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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Suntien Green Energy Corporation Limited, you should at once hand this circular and the accompanying proxy form, the reply slip for the Annual General Meeting and, if applicable, the 2015 annual report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

- (i) REPORT OF THE BOARD OF DIRECTORS FOR 2015**
- (ii) REPORT OF THE BOARD OF SUPERVISORS FOR 2015**
- (iii) FINAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**
- (iv) AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**
- (v) PROFIT DISTRIBUTION PLAN FOR 2015**
- (vi) BUDGET REPORT FOR THE YEAR ENDING 31 DECEMBER 2016**
- (vii) RE-APPOINTMENT OF PRC AUDITORS AND INTERNATIONAL AUDITORS AND AUTHORIZATION OF THE BOARD OF DIRECTORS TO DETERMINE THEIR RESPECTIVE REMUNERATIONS**
- (viii) ELECTION OF THE THIRD SESSION OF THE BOARD OF DIRECTORS**
- (ix) ELECTION OF THE NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF THIRD SESSION OF THE BOARD OF SUPERVISORS**
- (x) DIRECTORS AND SUPERVISORS REMUNERATION PACKAGE OF THE THIRD SESSION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS**
- (xi) GENERAL MANDATE TO ISSUE SHARES**
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- (xiii) CAPITAL CONTRIBUTION TO LAOTING WIND ENERGY BY CONNECTED PERSONS AND DEEMED DISPOSAL AND**
- (xiv) NOTICE OF 2015 ANNUAL GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**ASIAN CAPITAL**  
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

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China Suntien Green Energy Corporation Limited will convene the Annual General Meeting ("AGM") at 9:00 a.m. on Monday, 13 June 2016 at the Conference Room, 5/F, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC. Notice of the AGM is set out on pages 48 to 53 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited and for holders of Domestic Shares, the proxy form should be returned to the Company's registered office and headquarters in the PRC in person or by post not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip to Computershare Hong Kong Investor Services Limited (for holders of H Shares) or to the Company's registered office and headquarters in the PRC (for holders of Domestic Shares) on or before Monday, 23 May 2016.

\* For identification purposes only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM” or “Annual General Meeting”	the 2015 annual general meeting of the Company to be held at 9:00 a.m. on Monday, 13 June 2016 at the Conference Room, 5/F, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board of Directors” or “Board”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors 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 limited company incorporated in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Domestic Shares”	ordinary shares in the Company’s capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“General Mandate”	a general mandate to be granted to the Board for issuing Domestic Shares and H Shares representing up to the limit of 20% of each of the total number of issued Domestic Shares and H Shares of the Company, respectively, in issue on the date of passing the related resolution at the AGM
“Group”	the Company and its subsidiaries
“Hebei SASAC”	The State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province

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## DEFINITIONS

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“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, which is primarily engaged in the investment in and development of projects in infrastructures and pillar industries in Hebei Province, such as energy, transportation, water supply and commercial real estate
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Company, comprising all of the independent non-executive Directors, namely Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew, which was formed to advise the Independent Shareholders in respect of the Laoting Capital Contribution Agreement and the transactions thereunder
“Independent Financial Adviser” or “Asian Capital”	Asian Capital (Corporate Finance) Limited, a licensed corporation licensed to carry on types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution
“Independent Shareholders”	shareholders of the Company other than HECIC and its associates
“Independent Supervisor(s)”	the Supervisor(s) of the Company who is/are independent from the Shareholders of the Company and do not hold internal positions in the Company (save for acting as an Independent Supervisor of the Company)

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## DEFINITIONS

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“JEI”	Jointo Energy Investment Co., Ltd.* (河北建投能源投資股份有限公司) (formerly known as Shijiazhuang International Building (Group) Co., Ltd. (石家莊國際大廈(集團)股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000600), which is controlled by HECIC and a connected person of the Company
“Laoting Capital Contribution”	the capital contributions to Laoting Wind Energy by the Company, HECIC and JEI pursuant to the Laoting Capital Contribution Agreement
“Laoting Capital Contribution Agreement”	the capital contribution and subscription agreement dated 24 March 2016 entered into by the Company, HECIC and JEI in relation to the increase in the registered capital of Laoting Wind Energy
“Laoting Wind Energy”	Laoting CIC Wind Energy Co., Ltd.* (樂亭建投風能有限公司), a company incorporated in Tangshan City, Hebei Province, the PRC with limited liability, and a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	20 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“MW”	megawatt
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region, and Taiwan region
“Puti Island Offshore Wind Power Farm”	the Company’s 300MW offshore wind power demonstration project on Puti Island, Laoting, Tangshan City, Hebei Province, the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the domestic Shares and H Shares
“Shareholders”	holders of the Shares

