

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and is not an offer to sell or the solicitation of an offer to buy securities and neither this announcement nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in any jurisdiction, including the United States. The Placing Shares mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Placing Shares may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. The Company does not intend to make any public offering of securities in the United States.*



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

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

**Sole Global Coordinator and Settlement Agent**



**Joint Bookrunners and Joint Placing Agents**



**BofA Merrill Lynch**



**Co-lead Manager**



### PLACING OF NEW SHARES

The Board is pleased to announce that on 26 January 2014, the Company and the Bookrunners and the Placing Agents entered into the Placing Agreement pursuant to which each of the Bookrunners and the Placing Agents agreed on a best effort basis to procure Placees to purchase the Placing Shares at the Placing Price (together with such brokerage (if any) payable by the purchasers).

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM of the Company held on 28 June 2013. As at the date of this announcement, no shares have been allotted and issued pursuant to the aforesaid general mandate.

The Company has received the CSRC Approval and the SASAC Approval.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$3.30. The proceeds from the issuance of the H Shares, after deduction of the expenses relating to the issuance, will be used for general working capital for the Group. The Placing Shares represent approximately 20.00% and 4.68%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 4.47%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

**As Completion is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## **THE PLACING AGREEMENTS**

**Date:** 26 January 2014

**Parties:** The Company; and  
The Bookrunners and the Placing Agents

### **Number of Placing Shares**

356,975,520 new H Shares of RMB1.00 each in the registered capital of the Company will be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent approximately 20.00% and 4.68%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 4.47%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be RMB356,975,520.

### **The Placing**

The Company has appointed the Bookrunners and the Placing Agents as its exclusive agents for the Placing and each of the Bookrunners and the Placing Agents agrees on a best efforts basis to procure Placees to purchase the Placing Shares at the Placing Price (together with such brokerage (if any) payable by the purchasers) and on the terms and conditions of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate, and will be allotted to not less than six but no more than ten Placees.

### **Independence of the Placing Agents**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Bookrunners and the Placing Agents is a third party independent of and not connected with the Company or its connected persons.

## **The Placees**

The Bookrunners and the Placing Agents will place the Placing Shares to not less than six but no more than ten Placees who are independent professional, institutional and other investors who and whose ultimate beneficial owners are third parties independent of and not connected with the Company. None of the Placees will become a substantial shareholder of the Company immediately after Completion.

## **Placing Price**

The Placing Price of HK\$3.30 per Placing Share (exclusive of brokerage (if any)) represents:

- (a) a discount of approximately 6.52% to the closing price of HK\$3.53 per H Share as quoted on the Stock Exchange on 24 January 2014 being the last trading day before the publication of this announcement;
- (b) a discount of approximately 8.84% to the average closing price of HK\$3.62 per H Share as quoted on the Stock Exchange for the last five trading days up to and including 24 January 2014; and
- (c) a discount of approximately 8.61% to the average closing price of HK\$3.61 per H share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 24 January 2014.

The Placing Price has been negotiated and arrived at on an arm's length basis and by reference to the market conditions. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

The net Placing Price (after deduction of the commissions and expenses relating to the Placing) is approximately HK\$3.24 per Placing Share.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing H Shares in issue on the Closing Date, including the right to receive all dividends and other distributions declared and made after the Closing Date.

## **Lock-up**

The Company undertakes to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents.

## Conditions

The Completion is conditional upon the satisfaction or waiver by the Bookrunners and the Placing Agents of the following conditions on or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and the Settlement Agent:

- (a) the approvals of all relevant PRC regulatory authorities (including the CSRC and the SASAC) for the Placing being obtained and remaining in full force and effect on the Closing Date, and the delivery to the Settlement Agent of a certified true copy of each of the above approvals;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate representing the Placing Shares);
- (c) the delivery of the legal opinions by the Placing Agents' legal counsel as to PRC law in a form and substance satisfactory to the Bookrunners and the Placing Agents; and
- (d) the delivery of the US non-registration legal opinion by the US legal counsel of the Company and the Placing Agents in a form and substance satisfactory to the Bookrunners and the Placing Agents.

The Company shall, as soon as is reasonably practicable, apply to the Stock Exchange for the granting of listing of, and permission to deal in, the Placing Shares and the Company shall use all reasonable endeavors to obtain the granting of such listing and permission to deal in by the Listing Committee of the Stock Exchange as soon as is reasonably practicable, and will inform the Settlement Agent promptly following the granting of the same. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may reasonably be required by the Settlement Agent and/or the Stock Exchange in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and the Settlement Agent, the obligations and liabilities of the Placing Agents and the Company under the Placing shall be null and void and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise.

## Termination

The Bookrunners and the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date in any of the following cases, notwithstanding anything contained in the Placing Agreement:

- (a) there develops, occurs or comes into force:
  - i. any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Settlement Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- ii. any event, or series of events beyond the reasonable control of the Settlement Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, the United Kingdom, the European Union or the U.S., or the declaration by Hong Kong, the PRC, the United Kingdom, the European Union or the U.S. of war or a state of emergency or calamity or crisis; or
  - iii. any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Settlement Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
  - iv. any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Settlement Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
  - v. any suspension of dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or
  - vi. any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
  - vii. the commencement by any state, governmental, judicial, regulatory or political body or organization of any action against any director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organization that it intends to take any such action which in the sole opinion of the Settlement Agent is or is likely to be materially adverse to the success of the Placing or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (b) (i) any breach of any of the representations, warranties and undertakings by the Company set out in Clause 6 or Clause 8 of the Placing Agreement comes to the knowledge of the Settlement Agent; or (ii) any event occurs or any matter arises on or after the date hereof and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertaking untrue or incorrect in any respect and such breach or failure is, in the sole opinion of the Settlement Agent, material or is or would be or is likely to be materially adverse to the success of the Placing; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company and such breach or failure is, in the sole opinion of the Settlement Agent, material or is or would be or is likely to be materially adverse to the success of the Placing; or

- (c) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Settlement Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith.

