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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)

**REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2019,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2019,
FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2019,
INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S AUDITED FINANCIAL
STATEMENTS FOR THE YEAR 2019,
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019,
RE-APPOINTMENT OF INTERNATIONAL AUDITOR FOR THE YEAR 2020
AND GRANT OF AUTHORITY TO THE BOARD AND AUTHORISED PERSON
TO DETERMINE ITS REMUNERATION,
DIRECTORS' AND SUPERVISORS' REMUNERATION PLAN FOR THE YEAR 2019,
GENERAL MANDATE TO ISSUE THE DOMESTIC AND FOREIGN DEBT FINANCING
INSTRUMENTS,
PROPOSAL FOR GENERAL MANDATE TO ISSUE NEW SHARES,
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

A letter from the Board is set out on pages 1 to 20 of this circular.

A notice convening the AGM and H Share Class Meeting to be held at 9:00 a.m. on Monday, 29 June 2020 at Conference Room, 5/F, Huabin International Hotel Beijing, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC, has been despatched on 14 May 2020. If you intend to attend the AGM and H Share Class Meeting, please complete and return the appropriate reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than 9 June 2020.

Shareholders who intend to appoint a proxy to attend the AGM and/or H Share Class Meeting shall complete and return the appropriate despatched the form of proxy in accordance with the instructions printed thereon. The form of proxy must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the form of proxy are/is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.

In the case of joint holders of Shares, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the AGM and/or H Share Class Meeting, either in person or by proxy in respect of such Shares.

For holders of H Shares (as defined in this circular), please return the form of proxy together with any documents of authority to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the said meetings (i.e. before 9:00 a.m. on Sunday, 28 June 2020). For holders of Domestic Shares (as defined in this circular), please return the form of proxy together with any documents of authority to the Board Office of the Company in the PRC at 9/F, Building B, Huadian Plaza, No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC as soon as possible, and in any event not later than 24 hours before the time appointed for holding the said meetings (i.e. before 9:00 a.m. on Sunday, 28 June 2020). Completion and return of the form of proxy will not preclude you from attending and voting at the said meetings, or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this circular:

“AGM”	the 2019 annual general meeting of the Company to be convened on Monday, 29 June 2020 at 9:00 a.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”, “We” or “us”	Huadian Fuxin Energy Corporation Limited (華電福新能源股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H Shares are listed and traded on the Stock Exchange
“Directors”	the directors of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in RMB by PRC nationals and/or PRC incorporated entities
“Group”	The Company and its subsidiaries
“H Shares”	overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Class Meeting”	the 2020 first H share class meeting of the Company to be convened on Monday, 29 June 2020 at 9:00 a.m. (or immediately after the conclusion of the AGM and the 2020 first Domestic Share class meeting or any adjournments thereof)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shareholders”	the shareholders of the Company
“Shares”	H Shares and Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Huang Shaoxiong (*Chairman*)

Mr. Wu Jianchun

Mr. Du Jiangwu

Non-executive Directors:

Mr. Tao Yunpeng

Mr. Shi Chongguang

Mr. Wang Bangyi

Independent non-executive Directors:

Mr. Zhang Bai

Mr. Tao Zhigang

Mr. Wu Yiqiang

Registered office:

20/F, Qiantian Mansion

No. 231 Hudong Road

Gulou District

Fuzhou City

Fujian Province

the PRC

Principal place of business in

Hong Kong:

31/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

9 June 2020

To the Shareholders

Dear Sir or Madam,

**REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2019,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2019,
FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2019,
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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with relevant information to enable you to make an informed decision on whether to vote for or against (among others) the resolutions to be proposed at the AGM and H Share Class Meeting (as applicable) to be approved by way of ordinary and special resolutions as specified in the notice of the AGM and the H Share Class Meeting (as applicable) dated 14 May 2020.

(1) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2019

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2019, the text of which is set out in the Company's annual report despatched on 23 April 2020.