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	has the meaning ascribed to it in the Listing Rules
“Supervisor(s)”	supervisors of the Company

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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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)**

**Board of Directors:**

*Non-executive Directors:*

Dr. Cao Xin (*Chairman*)

Dr. Liu Zheng

Mr. Qin Gang

Ms. Sun Min

Mr. Wu Hui Jiang

*Executive Directors:*

Mr. Gao Qing Yu (*President*)

Mr. Wang Hong Jun

*Independent Non-executive Directors:*

Mr. Qin Hai Yan

Mr. Ding Jun

Mr. Wang Xiang Jun

Mr. Yue Man Yiu Matthew

*Registered Office and Headquarters:*

9th Floor, Block A, Yuyuan Plaza

No. 9 Yuhua West Road

Shijiazhuang City, Hebei Province

the PRC

*Principal place of business in Hong Kong:*

Suite 2103, Prudential Tower

The Gateway, Harbour City

Kowloon

Hong Kong

25 April 2016

*To the Shareholders*

Dear Sirs and Madams

- (i) REPORT OF THE BOARD OF DIRECTORS FOR 2015
- (ii) REPORT OF THE BOARD OF SUPERVISORS FOR 2015
- (iii) FINAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015
- (iv) AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015
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- (xiii) CAPITAL CONTRIBUTION TO LAOTING WIND ENERGY BY CONNECTED PERSONS AND DEEMED DISPOSAL

\* For identification purposes only

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at 9:00 a.m. on Monday, 13 June 2016 at the Conference Room, 5/F, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC.

The purpose of this circular are to provide you with, among other things, the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

### II. BUSINESSES TO BE CONSIDERED AT THE AGM

The businesses to be considered at the AGM are described in more details in the Notice of 2015 Annual General Meeting as set out on pages 48 to 53 of this circular.

Resolutions will be proposed at the AGM as ordinary resolutions to approve the following:

- (1) the Report of the Board of Directors for 2015
- (2) the Report of the Board of Supervisors for 2015
- (3) the final accounts for the year ended 31 December 2015
- (4) the audited financial statements and independent auditors' report for the year ended 31 December 2015
- (5) the profit distribution plan for 2015
- (6) the budget report for the year ending 31 December 2016
- (7) the re-appointment of the PRC auditors and international auditors and authorization of the Board of Directors to determine their respective remunerations
- (8) the election of the third session of the Board of Directors, including the election of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang as the non-executive Directors of the Company; Mr. Gao Qing Yu and Mr. Wang Hong Jun as the executive Directors of the Company; and Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew as the independent non-executive Directors of the Company
- (9) the election of the non-employee representative Supervisors of third Session of the Board of Supervisors, including election of Mr. Yang Hong Chi and Mr. Liu Jin Hai as the shareholders representative Supervisors of the Company; and Mr. Xiao Yan Zhao and Mr. Liang Yong Chun as the Independent Supervisors of the Company



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## LETTER FROM THE BOARD

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- (10) the Directors and Supervisors remuneration package of the third session of the Board of Directors and the Board of Supervisors

Resolutions will be proposed at the AGM as special resolutions to approve the following:

- (11) the General Mandate to issue shares
- (12) the amendment to Articles of Association

At the same time, resolution will be proposed to the Independent Shareholders at the AGM as ordinary resolution to approve:

- (13) the capital contribution to Laoting Wind Energy, a wholly-owned subsidiary of the Company, by connected persons which is also considered as a deemed disposal

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstance where sufficient and necessary information are available, we have provided detailed information regarding the proposed resolutions in this circular.

