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Fujian Huadian Furui Energy Development Co., Ltd.*

(a company incorporated in the People's Republic of China with limited liability)



(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 816)

JOINT ANNOUNCEMENT

LETTER OF INTENT IN RELATION TO THE PROPOSED PRE-CONDITIONAL PRIVATISATION OF HUADIAN FUXIN BY FUJIAN HUADIAN FURUI BY WAY OF MERGER BY ABSORPTION OF HUADIAN FUXIN



Financial Adviser to the Offeror

INTRODUCTION

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by Fujian Huadian Furui Energy Development Co., Ltd.* (the “**Offeror**”) and Huadian Fuxin Energy Corporation Limited (the “**Company**”) dated 1 June 2020 and the composite document (the “**Composite Document**”) issued by the Offeror and the Company dated 26 August 2020, both in relation to the Merger. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement and the Composite Document.

LETTER OF INTENT

The Offeror and the Company are pleased to inform the Shareholders that on 31 August 2020, Pentwater Capital Management Europe LLP (the “**Relevant Shareholder**”) has given a letter of intent (the “**Letter of Intent**”) in favour of the Offeror and China International Capital Corporation Hong Kong Securities Limited (“**CICC**”) regarding its intention to support the Merger. The Relevant Shareholder owned 239,633,003 H Shares in the Company as of 31 August 2020, representing approximately 9.32% of the total issued H Shares and 2.85% of the total issued share capital of the Company as at the date of this joint announcement.

The Relevant Shareholder has confirmed its intention to exercise all voting rights attached to all of the H Shares which it is the direct and/or indirect sole beneficial owner of or is otherwise able to control the exercise of all rights attaching thereto, in each case as at the time of the EGM and the H Shareholders' Class Meeting (the "Meetings") in favour of the resolutions to be put forward to the Meetings to approve the Merger Agreement and the Merger. It would notify the Offeror and CICC of any change of its intention to approve the Merger Agreement and the Merger. Such confirmation is not legally binding.

WARNING

Nothing in the above statements should be taken as an invitation, solicitation or investment advice of any kind and neither the Offeror, the Company and the Relevant Shareholder, nor their respective subsidiaries, assume any responsibility whatsoever for any loss howsoever arising from the use or reliance of any information set out above. The statements in the Letter of Intent were made without assuming any legal obligations and are non-binding on the part of the Relevant Shareholder. Further announcement will be made by the Offeror and the Company if the Relevant Shareholder informs the Offeror and CICC of any change of such intention.

The Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions being satisfied or waived, as applicable, and neither the Offeror nor the Company provides any assurance that any or all of the Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. The Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the sole director of
**Fujian Huadian Furui Energy Development
Co., Ltd.***

GOU Wei
Sole Director

By order of the board of
Huadian Fuxin Energy Corporation Limited

HUANG Shaoxiong
Chairman

Beijing, China

1 September 2020

As at the date of this joint announcement, the Offeror's sole director is Mr. GOU Wei. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of Huadian comprises Mr. WEN Shugang, Mr. YE Xiangdong, Mr. ZHENG Baosen, Mr. BOON Swan Foo, Mr. SUN Xiaomin,

Ms. CHEN Ke, Mr. YU Wanyuan and Mr. FENG Haipeng. The directors of Huadian jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. HUANG Shaoxiong, Mr. WU Jianchun and Mr. DU Jiangwu as executive Directors, Mr. TAO Yunpeng, Mr. SHI Chongguang and Mr. WANG Bangyi as non-executive Directors, and Mr. ZHANG Bai, Mr. TAO Zhigang and Mr. WU Yiqiang as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Offeror and Huadian) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror and the directors of Huadian) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

** For identification purposes only*