(2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2019

An ordinary resolution will be proposed at the AGM to approve the report of the board of Supervisors for the year 2019, the text of which is set out in the Company's annual report despatched on 23 April 2020.

(3) FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2019

An ordinary resolution will be put forward at the AGM to approve the final financial accounts for the year 2019. A summary of the report relating to the Company's 2019 final financial accounts prepared under the International Financial Reporting Standards is as follows:

I. Assets and liabilities

As at 31 December 2019, the Group's total assets amounted to RMB112.21 billion, representing an increase of 3.61% as compared to the previous year. The current asset and non-current assets amounted to RMB13.56 billion and RMB98.65 billion respectively, increasing by 11.53% and 2.61% as compared to year 2018, respectively. Total liabilities amounted to RMB73.86 billion as at 31 December 2019, showing a decrease of 1.78% as compared to the previous year, of which current liabilities ascended by 15.15% and non-current liabilities descended by 7.65%, respectively. Owners' equity amounted to RMB38.351 billion as at 31 December 2019, of which equity attributable to equity holders of the Company amounted to RMB35.061 billion.

II. Income and profit

In 2019, the Group's revenue was RMB19.776 billion. Operating expenses amounted to RMB15.042 billion, while net finance expenses amounted to RMB2.624 billion. Profit for the year was RMB2.692 billion, of which those attributable to equity holders of the Company was RMB2.416 billion.

LETTER FROM THE BOARD

III. Cash flow

In 2019, the Group's net cash flow generated from operating activities was RMB6.98 billion, net cash flow used in investing activities was RMB6.37 billion and net cash flow generated from financing activities was RMB-1.75 billion. Cash and cash equivalents, net, decreased by RMB1.14 billion.

(4) INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S AUDITED FINANCIAL STATEMENT FOR THE YEAR 2019

An ordinary resolution will be proposed in the AGM to approve the auditor's report and the Company's audited financial statements for 2019, the texts of which are set out in the Company's annual report despatched on 23 April 2020.

(5) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019

According to the Articles of Association, an ordinary resolution will be proposed in the AGM to approve the Company's profit distribution plan for the year 2019.

The Directors proposed the distribution of the final cash dividend of RMB0.54 per 10 Shares (tax inclusive) for the year ended 31 December 2019 amounting to RMB454.03 million. Such dividends will be paid to holders of Domestic Shares in RMB and to holders of H Shares in Hong Kong dollars. The actual amount of dividend paid in Hong Kong dollars is calculated according to the average closing exchange rate of relevant foreign currency against RMB as quoted by the People's Bank of China for the five business days prior to the declaration date. If the proposed profit distribution plan is approved in the AGM, the final dividend will be paid to Shareholders whose names are registered in the Company's register of members on 9 July 2020.

In order to determine the holders of Shares who are entitled to the receipt of the abovementioned final dividend, the register of members of the Company will be closed from 4 July 2020 to 9 July 2020, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2019 (subject to the approval of the Shareholders), unregistered holders of H Shares of the Company shall lodge relevant share transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 3 July 2020.

We hereby recommend Shareholders to authorise the chairman of the Board to implement the above profit distribution plan.

LETTER FROM THE BOARD

According to regulations by the state administration of taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H Share Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these Shareholders.

The Company will determine the resident status of the individual H Share Shareholders based on the registered address as recorded in the register of members of the Company on 9 July 2020 (the “**Registered Address**”). If the resident status of any individual H Share Shareholders is not in consistency with that indicated by the Registered Address, such individual H Share Shareholders shall notify the Company’s H Share registrar not later than 4:30 p.m. on 3 July 2020, and provide relevant supporting documents to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Any individual H Share Shareholder who fails to provide relevant supporting documents within the time period stated above, may either attend personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholder and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholder or any disputes over the withholding mechanism or arrangements.