### **III. BUSINESSES OF THE AGM**

#### **(A) Regular businesses of the AGM**

- 1. *To consider and approve the Report of the Board of Directors of the Company for 2015***

The text of the Report of the Board of Directors for 2015 is set out in the section headed “Report of the Board of Directors” in the Company’s 2015 annual report dispatched on 14 April 2016.

- 2. *To consider and approve the Report of the Board of Supervisors of the Company for 2015***

The text of the Report of the Board of Supervisors for 2015 is set out in the section headed “Report of the Board of Supervisors” in the Company’s 2015 annual report dispatched on 14 April 2016.

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## LETTER FROM THE BOARD

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### 3. *To consider and approve the Final Accounts of the Company for the Year ended 31 December 2015*

A summary of the report relating to the Company's 2015 final accounts prepared under the International Financial Reporting Standards is as follows:

#### *(1) Completion of production and operation of the Group*

In 2015, the consolidated installed capacity of wind power of the Group was 2,093.6MW in aggregate and the installed capacity which the Group has interest in was 1,922MW. In 2015, the gross wind power generation of the Group was 3,161 million kWh with 1,887 utilization hours. Sales volume of natural gas was 1,127 million cubic meters.

#### *(2) Scope of consolidation for the overall financial position (consolidated statements) of the Company*

As at the end of the year, the Company's consolidated total assets amounted to RMB26,924 million and total liabilities amounted to RMB18,023 million. The net gearing ratio was 63% and net assets were RMB8,901 million, of which equity attributable to the owners of the Company was RMB7,413.22 million. Consolidated total liabilities was RMB18,022.99 million, of which current liabilities were RMB4,594.91 million and non-current liabilities were RMB13,428.08 million. Total equity was RMB8,900.52 million, of which equity attributable to the owners of the Company was RMB7,413.22 million and non-controlling interests were RMB1,487.30 million. For indicators in the Consolidated Statement of Comprehensive Income as compared to last year, the Company recorded sales revenue of RMB4,224.21 million, representing a decrease of 17.97% from last year; profit before tax of RMB200.37 million, representing a decrease of 70.30% from last year; and profit attributable to owners of the Company was RMB168.35 million, representing a decrease of 49.75% from last year.

#### *(3) Dividend distribution*

A distribution of a final dividend of RMB0.015 per share (tax inclusive) (approximately RMB56 million in total (tax inclusive)) for the year was proposed subject to the Shareholders' approval at the AGM.

#### *(4) Use of proceeds*

In January 2014, the Company successfully allotted and issued 476,725,396 new H Shares and raised a total of approximately HK\$1,597 million, which after deducting the expenses of approximately HK\$33 million amounted to approximately HK\$1,564 million in net proceeds. Based on the plans for the use of proceeds and the foreign exchange settlement, approximately HK\$1,400 million or 90% of the settled funds shall be used in wind power and natural gas projects, approximately HK\$160 million or 10% shall be retained in Bank of China (Hong Kong) outside the PRC as working capital.

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## LETTER FROM THE BOARD

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Currently, HK\$979 million of the settled funds has been used in the Group's wind power and natural gas businesses, of which HK\$719 million was used in wind power projects and HK\$260 million in natural gas projects, representing approximately 62.60% of the net proceeds raised. Approximately HK\$164 million was used to replenish the working capital of the Company, representing approximately 10.49% of the net proceeds raised. The remaining net proceeds raised by the placing (including their accrued interest) in the amount of HK\$421 million are currently deposited in the bank account of the Company.

**4. *To consider and approve the Audited Financial Statements of the Company and the Independent Auditors' Report for the Year ended 31 December 2015***

The audited financial statements and independent auditors' report for the year ended 31 December 2015 are set out in the sections headed "Independent Auditors' Report", "Consolidated Statement of Profit or Loss and Other Comprehensive Income", "Consolidated Statement of Financial Position", "Consolidated Statement of Changes in Equity", "Consolidated Statement of Cash Flows" and "Notes to Financial Statements" in the Company's 2015 annual report dispatched on 14 April 2016.

