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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
AND DISCLOSEABLE TRANSACTION
ENTERING INTO THE STORAGE TANK COOPERATION CONTRACTS WITH
TANGSHAN HAOHUA**

The Board hereby announces that on 20 August 2020, Caofeidian Company, a subsidiary of the Company, entered into the Storage Tank Cooperation Contracts with Tangshan Haohua for their cooperation concerning the capital contribution and management of the construction of the Target Storage Tanks, pursuant to which (among others) Caofeidian Company shall be responsible for the preliminary application procedures of the Target Storage Tanks, their construction management, as well as their operation and management after completion; whereas Tangshan Haohua shall make capital contribution to the construction of the Target Storage Tanks, totaling RMB2.2 billion and it shall in turn be entitled to the rights of possession, use and income and the contractual right of disposal under the Storage Tank Capital Contribution Contract.

As at the date of this announcement, Tangshan Haohua and Towngas (Hebei), a substantial shareholder of Hebei Natural Gas (a subsidiary of the Company), are both controlled by Towngas. Under the Listing Rules, Tangshan Haohua is a connected person at the subsidiary level of the Company. The Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Transaction is 5% or more but less than 25%, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. In addition, pursuant to the arrangement of the Storage Tank Cooperation Contracts, the Target Storage Tanks will be transferred to Tangshan Haohua after completion of construction, which therefore constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereof.

I. OVERVIEW

Caofeidian Company, a subsidiary of the Company, is engaged in the development and construction of the Tangshan LNG Project and the outbound pipelines projects. In order to diversify its operating model, enhance the operating efficiency and increase profitability, Caofeidian Company commenced a public process for selection of working partners for the construction of two Target Storage Tanks of the Tangshan LNG Project by reference to the requirements of the public tender model, with a total of 3 qualified enterprises participating in the selection, including Towngas and two independent third-party enterprises. After completion of the selection process, it was confirmed that Towngas's proposal met the selection requirements and that its quotation was the highest among all candidates. Therefore, Towngas was successfully selected. Upon negotiation, Towngas designated Tangshan Haohua, its wholly-owned subsidiary, to make capital contribution for the construction of the Target Storage Tanks. As such, on 20 August 2020, Caofeidian Company entered into the Storage Tank Cooperation Contracts with Tangshan Haohua for their cooperation concerning the capital contribution and management of the construction of the Target Storage Tanks.

II. STORAGE TANK COOPERATION CONTRACTS

The Storage Tank Cooperation Contracts, including the Storage Tank Capital Contribution Contract and the Entrusted Construction Management Contract, make provisions for such matters as capital contribution of the Target Storage Tanks, their operation and management before and during the construction, as well as their transfer and management after completion of construction.

1. Principal terms of the Storage Tank Capital Contribution Contract

Signing Date : 20 August 2020

Parties : Caofeidian Company and Tangshan Haohua

Scope and form of cooperation : 1. Tangshan Haohua shall have the right to make capital contribution for the Target Storage Tanks (i.e. storage tank 2# and storage tank 6# of the Tangshan LNG Project, with the estimated net capacity of the inner tank of 200,000 cubic meters each), and be responsible for making capital contribution for the construction of the Target Storage Tanks.

2. Caofeidian Company shall be responsible for organising and carrying out the preliminary formalities of the Target Storage Tanks (as an errand runner), their construction management, as well as their post-completion operation and management.

3. Caofeidian Company shall be entitled to the land use right of the land occupied by the Target Storage Tanks, and Tangshan Haohua shall pay the rental to Caofeidian Company.

4. After the Tangshan LNG Project is put into operation, Caofeidian Company will provide Tangshan Haohua with ancillary services, including operation and management, loading and unloading of LNG, gasified exportation and liquified exportation, and receive service fees in respect thereof.

Amount of capital contribution : RMB2.2 billion (tax inclusive), including the handling fee of preliminary formalities, construction management fees, construction fees for the Target Storage Tanks, rental for the Land during construction period and tax expenses.

