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Fujian Huadian Furui Energy Development Co., Ltd.*

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



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: 816)

JOINT ANNOUNCEMENT

**(1) POLL RESULTS OF
THE EGM
AND
THE H SHAREHOLDERS' CLASS MEETING
HELD ON WEDNESDAY, 16 SEPTEMBER 2020
RELATING TO THE
PROPOSED PRE-CONDITIONAL PRIVATISATION OF
HUADIAN FUXIN BY FUJIAN HUADIAN FURUI
BY WAY OF MERGER BY ABSORPTION OF HUADIAN FUXIN**

**(2) PROPOSED WITHDRAWAL OF LISTING AND LAST DAY OF TRADING
AND**

**(3) INFORMATION REGARDING EXERCISE OF RIGHT OF DISSENTING
SHAREHOLDERS**



CICC
中金公司

Financial Adviser to the Offeror

INTRODUCTION

Reference is made to (i) the announcement jointly issued by Fujian Huadian Furui Energy Development Co., Ltd.* (the “**Offeror**”) and Huadian Fuxin Energy Corporation Limited (the “**Company**”) dated 1 June 2020, (ii) the announcement jointly issued by the Offeror and the Company dated 22 June 2020 in relation to the extension of time for despatch of the composite document (the “**Composite Document**”); (iii) the announcement jointly issued by the Offeror and the Company dated 21 July 2020 in relation to the progress update on the Merger; (iv) the announcement jointly issued by the Offeror and the Company dated 21 August 2020 in relation to the fulfilment of the Pre-Condition; (v) the Composite Document jointly issued by the Offeror and the Company, the notice of EGM, the notice of H Shareholders’ Class Meeting, and the announcement jointly issued by the Offeror and the Company in relation to the despatch of the Composite Document, each dated 26 August 2020; (vi) the announcement jointly issued by the Offeror and the Company dated 1 September 2020 in relation to the letter of intent given by Pentwater Capital Management Europe LLP in favour of the Offeror and China International Capital Corporation Hong Kong Securities Limited (“**CICC**”); and (vii) the announcement jointly issued by the Offeror and the Company dated 8 September 2020 in relation to the letter of intent given by Lakeville Capital Management Ltd. in favour of the Offeror and CICC, all 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 Composite Document.

RESULTS OF THE EGM AND THE H SHAREHOLDERS’ CLASS MEETING

The Board and the sole director of the Offeror are pleased to announce that the proposed resolutions set out in the notice of EGM and the notice of H Shareholders’ Class Meeting were voted by way of poll and all of them were duly passed on 16 September 2020.

The EGM and the H Shareholders’ Class Meeting were held at Conference Room, 5/F, Huabin International Hotel Beijing, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC at 9:00 a.m. on Wednesday, 16 September 2020.

In compliance with the requirements of the Listing Rules and Rule 2.9 of the Takeovers Code, Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, acted as the scrutineer for the vote-taking at the EGM and the H Shareholders’ Class Meeting.

The poll results in respect of the EGM and the H Shareholders’ Class Meeting are as follows:

(i) The poll results in respect of the EGM

SPECIAL RESOLUTION		NUMBER OF VALID VOTES (%)	
		For	Against
1.	(a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 1 June 2020 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement. (b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.	7,641,494,728 99.978674% <i>(note 1)</i>	1,630,000 0.021326% <i>(note 1)</i>

Notes:

1. Based on the total number of the votes attaching to all the Shares held by the Shareholders cast in person or by proxy at the EGM.
2. The percentage figures included in the poll results in respect of the EGM above have been subject to rounding adjustments.

As at the date of the EGM, the total number of issued Shares is 8,407,961,520, comprising 2,570,223,120 H Shares and 5,837,738,400 Domestic Shares, which was the total number of Shares entitling the holders to attend and vote for or against the resolution at the EGM.

There were no restrictions imposed on any Shareholder to cast votes on the aforesaid resolution passed at the EGM. There was no Share entitling the Shareholder to attend and vote only against the resolution at the EGM or to abstain from voting. No Shareholder had previously stated his/her/its intention in the Composite Document to vote against the resolution proposed at the EGM or to abstain from voting.