**5. *To consider and approve the Profit Distribution Plan of the Company for 2015***

The Board of Directors proposed the distribution of a final dividend of RMB0.015 per share (tax inclusive) (which equates to approximately RMB56 million in total (tax inclusive)) to be paid to all Shareholders for the year ended 31 December 2015. Such dividends will be paid to holders of Domestic Shares in Renminbi and to holders of H Shares in Hong Kong dollars. The actual amount of H Share dividend paid in Hong Kong dollars will be calculated according to the average benchmark exchange rate of Renminbi against Hong Kong dollars as published by the People's Bank of China for the five business days preceding the date of the AGM. If the proposed profit distribution plan is approved at the AGM, the final dividend will be paid to Shareholders whose names are registered in the Company's register of members on Thursday, 23 June 2016.

In order to determine the Shareholders who are entitled to the receipt of the abovementioned final dividend, the register of members of the Company will be closed from Saturday, 18 June 2016 to Thursday, 23 June 2016, (both days inclusive). To be eligible to receive the final dividend for the year ended 31 December 2015 (subject to the approval of the Company's shareholders), unregistered holders of H Shares of the Company must lodge their relevant share transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 June 2016.

We hereby recommend Shareholders at the AGM to authorise the Board of Directors to implement the above profit distribution plan, and recommend the Board of Directors to delegate its authority to the Company's management for implementing all relevant matters relating to the above profit distribution plan at the time when it obtains the above authority.

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## LETTER FROM THE BOARD

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Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force on 1 January 2008, and other relevant rules, where the Company distributes the proposed 2015 final dividend to non-resident enterprise shareholders whose names appear on the register of members for H Shares of the Company, it is required to withhold and pay enterprise income tax at the rate of 10%. Any H Shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

According to the requirements of the State Administration of Taxation (Guo Shui Han [2011] No.348) and the relevant laws and regulations, if the individual holders of H Shares are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these shareholders. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will assist them to make applications to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these shareholders.

The Company will determine the resident status of the individual holders of H Shares based on the registered address as recorded in the register of members of the Company on Thursday, 23 June 2016 (the “**Registered Address**”). If the resident status of any individual holders of H Shares is not consistent with that indicated by the Registered Address, such individual holders of H Shares shall notify the Company’s H Share registrar not later than 4:30 p.m. on Friday, 17 June 2016, and provide relevant supporting documents to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Any individual holder of H Shares who fails to provide relevant supporting documents within the time period stated above, may either personally or appoints an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements.

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## LETTER FROM THE BOARD

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**6. *To consider and approve the Budget Report of the Company for the Year Ending 31 December 2016***

For 2016, the Company will have 51 key fixed assets in construction and investment projects with an estimated investment of RMB9,412.76 million, including an estimated investment of RMB8,708.82 million in the new energy segment and an estimated investment of RMB703.94 million in the natural gas segment. In the event any of the investments are subject to the requirements under Chapters 14 (Notifiable Transactions) and 14A (Connected Transactions) of the Listing Rules, the Company will comply with the relevant disclosure and/or approval requirements under the Listing Rules.

**7. *To consider and approve the re-appointment of Reanda Certified Public Accountants (利安達會計師事務所) and Ernst & Young as the Company's PRC auditors and international auditors, respectively, for 2016 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their respective remunerations.***

**8. *To consider and elect the third session of the Board of Directors of the Company***

The term of the second session of the Board of Directors will expire soon. At the 12th meeting of the second session of the Board held on 24 March 2016, the Board considered and approved the proposals in relation to the nomination of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang as the non-executive Directors; Mr. Gao Qing Yu and Mr. Wang Hong Jun as the executive Directors; and Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew as the independent non-executive Directors of the third session of the Board of Directors.

The Board of Directors considers that all of the proposed independent non-executive Directors possess the basic knowledge of operations of listed companies, are familiar with the relevant laws, administrative regulations, departmental rules and other regulatory documents and have over five years of working experience in finance, management or other experiences which are necessary for serving as independent non-executive Directors. Moreover, each of the independent non-executive Directors has given to the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board of Directors also considers that each of the independent non-executive Directors continues to meet the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The biographical details of the proposed Directors are set out in Appendix I to this circular.