(6) RE-APPOINTMENT OF INTERNATIONAL AUDITOR FOR THE YEAR 2020 AND GRANT OF AUTHORITY TO THE BOARD AND AUTHORISED PERSON TO DETERMINE ITS REMUNERATION

Ernst & Young has been the reporting accountants of the Company since 2018. In view of its understanding of the operations of the Company and its high professional level, the Board proposed to re-appoint Ernst & Young as the international auditor to hold office until the conclusion of the annual general meeting to be held in 2021. An ordinary resolution will be proposed at the AGM to authorise the Board and its authorised person(s) to determine its remuneration.

LETTER FROM THE BOARD

(7) THE DIRECTORS' AND SUPERVISORS' REMUNERATION PLAN FOR THE YEAR 2019

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Directors and Supervisors for the year ended 31 December 2019 which is formulated according to the Company's internal policies as follows:

- I. independent non-executive Directors will receive their remuneration from the Company. For the year 2019, the Company will pay each independent non-executive Director RMB100,000.00 (tax inclusive, the Company being responsible for withholding personal income tax). Travel expenses incurred by attending Board meetings, general meetings of the Company and relevant activities organised by the Board will be borne by the Company;
- II. non-executive Directors without holding offices in the Company will not receive any remuneration from the Company;
- III. executive Directors holding offices in the Company will receive their remuneration from the Company. The remuneration of an executive Director will be determined based on the position currently held by such executive Director, in accordance with rules relating to the management of remuneration of the Company; and
- IV. Supervisors currently holding offices in the Company will receive their remuneration from the Company. The remuneration of an employee representative Supervisor will be determined with reference to the remuneration standard of senior management of the Company, in accordance with rules relating to the management of remuneration of the Company.

Independent Supervisors will receive their remuneration from the Company. For the year 2019, the Company will pay each independent Supervisor RMB80,000.00 (tax inclusive, the Company being responsible for withholding personal income tax). Travel expenses incurred for attending general meetings of the Company, meetings of the board of Supervisors, Board meetings and relevant activities organised by the board of Supervisors shall be borne by the Company.

(8) GENERAL MANDATE TO ISSUE THE DOMESTIC AND FOREIGN DEBT FINANCING INSTRUMENTS

In order to lower the Company's financing cost and optimise the Company's financing structure, the Board has approved the proposed issue of the debt financing instruments.

According to the laws of the PRC and the Articles of Association, the proposed issue of the domestic and foreign debt financing instruments is subject to the consideration and approval of the Shareholders by way of a special resolution and the approval of the relevant regulatory authorities.

LETTER FROM THE BOARD

Particulars of the issue of the domestic and foreign debt financing instruments, if it proceeds, are as follows:

- (i) Categories of Issue: the debt financing instruments denominated in RMB or foreign currency: including but not limited to corporate bonds, green bonds, ultra-short-term debentures, short-term debentures, medium-term notes, renewable bonds and asset-backed bonds, etc
- (ii) Size of Issue: the outstanding balance of all categories of bonds to be issued shall not exceed RMB30.0 billion in aggregate, specific size of issue, subject to the capital requirement and market condition
- (iii) Terms and Categories: can take the form of single term or a combination of multiple categories with different terms. The specific composition of such terms and the issue size of each category with a specific term will be subject to the relevant requirements and the market conditions, and the issue size of each category of debenture shall not exceed the limit applicable to the issue of such category of debenture by the Company in accordance with the relevant requirements of the State
- (iv) Use of Proceeds: to meet the production and operation demand of the Company, adjust the debt structure, replenish working capital and/or invest in projects
- (v) Validity Term of the Resolution: from the approval date at the AGM to the date on which the 2020 annual general meeting of the Company is convened

Subject to the Shareholders' approval, the Board shall, in the best interest of the Company, be authorised generally and unconditionally to deal with all matters relating to the proposed issue of the domestic and foreign debt financing instruments, including but not limited to the followings:

1. to determine the type(s), specific category(ies), specific terms and conditions as well as other matters of the debentures, including but not limited, to all the matters in relation to the issue, such as the size of issue, actual total amount, currency, issue price, interest rate or the determination method thereof, place of issue, timing of issue, term(s), whether to issue in tranches and the number of tranches, whether to adopt any terms for repurchase and redemption, rating arrangements, guarantee matters, term of repayment of the principal and interests, use of proceeds, as well as listing and underwriting arrangements;

LETTER FROM THE BOARD

2. to carry out all necessary and incidental actions and procedures for the issue of debentures, including but not limited to, engaging intermediary agencies to handle, on behalf of the Company, the approval, registration and filing procedures with relevant regulatory authorities relating to the application for the issue, executing all necessary legal documents relating to the issue and dealing with other matters relating to the issue and trading of the debentures;
3. to approve, confirm and ratify any of the aforesaid actions or procedures relating to the issue of the debentures already taken by the Company;
4. to execute and publish/despatch relevant announcement(s) and circular(s) in relation to the issue of the debentures and to comply with, if necessary, any relevant information disclosure and/or approval procedures, pursuant to the requirements of domestic regulatory authorities and the Listing Rules;
5. to make relevant adjustments to the relevant matters of the issue of the debentures and to determine whether to proceed with the issue with reference to the opinions from relevant domestic regulatory authorities and the changes in policies and market conditions, provided that such adjustments and decision shall be within the scope of the authorisation of the general meeting and shall be subject to re-voting at a general meeting of the Company if otherwise required by the relevant laws and regulations and the Articles of Association;
6. to determine and deal with all relevant matters in relation to the listing of the debentures, if necessary, upon the completion of the issue;
7. to deal with other specific matters in relation to the issue of the debentures and to execute all the required documents; and
8. the Board is hereby permitted to further delegate the aforesaid authorisation to the executive Directors for the implementation of the issue.

The Board believes that the proposed issue of the domestic and foreign debt financing instruments will provide the Company with an additional source of short-term funding. The Board considers that the issue of the domestic and foreign debt financing instruments will lower the Company's financing cost and improve the Company's financing structure.

The issue of the domestic and foreign debt financing instruments shall be made after the approval by the relevant regulatory authorities.

LETTER FROM THE BOARD

(9) PROPOSAL FOR GENERAL MANDATE TO ISSUE NEW SHARES

In order to ensure flexibility and give discretion to the Board in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders for the general mandate. At the AGM, a special resolution will be proposed to grant the general mandate to the Board to exercise the power of the Company to issue, allot and deal with the additional Domestic and H Shares (including, if any, shares to be converted) not exceeding 20% of the aggregate nominal values of the Domestic Shares and H Shares respectively in issue as at the date of passing of the resolution in relation to the general mandate.

As at the passing of the resolution in relation to the general mandate, the issued share capital of the Company comprised 5,837,738,400 Domestic Shares and 2,570,223,120 H Shares. Subject to the passing of the resolution related to the granting of the general mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 1,167,547,680 Domestic Shares and 514,044,624 H Shares in accordance with the general mandate.

The general mandate shall be effective from the time the resolution is passed until the earliest of: (i) the conclusion of the annual general meeting of the Company to be held in 2021; (ii) the end of the twelfth month since the date of passing of the resolution in relation to the general mandate; or (iii) the revocation or revision of the general mandate given under the above-said resolution by a special resolution of the Company in a general meeting.

(10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 20 March 2020 in relation to the proposed amendments to the Articles of Association. Two special resolutions will be proposed at the AGM, and/or Domestic Share Class Meeting and H Share Class Meeting to approve the proposed amendments to the Articles of Association.