The EGM was convened by the Board and chaired by Mr. HUANG Shaoxiong, Chairman of the Board. The Shareholders and authorised proxies holding an aggregate of 7,643,124,728 Shares, representing approximately 90.903422% of the total issued share capital of the Company were present at the EGM.

With respect to the special resolution at the EGM, since more than two-thirds of the votes attaching to the Shares held by the Shareholders present in person or by proxy at the EGM were cast in favour of the resolution, the special resolution was passed by way of poll at the EGM in accordance with the requirements of the PRC Laws and the Articles.

(ii) The poll results in respect of the H Shareholders' Class Meeting

SPECIAL RESOLUTION		NUMBER OF VALID VOTES (%)	
		For	Against
1.	(a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 1 June 2020 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement.	1,792,656,211 99.909156% <i>(note 1)</i> 69.747105% <i>(note 2)</i>	1,630,000 0.090844% <i>(note 1)</i> 0.063419% <i>(note 2)</i>
	(b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.		

Notes:

1. Based on the total number of the votes attaching to all the H Shares held by the Independent H Shareholders cast in person or by proxy at the H Shareholders' Class Meeting.
2. Based on the total number of the votes attaching to all the H Shares held by the Independent H Shareholders.
3. The percentage figures included in the poll results in respect of the H Shareholders' Class Meeting above have been subject to rounding adjustments.

The total number of H Shares entitling the Independent H Shareholders to attend and vote for or against the resolution at the H Shareholders' Class Meeting was 2,570,223,120 H Shares.

The Offeror and its concert parties were required to, and did, abstain from voting at the H Shareholders' Class Meeting in accordance with the Takeovers Code. There were no other restrictions imposed on any Independent H Shareholders to cast votes on the aforesaid resolution passed at the H Shareholders' Class Meeting. There was no H Share entitling the Independent H Shareholders to attend and vote only against the special resolution at the H Shareholders' Class Meeting. No Independent H Shareholder has stated its intention in the Composite Document to vote against the resolution proposed at the H Shareholders' Class Meeting or to abstain from voting.

The H Shareholders' Class Meeting was convened by the Board and chaired by Mr. HUANG Shaoxiong, Chairman of the Board. The Independent H Shareholders and authorised proxies holding an aggregate of 1,794,286,211 H Shares, representing approximately 69.810523% of the total number of votes attaching to all the H Shares held by the Independent H Shareholders were present at the H Shareholders' Class Meeting.

With respect to the special resolution at the H Shareholders' Class Meeting, since more than 75% of the votes attaching to the H Shares held by the Independent H Shareholders present in person or by proxy at the H Shareholders' Class Meeting were cast in favour of the resolution and the number of votes cast against the resolution amounted to not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the special resolution was passed by way of poll at the H Shareholders' Class Meeting in accordance with the requirements of Rule 6.15(2) of the Listing Rules and Rule 2.10 of the Takeovers Code.

FULFILLMENT OF THE CONDITIONS TO EFFECT THE MERGER AGREEMENT

As at the date of this joint announcement, the Conditions to effectiveness have been fulfilled. Accordingly, the Merger Agreement has become effective.

The Shareholders and investors are reminded that the implementation of the Merger shall be subject to the fulfilment of the Conditions to implementation (unless waived, as applicable).

The Offeror and the Company will jointly issue an announcement stating whether the Conditions to implementation have been fulfilled or waived (as applicable) on or before Tuesday, 29 September 2020.

PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY AND LAST DAY OF TRADING

The Company has obtained approval from the Stock Exchange for the withdrawal of the listing of the H Shares on the Stock Exchange, which is subject to the Merger becoming effective, in accordance with Rule 6.15(2) of the Listing Rules.

It is currently expected that (i) the last day of dealings in the H Shares on the Stock Exchange will be Monday, 21 September 2020; and (ii) the voluntary withdrawal of listing of the H Shares on the Stock Exchange would occur at 9:00 a.m. on Tuesday, 29 September 2020.

On the assumption that the Conditions to implementation have been fulfilled (or waived, as applicable) on Tuesday, 29 September 2020, the cheques for payment of the Cancellation Price will be despatched to the Shareholders on or before Monday, 12 October 2020.

The H Shareholders will be notified by way of an announcement if there are any additional developments.

