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CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*

新天綠色能源股份有限公司

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

(Stock Code: 00956)

CONNECTED TRANSACTION CAPITAL CONTRIBUTION TO YANSHAN GUYUAN BY HECIC

The Board hereby announces that on 9 October 2018, HECIC New-energy, a wholly-owned subsidiary of the Company, entered into the Joint Venture Contract with HECIC, pursuant to which HECIC shall contribute RMB50 million to Yanshan Guyuan, a wholly-owned subsidiary of HECIC New-energy. In particular, RMB46.7755 million will be used to increase the registered capital, and RMB3.2245 million will be used to increase the capital reserve. Upon completion of the Capital Contribution, HECIC New-energy and HECIC will hold 94.43% and 5.57% of the equity interests in Yanshan Guyuan, respectively.

HECIC is the controlling shareholder of the Company. Therefore, according to the Listing Rules, HECIC is a connected person of the Company. The Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Capital Contribution exceed 0.1% but are less than 5%, the Capital Contribution is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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THE JOINT VENTURE CONTRACT

Date of Execution

9 October 2018

Parties

- (1) HECIC New-energy; and
- (2) HECIC.

Capital contribution by HECIC in cash

HECIC, as a new shareholder, shall contribute RMB50 million to Yanshan Guyuan in cash. In particular, RMB46.7755 million will be used to increase the registered capital, and RMB3.2245 million will be used to increase the capital reserve. HECIC shall transfer all the capital contributions to a bank account of Yanshan Guyuan within 30 days from the execution date of the Joint Venture Contract. The original capital contribution by HECIC New-energy remains unchanged.

Upon completion of the Capital Contribution, the registered capital of Yanshan Guyuan will be increased from RMB793 million to RMB839.7755 million. Yanshan Guyuan will be held as to 94.43% and 5.57% by HECIC New-energy and HECIC, respectively, and will continue to be a subsidiary of HECIC New-energy.

The shareholding of HECIC after the Capital Contribution is determined by reference to the net asset value of Yanshan Guyuan of approximately RMB103 million pursuant to the asset valuation carried out by an independent valuer with 31 December 2017 being the benchmark date. The method used in the valuation is asset-based approach.

Corporate Governance of Yanshan Guyuan

The board of directors of Yanshan Guyuan shall comprise five directors, including four directors elected from the candidates recommended by HECIC New-energy at a shareholders' meeting and one employee representative director elected by the employee representatives' meeting of Yanshan Guyuan. The board of directors shall have one chairman, who shall be recommended by HECIC New-energy.

The supervisory committee of Yanshan Guyuan shall comprise three supervisors, two of whom shall be appointed by HECIC New-energy, and one employee representative supervisor shall be elected by the employee representatives' meeting; the supervisory committee shall have one chairman, who shall be recommended by HECIC New-energy and elected by the supervisory committee.

Yanshan Guyuan shall have a general manager and a financial controller. The general manager shall be recommended by HECIC New-energy, and the financial controller shall be nominated by the general manager.

Information of Yanshan Guyuan

Yanshan Guyuan was established on 3 March 2009 under the laws of the PRC. Prior to the Capital Contribution, Yanshan Guyuan is a wholly-owned subsidiary of the Company and mainly engaged in the development and construction of power projects. It is currently investing in and constructing several wind farm projects including the Guyuan Wind Power Hydrogen Production Project.

Pursuant to the audited financial statements of Yanshan Guyuan prepared under the Generally Accepted Accounting Principles of the PRC, the total audited assets of Yanshan Guyuan as at 31 December 2017 was approximately RMB265 million and the audited net asset value was approximately RMB102.8 million.

Pursuant to the audited financial statements of Yanshan Guyuan prepared under the Generally Accepted Accounting Principles of the PRC, the audited net profit before and after tax and extraordinary items of Yanshan Guyuan for each of the years ended 31 December 2016 and 2017 were as follows:

	For the year ended 31 December 2016 <i>(RMB)</i>	For the year ended 31 December 2017 <i>(RMB)</i>
Audited net profit (before tax and extraordinary items)	125,117,940.97	219,671,438.28
Audited net profit (after tax and extraordinary items)	112,478,411.32	205,043,254.07

Upon completion of the Capital Contribution, Yanshan Guyuan will continue to be a subsidiary of the Company and its accounts will remain consolidated into the consolidated financial statements of the Group. As the Capital Contribution will not result in the loss of control of Yanshan Guyuan by the Group, the deemed disposal constituted by the Capital Contribution will be accounted for as an equity transaction that will not result in the recognition of any profit or loss.

