

*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.*



**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 INCREASE IN CAOFEIDIAN COMPANY**

The Board hereby announces that on 11 May 2020, the Company entered into the Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company will be increased by RMB290 million, of which the Company shall contribute approximately RMB49.9 million (including the registered capital of RMB44.7 million that it had paid up as at the Benchmark Date, and the further capital contribution of approximately RMB5.2 million to be made by it in cash under the Capital Increase Agreement), and HECIC shall contribute RMB240.1 million in cash. As at the date of this announcement, Caofeidian Company is a wholly-owned subsidiary of the Company with a registered capital of RMB200 million. Upon completion of the Capital Increase, the registered capital of Caofeidian Company will be increased to RMB490 million, and Caofeidian Company will be held as to 51% and 49% by the Company and HECIC, respectively.

HECIC is the controlling shareholder of the Company. Therefore, according to the requirements under the Listing Rules, HECIC is a connected person of the Company, and the Capital Increase Made by HECIC in Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Capital Increase Made by HECIC in Caofeidian Company exceeds 0.1% but is less than 5%, the Capital Increase Made by HECIC in Caofeidian Company is subject to the reporting and announcement requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board hereby announces that on 11 May 2020, the Company entered into the Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company will be increased by RMB290 million, of which the Company shall contribute approximately RMB49.9 million (including the registered capital of RMB44.70 million that it had paid up as at the Benchmark Date, and the further capital contribution of approximately RMB5.2 million to be made by it in cash under the Capital Increase Agreement), and HECIC shall contribute RMB240.1 million in cash. As at the date of this announcement, Caofeidian Company is a wholly-owned subsidiary of the Company with a registered capital of RMB200 million. Upon completion of the Capital Increase, the registered capital of Caofeidian Company will be increased to RMB490 million, and Caofeidian Company will be held as to 51% and 49% by the Company and HECIC, respectively.

## I. CAPITAL INCREASE AGREEMENT

### *Signing Date*

11 May 2020

### *Parties*

- (1) the Company; and
- (2) HECIC.

### *The Capital Increase*

The Company and HECIC will make capital increase in Caofeidian Company. After the Capital Increase, the registered capital of Caofeidian Company will be RMB490 million, and the shareholding of and contribution amount each shareholder are as follows:

<b>Name of Shareholders</b>	<b>Contribution amount (RMB million)</b>	<b>Shareholding</b>	<b>Method of contribution</b>
The Company	249.9	51%	Cash
HECIC	240.1	49%	Cash

Both parties shall pay their respective contribution amounts into the account of Caofeidian Company within 90 days after the execution of the Capital Increase Agreement, of which the Company shall contribute approximately RMB5.2 million, and HECIC shall contribute RMB240.1 million.

The shareholding of HECIC after the capital contribution is determined by reference to the audited net asset value of Caofeidian Company of approximately RMB244.67 million pursuant to the asset valuation carried out by an independent valuer with 31 March 2020 as the Benchmark Date. The method used in the valuation is asset-based approach.

### *Transition Arrangement*

During the transition period from the Benchmark Date to the completion date of the Capital Increase (being the date of registration of change of equity interest with the authority in charge of industrial and commercial administration), the change in assets and liabilities of Caofeidian Company shall be borne by both parties according to their respective shareholdings upon completion of the Capital Increase.

Upon completion of the Capital Increase, profits shall be distributed to both parties in proportion to their actual capital contributions.

### *Corporate Governance of Caofeidian Company*

Caofeidian Company shall setup shareholders' meeting that comprise all shareholders. The shareholders' meeting is the highest governing authority of that company. Shareholders of Caofeidian Company shall exercise their voting rights at a shareholders' meeting in proportion to their actual capital contributions.

Caofeidian Company shall have a board of directors. The board of directors shall comprise six directors, of whom three shall be appointed by the Company and two shall be appointed by HECIC (all of whom shall be subject to election by the shareholders' meeting), and one employee director shall be elected by the employee representatives' meeting or employees' meeting. The board of directors shall have a chairman, who shall be appointed by the Company. The chairman is the legal representative of the company.

Caofeidian Company shall have a board of supervisors that comprise three supervisors, of whom one shall be appointed by the Company, one shall be appointed by HECIC (both of whom shall be subject to the election by the shareholders' meeting), and one employee supervisor shall be elected by the employee representatives' meeting or employees' meeting. The board of supervisors shall have a chairman, who shall be appointed by the Company and elected by a majority of all supervisors.

Caofeidian Company shall have a general manager and four deputy general managers, all of whom shall be appointed by the Company and employed or dismissed by the board of directors of Caofeidian Company.