**9. *To consider and elect the Non-Employee Representative Supervisors of the third session of the Board of Supervisors of the Company***

The term of the second session of the Board of Supervisors will expire soon. At the 6th meeting of the second session of the Board of Supervisors held on 24 March 2016, the Board of Supervisors considered and approved the proposals in relation to the nomination of Mr. Yang Hong Chi and Mr. Liu Jin Hai as the Shareholders Representative Supervisors and

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## LETTER FROM THE BOARD

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Mr. Xiao Yan Zhao and Mr. Liang Yong Chun as the Independent Supervisors of the third session of the Board of Supervisors. In addition, Mr. Qiao Guo Jie and Ms. Ma Hui were elected as the employee representative Supervisors of the third session of the Board of Supervisors at the employee representatives meeting of the Company.

The biographical details of the proposed non-employee representative Supervisors are set out in Appendix II to this circular.

***10. To consider and approve the Directors and Supervisors remuneration package of the Third Session of the Board of Directors and the Board of Supervisors***

The remuneration of the Directors and Supervisors of the third session of the Board and the Board of Supervisors will be determined in accordance with the following:

- (1) independent non-executive Directors will receive their remuneration from the Company. The Company will pay each independent non-executive Director of the third session of the Board HKD100,000 or Renminbi equivalent annually (which is tax inclusive and to be paid on a quarterly basis with the Company being responsible for withholding personal income tax). Travel expenses incurred for the purposes of attending Board meetings of the Company, shareholders' general meetings and relevant activities organised by the Board will be borne by the Company;
- (2) non-executive Directors without holding offices in the Company will not receive any remuneration from the Company;
- (3) executive Directors holding offices in the Company will receive their remuneration from the Company. The remuneration of an executive Director will be determined in accordance with the criteria of the Company's remuneration management in relation to the performance evaluation measures of operators, which includes basic salary, performance bonuses and other benefits. The basic salary was determined in accordance with the positions of the executive Directors in the Company and the performance bonus was determined with reference to the Company's business performance and other benefits included statutory pension, medical and housing fund;
- (4) Independent Supervisors will receive their remuneration from the Company. The Company will pay each Supervisor HKD50,000 or Renminbi equivalent annually (which is tax inclusive and to be paid on a quarterly basis with the Company being responsible for withholding personal income tax). Travel expenses incurred for the purposes of attending Board meetings of the Company, meetings of the Supervisory Committee, shareholders' general meetings and relevant activities organised by the Board and the Board of Supervisors will be borne by the Company; and
- (5) non-employee representative Supervisors (excluding the Independent Supervisors) of the third session of the Board of Supervisors without holding offices in the Company will not receive any remuneration from the Company. The remuneration

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## LETTER FROM THE BOARD

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of an employee representative Supervisor holding offices in the Company will be determined in accordance with the criteria of the remuneration management measures of the Company, which includes basic salary, performance bonuses and other benefits. The basic salary is determined in accordance with the positions of the employee representative Supervisor in the Company and the performance bonus is determined with reference to the Company's business performance and other benefits include statutory pension, medical and housing fund.

### *II. General mandate to issue shares*

The Board had been granted a general mandate at the annual general meeting of 2014 held on 5 June 2015 to issue new Shares. The authorization, if not exercised before the AGM to be held on 13 June 2016, shall lapse upon the conclusion of the AGM.

To ensure flexibility and discretion for the Board to issue new Shares, the Company proposes to grant the new General Mandate to the Board by way of resolution at the AGM to allot, issue or deal with additional Domestic Shares and H Shares not exceeding 20% of the total number of issued Domestic Shares and H Shares of the Company, respectively, in issue on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,876,156,000 Domestic Shares and 1,839,004,396 H Shares. Subject to the passing of the resolution related to the granting of the General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 375,231,200 Domestic Shares and 367,800,879 H Shares in accordance with the General Mandate. The General Mandate shall be effective from the time the resolution is passed until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or (iii) the revocation or variation of the authority given under above-mentioned resolution by a special resolution of the Company in a general meeting. Any exercise of the power by the Board under the General Mandate shall comply with relevant requirements of the Listing Rules, the Articles of Association and relevant laws and regulations of the PRC. The Board has no plans to issue new Shares pursuant to the General Mandate at present.