The proceeds from the Capital Contribution will be used for the development and construction of the Guyuan Wind Power Hydrogen Production Project. Under the Guyuan Wind Power Hydrogen Production Project, the total installed capacity of wind farms amounted to 200MW and the planned total capacity of hydrogen production equipment amounted to 10MW. Through the comprehensive utilization of hydrogen, the project will increase the proportion of hydrogen energy in China's energy structure, explore new channels for the use and consumption of wind power and alleviation of the power constraints in Zhangjiakou dam area.

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION

According to the requirements of the "Reply on the 2016 State-owned Capital Operation Budget of Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司)" (Ji Guo Zi Zi [2016] No.52) issued by the State-owned Assets Supervision and Administration Commission of Hebei Province, HECIC shall use the amount of RMB50 million obtained by it from the state-owned capital operation budget in 2016 for capital investment in the Guyuan Wind Power Hydrogen Production Project. In order to confirm the ownership of the state-owned capital and support the construction of the Guyuan Wind Power Hydrogen Production Project, HECIC intends to use such provincial-level state-owned capital to make capital contribution to Yanshan Guyuan. Since the Guyuan Wind Power Hydrogen Production Project is still at the investment and construction stage, the Capital Contribution can reduce the financial risk of Yanshan Guyuan and ensure the safety of capital chain, which is conducive to the development of the Guyuan Wind Power Hydrogen Production Project.

Based on the above, the Directors (including all the independent non-executive Directors) consider that the Joint Venture Contract and the Capital Contribution are conducted on normal commercial terms, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Company

The Company is one of the leading clean energy companies in Northern China. Its scope of business includes: (i) investment in exploration and utilization projects of natural gas, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas; (ii) investment in the development of new energy projects such as wind power, solar power and nuclear energy; and (iii) development of new energy technology and technical services.

HECIC New-energy

HECIC New-energy is a wholly-owned subsidiary of the Company. Its business scope includes: investment in emerging energy projects such as wind power, solar energy and nuclear energy; undertaking planning, development and related technical consultation, technical services, technology development, technical cooperation and personnel training services for new energy projects; power environmental protection, energy conservation, renewable energy technology and equipment development business; operation, maintenance, repair of substation equipment and high and low voltage equipment; (for branch office only): wind power generation.

HECIC

HECIC is a wholly state-owned enterprise incorporated under the approval of the People's Government of Hebei Province and is under the direct supervision of the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province. It is primarily engaged in the investment in, and construction of, infrastructure industries, infrastructures and pillar industries of Hebei Province, such as energy, transportation, water works and commercial real estate.

IMPLICATION UNDER THE LISTING RULES

HECIC is the controlling shareholder of the Company. Therefore, according to the Listing Rules, HECIC is a connected person of the Company. The Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Capital Contribution exceed 0.1% but are less than 5%, the Capital Contribution is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang hold positions in HECIC, they abstained from voting on the Board resolutions in relation to the approval of the execution of the Joint Venture Contract and the Capital Contribution according to the requirements of the articles of association of the Company. Save for the above, no other Directors have material interest in the Joint Venture Contract and the Capital Contribution and hence abstaining from voting on such Board resolutions.

DEFINITIONS

In this announcement, the following terms shall have the following meaning unless the context otherwise requires:

“Board”	the board of Directors of the Company;
“Capital Contribution”	the capital contribution made by HECIC to Yanshan Guyuan in accordance with the Joint Venture Contract;
“Company”	China Suntien Green Energy Corporation Limited* (新天綠色能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 9 February 2010, whose H shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Guyuan Wind Power Hydrogen Production Project”	the Guyuan comprehensive utilization demonstration project of the Group located in Guyuan County, Zhangjiakou City for wind power hydrogen production;
“HECIC”	Hebei Construction & Investment Group Co., Ltd.* (河北建設投資集團有限責任公司), a wholly state-owned enterprise incorporated in the PRC, and one of the promoters and the controlling shareholder of the Company;

“HECIC New-energy”	HECIC New-energy Co., Ltd., a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Yanshan Guyuan”	HECIC Yanshan (Guyuan) Wind Power Co., Ltd.*(建投燕山(沽源)风能有限公司), a limited liability company incorporated in Zhangjiakou City, Hebei Province, the PRC, and a subsidiary of the Company;
“Joint Venture Contract”	the equity joint venture contract entered into between HECIC New-energy and HECIC on 9 October 2018 in relation to the Capital Contribution;
“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 announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan region;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“subsidiaries”	has the meaning ascribed to it in the Listing Rules.

By order of the Board of
China Suntien Green Energy Corporation Limited
Mei Chun Xiao
Executive Director and President

Shijiazhuang City, Hebei Province, the PRC, 9 October 2018

As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang; the executive Directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hong Jun; and the independent non-executive Directors of the Company are Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew.

* For identification purpose only