Considering (1) the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97) (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)), the requirements on the notice period of the general meeting, shareholders' proposal right and convening procedures for joint stock limited companies incorporated in China and listed overseas shall be unified and governed by the relevant regulations under the Company Law of the PRC, instead of the regulations under Articles 20 to 22 of the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》); (2) the "Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies" (CSRC Announcement [2019] No. 22) (《H股公司境內未上市股份申請“全流通”業務指引》(中國證券監督管理委員會公告[2019]22號)) issued by the China Securities Regulatory Commission; and (3) the optimization of

LETTER FROM THE BOARD

corporate governance, and taking into consideration the practical situations of the Company, it is required to amend the relevant provisions in the existing Articles of Association. In view of this, the proposed amendments to the Articles of Association are as follows:

	Before the Amendment	After the Amendment
Article 18	<p>Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as Domestic Shares. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as Foreign Shares. Foreign shares which are listed overseas are called Overseas Listed Foreign Shares.</p> <p>“Foreign currencies” mean the legal currencies of countries or districts outside the PRC which are recognized by the foreign exchange authority of the State and which can be used to pay the share price to the Company.</p> <p>Overseas-listed foreign shares issued by the Company and which are listed in Hong Kong shall be referred to as “H Shares”. H Shares are shares which have been admitted for listing on the HK Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p>	<p>Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as Domestic Shares. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as Foreign Shares. Foreign shares which are listed overseas are called Overseas Listed Foreign Shares.</p> <p>“Foreign currencies” mean the legal currencies of countries or districts outside the PRC which are recognized by the foreign exchange authority of the State and which can be used to pay the share price to the Company.</p> <p>Overseas-listed foreign shares issued by the Company and which are listed in Hong Kong shall be referred to as “H Shares”. H Shares are shares which have been admitted for listing on the HK Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
	<p>The holders of domestic shares may transfer their shares to overseas investors, and such transferred shares may be listed or traded on an overseas stock exchange, subject to the approval of the securities authority of the State Council. To list or trade the transferred shares on an overseas stock exchange shall also be subject to the regulating procedures, rules and requirements of the overseas stock market. Voting by holders of different classes of shares is not required in the situation where the transferred shares are listed or traded on an overseas stock exchange.</p>	<p>The holders of domestic shares may transfer <u>all or part of</u> their shares to overseas investors, and such transferred shares may be listed or traded on an overseas stock exchange, <u>and all or part of the domestic shares are convertible into overseas-listed foreign shares, and such converted foreign shares may be listed and traded on an overseas stock exchange,</u> subject to the approval of the securities authority of the State Council. To list or trade the transferred <u>or converted</u> shares on an overseas stock exchange shall also be subject to the regulating procedures, rules and requirements of the overseas stock market. Voting <u>at any shareholder’s general meeting or meetings of class shareholders</u> by holders of different classes of shares is not required in the situation where the transferred shares are listed or traded on an overseas stock exchange, <u>or the overseas-listed foreign shares so converted from domestic shares are listed or traded on an overseas stock exchange.</u></p> <p><u>The overseas-listed foreign shares converted from domestic shares shall be of the same class with the existing overseas-listed foreign shares.</u></p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 47	<p>No share transfer may be entered in the register of shareholders within thirty days prior to the date of a shareholders' general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends. This Article shall not be applicable to the registration of changes in shareholder' register in issuing new shares in accordance with Article 24 of the Articles of Association.</p>	<p>Article 47 No share transfer may be entered in the register of shareholders within thirty days prior to the date of a shareholders' general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends. <u>Where laws, administrative regulations, departmental rules, normative documents and the relevant stock exchange or regulatory authorities at the places where the Company's shares are listed stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall be complied with.</u></p> <p>This Article shall not be applicable to the registration of changes in shareholder' register in issuing new shares in accordance with Article 24 of the Articles of Association.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 66	<p>A forty-five days' prior written notice for convening the shareholders' general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve the written reply slip to the Company twenty days prior to the date of the meeting.</p> <p>The date of the shareholders' general meeting and the date when the notice is dispatched shall not be included in the calculation of the period for issuing such notice.</p> <p>For the notice delivered under this Article, the date of delivery shall be the date on which the notice is severed on relevant post office by the Company or its share registrar.</p>	<p>A forty-five twenty days' prior written notice for convening the shareholders' <u>annual</u> general meeting; <u>a fifteen days' prior written notice for convening the extraordinary general meeting</u> shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve the written reply slip to the Company twenty days prior to the date of the meeting.