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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 FORMATION OF HEBEI GAS COMPANY**

The Board hereby announces that the Company and HECIC entered into the Joint Venture Contract on 28 November 2018 for the purpose of formation of Hebei Gas Company. Pursuant to the Joint Venture Contract, the registered capital of Hebei Gas Company will be RMB100,000,000, comprising RMB55,000,000 to be subscribed by the Company and RMB45,000,000 to be subscribed by HECIC, representing 55% and 45% of the registered capital of Hebei Gas Company, respectively. After the establishment of Hebei Gas Company, its financial statements will be consolidated into the Company's financial statements as a subsidiary of the Company.

HECIC is the controlling shareholder of the Company, directly holding approximately 50.5% equity interest of the Company, and is therefore a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) of the Transaction exceeds 0.1% but is less than 5%, the Transaction is subject to the relevant reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## **I. MAJOR TERMS OF THE JOINT VENTURE CONTRACT**

The major terms of the Joint Venture Contract are summarized as follows:

### **Date**

28 November 2018

### **Parties**

- the Company
- HECIC

### **Registered Capital and Proportion of Capital Contribution**

The registered capital of Hebei Gas Company will be RMB100,000,000, the Company will subscribe for RMB55,000,000, representing 55% of the registered capital of Hebei Gas Company, and HECIC will subscribe for RMB45,000,000, representing 45% of the registered capital of Hebei Gas Company. The Company and HECIC will pay for their proportionate registered capital according to the needs of business development of Hebei Gas Company which must be fully paid by 31 December 2048.

Except for the above capital contribution of the Company to Hebei Gas Company, the Company has no other capital commitment (whether equity, loan or other form), guarantee or indemnity to Hebei Gas Company.

The Company expects to use its own funds to make capital contribution to Hebei Gas Company in cash.

### **Business Objectives and Business Scope**

Hebei Gas Company's business objectives are to provide clean energy generated from natural gas and other energy resources with advanced technology equipment and scientific management methods, so that to satisfy the demand for natural gas with goals of a healthy and stable national economy and sustainable development, and gain good social benefits and economic returns.

The proposed business scope of Hebei Gas Company mainly includes: sale of city gas; sale of gas equipment and accessories, pipes, pipe materials and accessories; installation and maintenance of gas equipment; supply of electricity and heat; development of energy-saving technology and new energy technology, technical consultation, technology promotion services; municipal engineering design and construction; self-operated and agent import and export business of various commodities and technologies; self-operation and as agent for import and export of various commodities and technologies.

## **Organization Structure**

The shareholders meeting of Hebei Gas Company will comprise all its shareholders and is the highest authority. The board of directors of Hebei Gas Company will comprise three directors. Each of the Company and HECIC will appoint one director who is subject to the election by the shareholders' meeting and the third director will be the employee director to be elected at the employee representatives' meeting. Hebei Gas Company will have two supervisors, and each of the Company and HECIC will appoint one supervisor, who is subject to the election by the shareholders' meeting. Hebei Gas Company will have a general manager, a number of deputy general managers and a chief accountant, all of which will be appointed by the Company.

## **II. REASONS FOR AND BENEFITS OF THE TRANSACTION**

Gas business is one of the key business segments of the Company. The Transaction will further enhance the Company's control level of natural gas resources in Hebei Province, continuously strengthen the allocation power of natural gas resources, and increase the Company's bargaining power in the areas of natural gas resources and market management. In addition, the introduction of HECIC to invest in Hebei Gas Company is also beneficial to alleviate the Company's financial pressure. At the same time, with the good relationship between HECIC and the Hebei provincial government, the Company can maintain smoother communication with the Hebei provincial government and obtain the latest policy information at the earliest time in the future, in order to seek the support of the Hebei provincial government for the development of the Company's principal business in a timely manner.

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang hold positions in HECIC, they have abstained from voting on the Board resolutions in relation to the approval of the Transaction according to the requirements of the articles of association of the Company. Save for the above, there is no other Director with material interest in the Transaction and hence no other Director abstains from voting on such Board resolutions.

The Directors (including all the independent non-executive Directors) consider that the Transaction has been conducted on normal commercial terms, is fair and reasonable, which meet the benefits of the Company and its shareholders as a whole.

## **III. IMPLICATION UNDER THE LISTING RULES**

HECIC is the controlling shareholder of the Company, directly holding approximately 50.5% equity interest of the Company, and is therefore a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) of the Transaction exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **IV. GENERAL INFORMATION**

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

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 and pillar industries of Hebei Province, such as energy and transportation.

#### **V. DEFINITIONS**

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

“Board”	the board of Directors of the Company
“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
“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
“Hebei Gas Company”	Hebei Gas Co., Ltd.* (河北燃氣公司), a limited liability company to be established in accordance with the Joint Venture Contract and under the laws of the PRC

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
”Joint Venture Contract”	the joint venture contract entered into by and between the Company and HECIC on 28 November 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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
“Transaction”	the formation of Hebei Gas Company by the Company and HECIC in accordance with the Joint Venture Contract

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

Shijiazhuang City, Hebei Province, the PRC, 28 November 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*