EXERCISE OF RIGHT OF DISSENTING SHAREHOLDERS

Reference is made to the paragraph headed "Right of a Dissenting Shareholder" in the section headed "3. PRINCIPAL TERMS OF THE MERGER AGREEMENT" of the "LETTER FROM THE BOARD" in the Composite Document.

As no vote was cast against Special Resolution 1 at the EGM by the Domestic Shareholders, the Domestic Shareholders will not be entitled to exercise the right to request the Offeror to acquire its Shares at a "fair price" on behalf of the Company and/or the Consenting Shareholders (the "**Right**"), and only H Shareholders which satisfy the relevant criteria and entitlement conditions will be entitled to exercise the Right.

Any Dissenting Shareholder holding H Shares and wishing to exercise the Right should on or before the expiry date of the Declaration Period (which is currently expected to be 7 October 2020), collect the documents containing information on the procedures for exercising the Right and the Required Document (as defined below, together as the “**Procedure Documents**”) at the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

The multiple documents requested for in the Procedure Documents (the “**Required Documents**”) include, but are not limited to (i) exercise notice(s) with information filled in; and (ii) declaration and proof in respect of satisfaction of criteria and entitlement conditions to exercise the Right. For a Dissenting Shareholder whose H Shares are deposited in CCASS, additional documents and proof will be required in respect of beneficial ownership and nominee relationship (if any). The Required Documents must be submitted during the Declaration Period (which is currently expected to be from 29 September 2020 to 7 October 2020) by hand to the Company’s H Share registrar as stated above.

Pursuant to the Merger Agreement, (i) if the Right is exercised before the date for payment of the Cancellation Price, the Offeror has the right to withhold payment of the Cancellation Price to the Dissenting Shareholder and make the payment separately upon agreement on matters regarding the Right; and (ii) if the Right is exercised on or after the date for payment of the Cancellation Price, the Dissenting Shareholder must refund the Cancellation Price to the Offeror during the Declaration Period in order to be entitled to exercise the Right. Otherwise the Dissenting Shareholder will be deemed to have waived, and will no longer be able to exercise, the Right. For the avoidance of doubt, (i) if the Right is exercised before the date for payment of the Cancellation Price and the Dissenting Shareholder has received the Cancellation Price, the Dissenting Shareholder must refund the Cancellation Price to the Offeror as soon as practicable in order to validly exercise the Right. The Offeror will make the payment separately upon agreement on matters regarding the Right; and (ii) regardless of when the Dissenting Shareholder exercises the Right, the Dissenting Shareholder will be deemed to have ceased to have any right in respect of the Shares (other than the right to request for consideration pursuant to exercise of the Right) on the date for payment of the Cancellation Price.

In case of any question on the satisfaction of criteria and entitlement conditions to exercise the Right, the valid exercise of the Right or submission of the Required Documents, the Offeror has the absolute discretion to determine the answer to such question.

The requirements regarding the Right are pursuant to the PRC Company Law and the Mandatory Provisions for Companies Listing Overseas. There is no administrative guidance on the substantive as well as the procedural rules as to how the “fair price” will be determined under the PRC Laws. Thus no assurance can be given as to any favourable results to the Dissenting Shareholders who have validly exercised the Right and the cost may be incurred by the Dissenting Shareholders in the process of exercising the Right and determining the “fair price”.

The PRC legal adviser to the Offeror advised that pursuant to Article 219 of the Articles, such disputes or claims arising from the determination of the “fair price” should be resolved through arbitration at either the China International Economic and Trade Arbitration Commission or the Hong Kong International Arbitration Centre. Except otherwise required by applicable laws or regulations, the applicable laws to such disputes or claims should be the laws of the PRC. The “fair price” will then be determined and the related dispute and procedures will be conducted according to the award of the arbitration to be granted upon the settlement of such disputes or claims.

For the avoidance of doubt, if the Merger does not proceed, the Dissenting Shareholders will not be entitled to exercise the Right as described above.

WARNING

Completion of the Merger is conditional upon the satisfaction (or waiver, as applicable) of the Conditions to implementation. Accordingly, the issue of this joint announcement does not imply in any way that the Merger will be completed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. 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
16 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*