The amount of capital contribution is determined based on the quotation provided by Towngas, the selected candidate in the public selection process. The Company is of the view that the amount of capital contribution is higher than the quotations offered by other selection candidates, and has included any expenses and costs in connection with the construction of the Target Storage Tanks. According to the Storage Tank Cooperation Contracts, any costs and risks arisen during the construction and operation of the Target Storage Tanks shall be borne by Tangshan Haohua. Therefore, the amount of capital contribution is determined on normal commercial terms or better, which is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

Rights and obligations of both parties : 1. The rights and obligations of Caofeidian Company mainly include: (1) being responsible for completing the preliminary formalities (as an errand runner) and the relevant approval documents; (2) selecting the working parties for surveying, design, construction as well as supply of equipment and materials of the Target Storage Tanks to ensure the standardized and lawful operation in all aspects; and (3) during the construction and management of the Target Storage Tanks, fully respecting Tangshan Haohua's opinions.

2. The rights and obligations of Tangshan Haohua mainly include: (1) ensuring the performance of the contractual obligation to make timely capital contribution, and bearing any costs and risks arisen during the construction and operation of the Target Storage Tanks, except for the risks caused by Caofeidian Company; (2) being entitled to appoint permanent representatives to participate in the construction management of the Target Storage Tanks; and (3) enjoying the right of possession, use and income, and the contractual right of disposal under the Storage Tank Capital Contribution Contract.

2. Principal terms of the Entrusted Construction Management Contract

Signing Date	:	20 August 2020
Parties	:	Caofeidian Company and Tangshan Haohua
Scope of the entrusted construction management	:	Tangshan Haohua shall entrust Caofeidian Company to take charge of the construction and management of the Target Storage Tanks, including the construction management and coordination of the storage tanks; selection of suppliers for engineering surveying and design, project supervision, construction, procurement of equipment and materials, as well as testing; completion acceptance; and trial operation and commissioning of the Target Storage Tanks, etc.
Entrusted construction management period	:	The entrusted construction management period shall start from the date of the Entrusted Construction Management Contract and ends on the date of completion of the Target Storage Tanks and their first liquid injection. The planned construction period of the Target Storage Tanks will be 40 months.

Contract price and payment : Regarding the amount of capital contribution of RMB2.2 billion as agreed in the Storage Tank Capital Contribution Contract, Tangshan Haohua shall pay to Caofeidian Company, upon each of the following points of time: 20% of the capital contribution upon execution of the Entrusted Construction Management Contract, issuance of the general contracting bid-winning notice, and entering the site and commencing construction by the constructors; 10% of the capital contribution upon issuance of the mechanical completion certificate; and all remaining amounts upon completion of the trial operation and commissioning.

Rights and obligations of both parties : The rights and obligations of Caofeidian Company mainly include: (1) being responsible for the selection of construction contractor of the Target Storage Tanks, and the execution of contract with the contractor to exercise the rights and obligations under the contracting contract; (2) managing all contractors of the Target Storage Tanks; (3) being responsible for the management of the quality, progress and safety, etc. of the Target Storage Tanks, during the whole process of construction; and (4) being responsible for organising all matters occurred during the construction of the Target Storage Tanks, such as tendering and bidding, environmental assessment, planning and construction filing, etc.

The rights and obligations of Tangshan Haohua mainly include: (1) supervising the selection of the contractors relevant to the construction of the Target Storage Tanks; (2) supervising the project quality and construction progress of the Target Storage Tanks; and (3) without the consent of Caofeidian Company, the contractual rights and obligations shall not be transferred in whole or in part to any third party.

III. REASONS FOR AND BENEFITS OF THE TRANSACTION

Tangshan LNG Project is located and constructed inside the Caofeidian Port Logistics Park, Tangshan City, Hebei Province, with an annual designed loading and unloading capacity of 12 million tons/year. In particular, the estimated annual loading and unloading capacity of two berths totals 10 million tons/year, which will be constructed in three phases. The estimated total investment of the project amounts to RMB25.39 billion. Due to the large scale, huge investment, and long construction period of the Tangshan LNG Project, the cooperation with Tangshan Haohua may reduce the pressure of Caofeidian Company on its construction funds.

The Company expects that upon completion of construction of the Target Storage Tanks, Caofeidian Company may provide Tangshan Haohua and Towngas with services such as the operation management of storage tanks, loading and unloading of LNG, gasified exportation and liquefied exportation, and the profitability of Caofeidian Company will be enhanced by way of charging service fees therefrom.

