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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 INCREASE IN CAOFEIDIAN COMPANY

The Board hereby announces that on 26 August 2020, the Company entered into the Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company will be increased by RMB860 million, and the Company and HECIC will subscribe for it according to their respective shareholdings, of which, the Company shall contribute RMB438.6 million and HECIC shall contribute RMB421.4 million. Upon completion of the Capital Increase, the registered capital of Caofeidian Company will be increased to RMB1,350 million from the current RMB490 million, and the shareholdings of the Company and HECIC will remain unchanged as to 51% and 49%.

HECIC is the controlling shareholder of the Company, holding 10% or more equity interest in Caofeidian Company, and therefore, Caofeidian Company is a connected subsidiary of the Company. The Company's Capital Contribution to Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Company's Capital Contribution to Caofeidian Company exceeds 0.1% but is less than 5%, the Company's Capital Contribution to 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.

In addition, HECIC's Capital Contribution to Caofeidian Company constitutes a connected transaction of the Company, but it can be fully exempted from complying with the rules of connected transactions under Chapter 14A of the Listing Rules in accordance with the requirements of Rule 14A.92(1) of the Listing Rules.

I. CAPITAL INCREASE AGREEMENT

The Board hereby announces that on 26 August 2020, the Company entered into the Capital Increase Agreement with HECIC, pursuant to which the registered capital of Caofeidian Company will be increased, and the Company and HECIC will subscribe for it according to their respective shareholdings. The principal terms of the Capital Increase Agreement are as follows:

Signing Date

26 August 2020

Parties

The Company; and

HECIC.

Capital Increase

The Company and HECIC will make a capital increase in Caofeidian Company according to their respective shareholdings. Upon completion of the Capital Increase, the registered capital of Caofeidian Company will be increased to RMB1,350 million. The amount of capital contribution and shareholding of each shareholder are as follows:

Name of shareholder	Current capital contribution (RMB million)	Newly-increased capital contribution (RMB million)	Accumulated capital contribution (RMB million)	Shareholding	Form of capital contribution
The Company	249.9	438.6	688.5	51%	Cash
HECIC	240.1	421.4	661.5	49%	Cash
Total	490.0	860.0	1,350.0	100%	

Both parties shall pay for their respective subscribed proportions into the account of Caofeidian Company by 31 December 2020.

The Company will use its self-owned funds for the Company's Capital Contribution to Caofeidian Company.

II. INFORMATION ON CAOFEIDIAN COMPANY

Caofeidian Company was incorporated under the laws of the PRC on 22 March 2018 and is primarily responsible for investment in the 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).

Based on the financial statements of Caofeidian Company prepared under the China Accounting Standards for Business Enterprises, the key financial data of Caofeidian Company for the year ended 31 December 2019 and the six-month period ended 30 June 2020 are as follows:

Key financial data (audited)	Item	As of 31 December 2019
	Total assets (<i>RMB million</i>)	471.94
	Net assets (<i>RMB million</i>)	182.12
	Item	Year ended 31 December 2019
	Revenue (<i>RMB million</i>)	0.00
	Net profit/("-" indicates loss) (before tax and extraordinary items) (<i>RMB million</i>)	-0.08
	Net profit/("-" indicates loss) (after tax and extraordinary items) (<i>RMB million</i>)	-0.08
Key financial data (unaudited)	Item	As of 30 June 2020
	Total assets (<i>RMB million</i>)	1,856.70
	Net assets (<i>RMB million</i>)	489.92
	Item	The six-month period ended 30 June 2020
	Revenue (<i>RMB million</i>)	0.00
	Net profit/("-" indicates loss) (before tax and extraordinary items) (<i>RMB million</i>)	-0.03
	Net profit/("-" indicates loss) (after tax and extraordinary items) (<i>RMB million</i>)	-0.03

In addition, based on the audited financial statements of Caofeidian Company prepared under the China Accounting Standards for Business Enterprises, both of the audited net profit/loss before and after tax and extraordinary items of Caofeidian Company for the year ended 31 December 2018 are RMB0 million.

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 Areas in winter and the capability of transmission and distribution of gas in the pipeline network. Due to the large scale, huge investment and long construction period of the above-mentioned projects, of which Caofeidian Company is responsible for investment and construction, it is necessary to raise funds by way of capital contribution by shareholders and external financing based on the needs of project constructions.

Caofeidian Company was established as a wholly-owned subsidiary of the Company. On 11 May 2020, the Company entered into the “Agreement for the Capital Increase and Share Expansion of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” with HECIC, pursuant to which the registered capital of Caofeidian Company increased by RMB290 million, of which HECIC subscribed and contributed RMB240.1 million in cash, and obtained a 49% equity interest in Caofeidian Company. For details, please refer to the announcement of the Company dated 11 May 2020. The capital increase and share expansion were completed on June 2020.

In view of its current project construction progress, Caofeidian Company needs to further raise funds to push forward the construction of the projects. The Capital Increase provides direct financial support for the projects while meeting the capital requirements needed by Caofeidian Company for bank loans in the second half of 2020 and improving the financing capability of Caofeidian Company. Sufficient financial support can effectively ensure the successful implementation of the above projects and create favourable conditions for the projects to be put into operation as soon as possible.

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

IV. IMPLICATIONS UNDER THE LISTING RULES

HECIC is the controlling shareholder of the Company, holding 10% or more equity interest in Caofeidian Company, and therefore, Caofeidian Company is a connected subsidiary of the Company. The Company's Capital Contribution to Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Company's Capital Contribution to Caofeidian Company exceeds 0.1% but is less than 5%, the Company's Capital Contribution to 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.

In addition, HECIC's Capital Contribution to Caofeidian Company constitutes a connected transaction of the Company, but it can be fully exempted from complying with the rules of connected transactions under Chapter 14A of the Listing Rules in accordance with the requirements of Rule 14A.92(1) of the Listing Rules.

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang hold positions in HECIC, and Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, 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 no other Director is therefore required to abstain from voting on the relevant resolutions of the Board.

V. 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.

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;
“Capital Increase”	the capital increase made by the Company and HECIC in Caofeidian Company under the Capital Increase Agreement;
“Company’s Capital Contribution to Caofeidian Company”	the capital contribution made by the Company to Caofeidian Company under the Capital Increase Agreement;
“Capital Increase Agreement”	the “Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” entered into between the Company and HECIC on 26 August 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, whose the 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;
“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 the controlling shareholder of the Company;
“HECIC’s Capital Contribution to Caofeidian Company”	the capital contribution made by HECIC to Caofeidian Company under the Capital Increase Agreement;

“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; 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, 26 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*