</p> <p>The date of the shareholders' general meeting and the date when the notice is dispatched shall not be included in the calculation of the period for issuing such notice.</p> <p>For the notice delivered under this Article, the date of delivery shall be the date on which the notice is severed on relevant post office by the Company or its share registrar.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 68	<p>The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of shares with voting right represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders, again by way of a public announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.</p> <p>An extraordinary general meeting shall not transact matters not stated in the notice of meeting.</p>	<p>The Company shall, based on the written replies received twenty days before the date of the shareholders' general meeting, calculate the number of shares with voting right represented by the shareholders who intend to attend the meeting. If the number of shares with voting rights represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total shares with voting rights, the Company may hold the shareholders' general meeting. Otherwise, the Company shall within five days notify the shareholders, again by way of a public announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.</p> <p>An extraordinary general meeting shall not transact matters not stated in the notice of meeting.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 70	<p>Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid mail to the address of the shareholders as shown in the register of shareholders. For holders of domestic shares, notices of general meeting can be given by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five days and fifty days before the date of the meeting; after the publication of announcement, the holders of domestic shares shall be deemed to have received notice of the relevant general meeting.</p>	<p>Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid mail to the address of the shareholders as shown in the register of shareholders. For holders of domestic shares, notices of general meeting can be given by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five days and fifty days before the date of the meeting; after the publication of announcement, the holders of domestic shares shall be deemed to have received notice of the relevant general meeting.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 95	Rights conferred to class shareholders may not be varied or abrogated unless approved by way of a special resolution at a general meeting and by the affected class shareholders at a separate shareholders' meeting convened in accordance with Articles 96 to 100.	<p>Rights conferred to class shareholders may not be varied or abrogated unless approved by way of a special resolution at a general meeting and by the affected class shareholders at a separate shareholders' meeting convened in accordance with Articles 96 to 100.</p> <p><u>The transfer of all or part of the shares held by the holders of domestic shares of the Company to overseas investors for listing and trading on an overseas stock exchange, or the conversion of all or part of domestic shares into overseas-listed foreign shares for listing and trading on an overseas stock exchange, shall not be deemed as the Company's intention to vary or abrogate the rights of class shareholders.</u></p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 99	<p>In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class forty-five days before the class meeting, specifying the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty days prior to the date of the meeting.</p> <p>Where the number of shares carrying rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying rights to vote at the meeting, the Company may hold the class meeting based thereon. If it does not reach that percentage, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered at, and the place and date for, the meeting before it proceeds to hold the class meeting.</p>	<p>In the event that the Company convenes a class meeting, <u>the period of issuing a written notice thereof shall be the same as the period of issuing a written notice of the non-class meeting to be convened together with such class meeting.</u> The <u>a</u> written notice shall be issued to shareholders whose names appear on the register of shareholders of such class forty-five days before the class meeting, specifying the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty days prior to the date of the meeting.</p> <p>Where the number of shares carrying rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying rights to vote at the meeting, the Company may hold the class meeting based thereon. If it does not reach that percentage, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered at, and the place and date for, the meeting before it proceeds to hold the class meeting.</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
Article 101	<p>Apart from holders of other classes of shares, the holders of the domestic shares and overseas-listed foreign shares shall be deemed to be shareholders of different classes.</p> <p>The special voting procedures for class meetings do not apply to the following circumstances:</p> <p>(1) where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than twenty per cent of each of its existing issued domestic shares and overseas-listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is implemented within fifteen months from the date of approval by the securities regulatory authority of the State Council; Or</p>	<p>Apart from holders of other classes of shares, the holders of the domestic shares and overseas-listed foreign shares shall be deemed to be shareholders of different classes.</p> <p>The special voting procedures for class meetings do not apply to the following circumstances:</p> <p>(1) where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than twenty per cent of each of its existing issued domestic shares and overseas-listed foreign shares;</p> <p>(2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is implemented within fifteen months from the date of approval by the securities regulatory authority of the State Council; Or</p>