Based on the above, all Directors (including the independent non-executive Directors) consider that the Transaction is conducted on normal commercial terms, is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

IV. GENERAL INFORMATION

(I) The Company and Caofeidian 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.

Caofeidian Company was incorporated on 22 March 2018 and is a non-wholly owned subsidiary of the Company. It is primarily engaged in the investment and development of the 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).

(II) Towngas and Tangshan Haohua

Towngas, established in 1862, is a public utility with the longest history in Hong Kong and one of the largest energy suppliers in Hong Kong. It has commenced gas projects in the Mainland China since 1994. At present, it has a total of more than 260 projects in the Mainland, with business scope covering upstream, midstream and downstream projects of natural gas, environmental protection energy, water affairs, etc., with business covering 26 provinces, autonomous regions and municipalities across the country.

Tangshan Haohua was incorporated in Caofeidian, Tangshan on 24 June 2020, with a registered capital of RMB250 million. It is a wholly-owned subsidiary of Towngas. It is mainly engaged in the sale of chemical products (except for licensed chemical products); trade agency (except for those involving the implementation of special permitted management measures under national regulations) business.

V. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Tangshan Haohua and Towngas (Hebei), a substantial shareholder of Hebei Natural Gas (a subsidiary of the Company), are both controlled by Towngas. Under the Listing Rules, Tangshan Haohua is a connected person at the subsidiary level of the Company. The Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Transaction is 5% or more but less than 25%, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, pursuant to the Storage Tank Cooperation Contracts, the Target Storage Tanks will be transferred to Tangshan Haohua after completion of construction, which therefore constitutes a disclosable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

None of the Directors has a material interest in the Transaction, and no Directors is therefore 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:

“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 non-wholly owned subsidiary 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 and A Shares are listed on the Main Board of the Stock Exchange and the Main Board of the Shanghai Stock Exchange, respectively;
“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;
“Entrusted Construction Management Contract”	the “LNG Storage Tank Entrusted Construction Management Contract” entered into between Caofeidian Company and Tangshan Haohua on 20 August 2020;
“Group”	the Company and its subsidiaries;
“Hebei Natural Gas”	Hebei Natural Gas Company Limited* (河北省天然氣有限責任公司), a sino-foreign equity joint venture established in the PRC, and a subsidiary owned as to 55% by the Company, 43% by Towngas (Hebei) and 2% by Ganzhou Maokang Investment Management Partnership (LLP)* (贛州茂康投資管理合夥企業(有限合夥)), respectively;
“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;
“LNG”	liquefied natural gas;
“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;
“Storage Tank Capital Contribution Contract”	the “LNG Storage Tank Capital Contribution Contract of Tangshan LNG Project” entered into between Caofeidian Company and Tangshan Haohua on 20 August 2020;

“Storage Tank Cooperation Contracts”	the Storage Tank Capital Contribution Contract and the Entrusted Construction Management Contract;
“subsidiary”	has the meaning ascribed to it in the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules;
“Tangshan Haohua”	Tangshan Haohua Trading Co., Ltd.* (唐山皓華貿易有限公司), a limited liability company incorporated in the PRC on 24 June 2020, a wholly-owned subsidiary of Towngas;
“Tangshan LNG Project”	the LNG receiving station and wharf construction and operation project of the Group located in the Caofeidian Port Logistics Park in Tangshan City, Hebei Province, the PRC;
“Target Storage Tanks”	storage tank 2# and storage tank 6# in the Tangshan LNG Project, with the estimated net capacity of the inner tank of 200,000 cubic meters each;
“Towngas”	The Hong Kong and China Gas Company Limited, a company listed on the Stock Exchange (stock code: 3);
“Towngas (Hebei)”	Hong Kong & China Gas (Hebei) Limited*, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of Towngas and the substantial shareholder of Hebei Natural Gas; and
“Transaction”	the cooperation regarding the capital contribution and management of the construction of the Target Storage Tanks between Caofeidian Company and Tangshan Haohua pursuant to the Storage Tank Cooperation Contracts.

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, 20 August 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