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## LETTER FROM THE BOARD

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### (B) Corporate Governance

#### 12. *To consider and approve the proposed amendment to the articles of association of the Company*

In response to the changes in the shareholding structure of the domestic Shareholders of the Company, the Company proposed to approve the resolution on amendment to Chapter 3, Article 19 of the articles of association of the Company at the Annual General Meeting:

##### **Before amendment**

Article 19 After the Company has been established and subject to the approval by the China Securities Regulatory Commission, the Company is allowed to issue 1,238,435,000 shares of foreign listed shares, including over-placing of 161,535,000 shares. At the same time of issuance of foreign listed shares, the state-owned shareholder of the Company has transferred not more than 123,844,000 state-owned shares to the National Social Security Fund Council in accordance with the relevant national requirement in relation to reduction of holding of state-owned shares.

After completion of the issuance of the aforesaid foreign invested shares listed overseas, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,500,924,800 shares, accounting for 46.35% of all the ordinary shares, HECIC Water Investment Co., Ltd. holds 375,231,200 shares, accounting for 11.59% of all the ordinary shares, the National Social Security Fund Council holds 123,844,000 shares, accounting for 3.82% of all the ordinary shares, shareholders of H shares hold 1,238,435,000 shares, accounting for 38.24% of all ordinary shares.

##### **After amendment**

Article 19 After the Company has been established and subject to the approval by the China Securities Regulatory Commission, the Company is allowed to issue 1,238,435,000 shares of foreign listed shares, including over-placing of 161,535,000 shares. At the same time of issuance of foreign listed shares, the state-owned shareholder of the Company has transferred not more than 123,844,000 state-owned shares to the National Social Security Fund Council in accordance with the relevant national requirement in relation to reduction of holding of state-owned shares.

After completion of the issuance of the aforesaid foreign invested shares listed overseas, the Company's equity capital structure was: Hebei Construction & Investment Group Co., Ltd. held 1,500,924,800 shares, accounting for 46.35% of all the ordinary shares; HECIC Water Investment Co., Ltd. held 375,231,200 shares, accounting for 11.59% of all the ordinary shares; the National Social Security Fund Council held 123,844,000 shares, accounting for 3.82% of all the ordinary shares; shareholders of H shares held 1,238,435,000 shares, accounting for 38.24% of all ordinary shares.



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## LETTER FROM THE BOARD

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### **Before amendment**

In January 2014, as approved by the China Securities Regulatory Commission, the Company issued an additional 476,725,396 foreign invested shares listed overseas to no more than 10 foreign investors by way of private placing. After completion of such issuance of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,500,924,800 shares, accounting for 40.40% of all the ordinary shares; HECIC Water Investment Co., Ltd. holds 375,231,200 shares, accounting for 10.10% of all the ordinary shares; the National Social Security Fund Council holds 123,844,000 shares, accounting for 3.33% of all the ordinary shares; shareholders of H shares hold 1,715,160,396 shares, accounting for 46.17% of all ordinary shares.

### **After amendment**

In January 2014, as approved by the China Securities Regulatory Commission, the Company issued an additional 476,725,396 foreign invested shares listed overseas to no more than 10 foreign investors by way of private placing. After completion of such issuance of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,500,924,800 shares, accounting for 40.40% of all the ordinary shares; HECIC Water Investment Co., Ltd. holds 375,231,200 shares, accounting for 10.10% of all the ordinary shares; the National Social Security Fund Council holds 123,844,000 shares, accounting for 3.33% of all the ordinary shares; shareholders of H shares hold 1,715,160,396 shares, accounting for 46.17% of all ordinary shares.

**In July 2015, as approved by the State-owned Assets Supervision and Administration Commission of the State Council, HECIC Water Investment Co., Ltd. transferred 375,231,200 domestic shares of the Company to its controlling shareholder Hebei Construction & Investment Group Co., Ltd. by administrative allocation at nil consideration. After completion of such transfer of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,876,156,000 shares, accounting for 50.50% of all the ordinary shares; shareholders of H shares hold 1,839,004,396 shares, accounting for 49.50% of all ordinary shares.**

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## LETTER FROM THE BOARD

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### **(C) Capital Contribution to Laoting Wind Energy by Connected Persons and Deemed Disposal**

References is made to the announcement of the Company dated 24 March 2016, which states that the Company had entered into the Laoting Capital Contribution Agreement with HECIC and JEI, whereby each of the Company, HECIC and JEI agreed to contribute capital into Laoting Wind Energy, which is a wholly-owned subsidiary of the Company.