LETTER FROM THE BOARD

	Before the Amendment	After the Amendment
	(3) where shares held by holders of domestic shares are transferred to overseas investors upon approval by the securities regulatory authority of the State Council, and are listed and traded on overseas stock exchanges.	(3) where shares held by holders of domestic shares are transferred to overseas investors <u>or domestic shares are converted into overseas-listed foreign shares,</u> upon approval by the securities regulatory authority of the State Council, and are listed and traded on overseas stock exchanges.
Article 102	The Company shall have a board of directors consisting of 9 directors, including one chairman. Among them, there shall be 3 executive directors, 3 non-executive directors and 3 independent non-executive directors.	The Company shall have a board of directors consisting of 9 directors, including one chairman. Among them, there shall be 34 executive directors, 32 non-executive directors and 3 independent non-executive directors.

Among the above amendments, “Proposed Amendments Part 1 to the Articles of Association” (as stated in the notice of the AGM) refers to the proposed amendments to Article 102 of the Articles of Association (such amendments do not involve variation or abrogation of the rights of class shareholders). Such amendments will become effective upon approval at the AGM and the change of session (i.e. to the fourth session) of the Board; and “Proposed Amendments Part 2 to the Articles of Association” (as stated in the notice of the AGM and H Share Class Meeting) refers to the proposed amendments to Article 18, 47, 66, 68, 70, 95, 99 and 101 of the Articles of Association (such amendments involve variation or abrogation of the rights of class shareholders). Such amendments will become effective upon approval at the AGM, Domestic Share Class Meeting and H Share Class Meeting.

The AGM and H Share Class Meeting

The Company will convene the AGM and H Share Class Meeting at 9:00 a.m. on Monday, 29 June 2020 at Conference Room, 5/F, Huabin International Hotel Beijing, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC. A notice of the AGM and a notice of H Share Class Meeting have been despatched on 14 May 2020.

LETTER FROM THE BOARD

A reply slip and a form of proxy to be used at the AGM and H Share Class Meeting have also been published on the website of the Stock Exchange (www.hkex.com.hk). Shareholders who intend to appoint a proxy to attend the AGM and H Share Class Meeting shall complete, sign and return the appropriate form of proxy in accordance with the instructions printed thereon.

To be valid, for holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the AGM and H Share Class Meeting (i.e. before 9:00 a.m. on Sunday, 28 June 2020) in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board office of the Company in the PRC at 9/F, Building B, Huadian Plaza, No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC, not less than 24 hours before the time for holding the AGM and H Share Class Meeting (i.e. before 9:00 a.m. on Sunday, 28 June 2020) in order for such documents to be valid.

Holders of H Shares and Domestic Shares, who intend to attend the AGM and H Share Class Meeting must complete the reply slip and return it to the Board office of the Company not later than twenty days before the date of the AGM and H Share Class Meeting, i.e. no later than 9 June 2020.

VOTING BY POLL AT THE AGM AND H SHARE CLASS MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM and H Share Class Meeting will therefore demand a poll for every resolution put to the vote of the AGM and H Share Class Meeting pursuant to article 81 of the Articles of Association.

Pursuant to the Articles of Association, for the purpose of holding the AGM and H Share Class Meeting, the register of members of the Company shall be closed from 30 May 2020 to 29 June 2020 (both days inclusive), during which period no transfer of shares will be registered.

In order to attend the AGM and H Share Class Meeting, holders of H Shares shall lodge all transfer documents together with the relevant shares certificates to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 29 May 2020.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that resolutions as specified in this circular are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM and H Share Class Meeting.

Yours faithfully,

By order of the Board

Huadian Fuxin Energy Corporation Limited

Huang Shaoxiong

Chairman of the Board