rating and credit rating agency: As assessed by Dongfang Jincheng International Credit Evaluation Co., Ltd. (東方金誠國際信用評估有限公司), the long-term credit rating of the issuer is AAA and the credit rating of the bonds is AAA.
24. Lead underwriter / bookkeeper / bond trustee: CSC Securities Co., Ltd. (中信建投證券股份有限公司)
25. Joint lead underwriters: Anxin Securities Co., Ltd. (安信證券股份有限公司) and Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司)
26. Underwriting method: The bonds are underwritten by the main underwriter in the form of balance underwriting.
27. Place of listing: Shanghai Stock Exchange.
28. Pledge type repurchase arrangement: Given that the credit rating of the issuer is AAA, and the current credit rating of the bonds is AAA, the bonds are in compliance with the basic conditions for conducting securities-pledged repurchase.
29. Listing arrangement: The Company will apply to Shanghai Stock Exchange for listing and trading of the bonds as soon as possible after the issuance of the bonds.

30. Tax implications: According to the Announcement on Issues of Corporate Income Tax Policy of Perpetual Bonds (Announcement No. 64 in 2019 of the Ministry of Finance and the State Administration of Taxation), when an enterprise issues perpetual bonds, it shall publish its applicable tax treatment method to the investor in the issuance documents of the stock exchange, inter-bank bond market and other issuance markets. The issuer considers that the bonds shall be categorized as the “perpetual bonds in compliance with the prescribed conditions” as mentioned in the above announcement, and the corporate income tax policy can be applicable thereto according to the bond interest, where the interest payment of perpetual bonds paid by the issuer is allowed to be deducted before calculation of its corporate income tax and the interest income of perpetual bonds obtained by investors shall be taxed in accordance with law. The issuer proposes to apply the corporate income tax policy, which is applicable thereto according to the bond interest, so that the interest expense of the current bonds will be deducted before calculation of its corporate income tax while the interest income of the bonds obtained by investors shall be taxed in accordance with law.