## **Completion**

Subject to the conditions mentioned above, the completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

**As Completion is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES AND CORPORATE APPROVALS**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM of the Company held on 28 June 2013. Under this General Mandate, the Directors are allowed to allot and issue up to 356,975,520 H Shares. As at the date of this announcement, no shares have been allotted and issued pursuant to the aforesaid General Mandate and therefore, the Company is allowed to issue up to 356,975,520 H Shares under such general mandate. Accordingly, the issue of the Placing Shares is not subject any further approval by the Shareholders. All necessary corporate approvals, being the General Mandate and relevant Board approvals in relation to the Placing have been obtained.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING**

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$1,178,019,216. The proceeds from the issuance of the H Shares, after deduction of the expenses relating to the issuance, will be used for general working capital of the Group. The Directors have considered different types of fund raising activities and consider that the Placing offers a good opportunity for the Company to raise additional capital in the most effective manner and will also provide an opportunity for the Company to broaden its Shareholder base.

The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.



## EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out below.

Name of Shareholder	Immediately before the Placing (Number of Shares)	% of total issued Domestic Shares or H Shares (as the case may be)(%)	% of total issued Shares	Immediately after the Placing assuming all Placing Shares are placed (Number of Shares)	% of total issued Domestic Shares or H Shares (as the case may be)(%)	% of total issued Shares
<b>DOMESTIC SHARES</b>						
<b>Total issued Domestic Shares</b>	5,837,738,400	100	76.58	5,837,738,400	100	73.16
<b>H SHARES</b>						
Placees	–	–	–	356,975,520	16.67	4.47
Other public H Shareholders	1,784,877,600	100	23.42	1,784,877,600	83.33	22.37
<b>Total Issued H Shares</b>	<u>1,784,877,600</u>	100	<u>23.42</u>	<u>2,141,853,120</u>	100	<u>26.84</u>
<b>TOTAL ISSUED SHARES</b>	<u><u>7,622,616,000</u></u>		<u><u>100</u></u>	<u><u>7,979,591,520</u></u>		<u><u>100</u></u>

## **PRC REGULATORY APPROVALS**

All necessary PRC regulatory approval in respect of the Placing, including the approvals from SASAC and CSRC have been obtained for the Placing. According to the CSRC Approval, the Company may issue not more than 356,975,520 new H Shares.

## **LISTING APPROVAL**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and for the permission to deal in, the Placing Shares.

## **DEFINITIONS**

“AGM”	the annual general meeting of the Company held on 28 June 2013
“Board”	the board of Directors
“Bookrunners and Placing Agents”	UBS AG, Hong Kong Branch, Merrill Lynch Far East Limited and CLSA Limited
“Closing Date”	5 February 2014, or such other date as the Company and the Settlement Agent may agree in writing
“Company”	Huadian Fuxin Energy Corporation Limited
“Completion”	completion of the Placing under the Placing Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Approval”	the approval issued by the CSRC to the Company, approving the issue and allotment of up to 356,975,520 H Shares
“Director(s)”	Director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB by the PRC citizens and/or the PRC incorporated entities
“General Mandate”	the general mandate granted at the AGM by the Shareholders to the Directors to allot and issue new Domestic Shares and H Shares not exceeding 20% of the aggregate nominal values of the Company’s Domestic and H Shares respectively in issue as at the date of the AGM
“Group”	the Company and its Subsidiaries



“H Share(s)”	the ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company which are listed and traded on the Stock Exchange
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any professional, institutional and other investor whom the Placing Agents have procured to subscribe for any of the Placing Shares pursuant to their obligations hereunder
“Placing”	the placing by or on behalf of the Placing Agents of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agreement”	the placing agreement dated 26 January 2014 entered into between the Company and the Placing Agents
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Settlement Agent may agree in writing)
“Placing Shares”	356,975,520 new H Shares to be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement
“Placing Price”	HK\$3.30 per Share
“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 PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“SASAC Approval”	the approval issued by the SASAC to the Company, approving the issue and allotment of up to 356,975,520 H Shares
“Settlement Agent”	UBS AG, Hong Kong Branch
“SFC”	Securities and Futures Commission of Hong Kong

“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“%”	percentage

By Order of the Board  
**Huadian Fuxin Energy Corporation Limited**  
**FANG Zheng**  
*Chairman of the Board*

Beijing, the PRC, 26 January 2014

*As at the date of this announcement, the executive Directors are Mr. FANG Zheng, Mr. JIANG Bingsi and Mr. LI Lixin; the non-executive Directors are Mr. ZONG Xiaolei, Mr. TAO Yunpeng and Mr. CHEN Bin; and the independent non-executive Directors are Mr. ZHOU Xiaoqian, Mr. YEUNG Pak Sing and Mr. ZHANG Bai.*