## II. INFORMATION OF CAOFEIDIAN COMPANY

Caofeidian Company was incorporated on 22 March 2018 in accordance with the laws of the PRC, and is a wholly-owned subsidiary of the Company before completion of the Capital Increase. It is primarily engaged in investment in the development of Tangshan LNG Project, the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian – Baodi section) and the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi – Yongqing section). All such projects are either at a preliminary development stage or under construction.

Pursuant to the audited financial statements of Caofeidian Company prepared under the Generally Accepted Accounting Principles of the PRC, the total audited assets of Caofeidian Company as at 31 December 2019 was approximately RMB471.94 million and the audited net asset value was approximately RMB182.12 million. The audited net profit/loss before and after tax and extraordinary items of Caofeidian Company for each of the two years ended 31 December 2018 and 2019 were as follows:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>
Audited net profit/loss (before tax and extraordinary items)	0	-0.08
Audited net profit/loss (after tax and extraordinary items)	0	-0.08

Upon completion of the Capital Increase, Caofeidian Company 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 Increase will not result in the loss of control of Caofeidian Company by the Group, the deemed disposal constituted by the Capital Increase 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 Increase will be used for the construction of the Tangshan LNG Project and the Outbound Pipelines Projects.

## III. REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Tangshan LNG Project and the Outbound Pipelines Projects constructed by Caofeidian Company have been listed as the projects to be sped up in the 2020 oil and natural gas infrastructure key constructions of the National Development and Reform Commission of the PRC (國家發改委2020年石油天然氣基礎設施重點工程), which are crucial for the enhancement of the capability of natural gas supply in Beijing, Tianjin and Hebei Provinces in winter and the capability of transmission and distribution of gas in the pipeline network. The introduction of investment from HECIC will bring new shareholder capital to Caofeidian Company. In the meanwhile, the project financing ability of Caofeidian Company will be enhanced by leveraging on HECIC's leading position and advantages in the industry, which ensure that the projects can be carried out effectively and creates the favourable condition for the projects to be put into operation as soon as possible.

Based on the above, the Board (including the independent non-executive Directors) considers that the Capital Increase Agreement and the Capital Increase are conducted on normal commercial terms, are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

#### **IV. 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, etc.; (ii) investment in the development of new energy projects such as wind power, solar power, and nuclear energy project; and (iii) development of new energy technology and technical services.

##### *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 and construction of energy, transportation, water business, commercial real estates and other infrastructure industries, infrastructures and pillar industries of Hebei Province.

#### **V. IMPLICATIONS UNDER THE LISTING RULES**

HECIC is the controlling shareholder of the Company. Therefore, according to the requirements under the Listing Rules, HECIC is a connected person of the Company, and the Capital Increase Made by HECIC in Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Capital Increase Made by HECIC in Caofeidian Company exceeds 0.1% but is less than 5%, the Capital Increase Made by HECIC in Caofeidian Company is subject to the reporting and announcement requirements but is exempted 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 and Mr. Wu Hui Jiang hold positions in HECIC, they have abstained from voting on resolutions of the Board approving the signing of the Capital Increase Agreement and the Capital Increase, in accordance with the requirements of the articles of association of the Company. Save for the above, none of the Directors has a material interest in the Capital Increase Agreement and the Capital Increase and, therefore, no other Director is required to abstain from voting on the relevant resolution of the Board.

## VI. DEFINITIONS

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

“Benchmark Date”	the benchmark date of valuation of all shareholders’ equity interests in Caofeidian Company as agreed under the Capital Increase Agreement, i.e. 31 March 2020;
“Board”	the board of Directors of the Company;
“Caofeidian Company”	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司), a company incorporated in the PRC with limited liability on 22 March 2018, and a subsidiary of the Company as at the date of this announcement;
“Capital Increase”	the capital increase made by the Company and HECIC in Caofeidian Company according to the Capital Increase Agreement;
“Capital Increase Made by HECIC in Caofeidian Company”	the connected transaction concerning the capital increase made by HECIC in Caofeidian Company under the Capital Increase Agreement;
“Capital Increase Agreement”	the Agreement for the Capital Increase and Share Expansion of Caofeidian Suntien Liquefied Natural Gas Co., Ltd. (曹妃甸新天液化天然氣有限公司增資擴股協議) entered into between the Company and HECIC on 11 May 2020;
“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, the H shares of which 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;

“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;
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“subsidiary”	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, 11 May 2020

*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 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. Xie Wei Xian, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.*

\* *For identification purposes only*