#### **1. The Laoting Capital Contribution Agreement**

##### *The execution and effective date of the agreement*

The Laoting Capital Contribution Agreement was formed after each party's signing and affixing the company seal on the agreement on 24 March 2016, and shall become effective only upon each party obtaining the approval of its shareholders at a general meeting.

##### *Parties*

- (1) The Company;
- (2) HECIC; and
- (3) JEI.

##### *Principle terms*

##### *Capital contribution and subscription matters*

According to the requirements of the Laoting Capital Contribution Agreement, the capital contributions from the Company, HECIC and JEI shall be payable in phases according to the progress of the construction of the Puti Island Offshore Wind Power Farm based on their respective proportion of the subscription, which are approximately RMB475 million, RMB40 million and RMB500 million, respectively. Notwithstanding the capital contributions are payable in phases by the parties, the total capital contributions shall be paid in full by 31 December 2018.

After the completion of the Laoting Capital Contribution, the registered capital of Laoting Wind Energy will increase from RMB96 million to approximately RMB1,111 million. The Company, HECIC and JEI will hold approximately 51.4%, 3.6% and 45% equity interests in Laoting Wind Energy, respectively. Laoting Wind Energy will remain a subsidiary of the Company.

With 31 December 2015 as the valuation reference date, according to the assets valuation of Laoting Wind Energy performed by an independent third party valuer using the asset-based approach, the net assets of Laoting Wind Energy is approximately

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## LETTER FROM THE BOARD

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RMB96 million. The shareholding proportion of each party after capital contribution was agreed after making reference to the above assets valuation results and the proposed scale of capital contribution to Laoting Wind Energy.

### **2. The governance of Laoting Wind Energy**

During the transition period which started from the valuation reference date (namely, 31 December 2015) to the completion date of the registration of change in shareholding in Laoting Wind Energy:

- (1) the Company shall maintain a stable senior management in Laoting Wind Energy and shall not make any arrangements to the management without the consents of HECIC and JEI; and
- (2) the Company shall perform its best management obligations to manage the business of Laoting Wind Energy and shall not carry out any acts which may damage the interest of Laoting Wind Energy.

After the completion of the Laoting Capital Contribution, the board of directors of Laoting Wind Energy will consist of five directors, with each of the Company and JEI having the right to appoint two directors and one director being elected at the employee representative congress. The board of directors of Laoting Wind Energy will consist of one chairman and one vice chairman, which will be appointed by the Company and JEI, respectively.

All parties will exercise their voting rights in the general meeting of Laoting Wind Energy in accordance with their respective proportion of the capital contribution.

The articles of association of Laoting Wind Energy shall be amended by all parties according to the Laoting Capital Contribution Agreement and shall be passed at the general meeting of Laoting Wind Energy as required by law.

### **3. Information of Laoting Wind Energy**

Laoting Wind Energy was established on 19 February 2011 according to the laws of the PRC and is currently a wholly-owned subsidiary of the Company which is principally engaged in the development and construction of wind farm projects. Laoting Wind Energy is currently engaged in the investment and construction of the Puti Island Offshore Wind Power Farm, which is the Company's first approved 300MW offshore wind power project and the first offshore wind power project approved by the government of Hebei Province.

According to the audited financial statements of Laoting Wind Energy prepared under the Generally Accepted Accounting Principles of the PRC, the audited net asset value of Laoting Wind Energy as at 31 December 2015 was approximately RMB96 million. As the Puti Island Offshore Wind Power Farm is still under construction, the financials of Laoting Wind Energy during the two financial years before the date of this announcement were related to the above construction and there was no profit or loss incurred before or after tax reduction and non-recurring items for the same financial years. It is estimated that the total

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## LETTER FROM THE BOARD

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investment for the Puti Island Offshore Wind Power Farm is approximately RMB5.6 billion. As the current capital in Laoting Wind Energy is not sufficient to meet the capital needs for the construction and development of the Puti Island Offshore Wind Power Farm, Laoting Wind Energy will need further capital to finance the project. The capital to be contributed by HECIC will be invested in the construction and development of the Puti Island Offshore Wind Power Farm and will not be left idle.

After the completion of the Laoting Capital Contribution, Laoting Wind Energy 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 Laoting Capital Contribution will not result in the loss of control of Laoting Wind Energy by the Group, the deemed disposal constituted by the Laoting Capital Contribution will be accounted for as an equity transaction that will not result in the recognition of any profit or loss.

The Company expects to use its internal resources to finance its capital contributions to Laoting Wind Energy in cash. The proceeds from the Laoting Capital Contribution will be used by Laoting Wind Energy for the development and construction of the Puti Island Offshore Wind Power Farm.

#### **4. Reasons for and benefits of entering into the Laoting Capital Contribution Agreement**

As HECIC is directly owned by and under the direct supervision of the Hebei SASAC, only HECIC (but not the Company) can apply for the state-owned capital operation budget for the projects to be developed by HECIC and its subsidiaries (including the Group) pursuant to relevant administrative rules of the PRC. According to the “Approval to 2015 State-owned Capital Operation Budget (《關於2015年國有資本經營預算的批覆》)” (Ji Guo Zi Zi [2015] No.17) issued by the Hebei SASAC, HECIC is required to use RMB40 million from the 2015 State-owned Capital Operation Budget obtained specifically for investing in the Puti Island Offshore Wind Power Farm through capital contribution to Laoting Wind Energy. As such, HECIC must use the relevant budget for the capital contribution to Laoting Wind Energy in its capacity as a shareholder.

The Puti Island Offshore Wind Power Farm is the first approved offshore wind power demonstration project in Hebei Province. In comparison with its onshore wind power projects, as the Puti Island Offshore Wind Power Farm is still at the stage of investment and construction which needs significant investment amount, the Company will need to inject a significant amount of capital into the Puti Island Offshore Wind Power Farm if the Company is the sole investor. Furthermore, the Puti Island Offshore Wind Power Farm has a low investment yield with a long payback period, which is generally less attractive to external enterprises. In order to improve its business structure, JEI intends to jointly develop clean energy projects with the Company. As such, JEI’s investment in such project will accelerate the development of the project and reduce the capital pressure on the Company, which will enable the Company to retain more capital in developing and constructing other projects.

Through the capital contributions by HECIC and JEI, Laoting Wing Energy can obtain additional capital without incurring extra capital expenses while the Company will continue to remain as the controlling shareholder of Laoting Wind Energy. Furthermore, the increase

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in registered capital will enhance the ability of Laoting Wing Energy in obtaining debt financing. Pursuant to the Notice on Adjusting and Improving the Capital Structure of Fixed Asset Investment Projects (《關於調整和完善固定資產投資項目資本金制度的通知》, Guo Fa [2015] No. 51) promulgated by the State Council, the minimum equity investment in a project company shall be equivalent to 20% of the total investment of a project, while the remaining investment can be funded by debt financing. After completion of the Laoting Capital Contribution, the registered capital of Laoting Wing Energy will be increased from RMB96 million to approximately RMB1,111 million, representing approximately 20% of its total investment in the Puti Island Offshore Wind Power Farm. Laoting Wind Energy will finance the remaining fund that it needs for its investment in the Puti Island Offshore Wind Power Farm by debt financing, such as bank borrowings. To the best of the Company's knowledge, Laoting Wind Energy has obtained credit facilities from various banks in the PRC and will be able to obtain sufficient loans to satisfy the capital needs for the construction and development of the Puti Island Offshore Wind Power Farm.

### 5. General Information

#### *Information of 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.

#### *Information of 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 Hebei SASAC. It is primarily engaged in the investment in and development of infrastructure industries and pillar industries of Hebei Province, such as energy, transportation, water supply and commercial real estate.

#### *Information of JEI*

JEI is a company listed on the Shenzhen Stock Exchange (stock code: 000600), in which HECIC has a controlling interest. The principal business of JEI is investment in the construction, operation and management of energy projects mainly in the power generation industry.

### 6. Implication under the Listing Rules

After the completion of the Laoting Capital Contribution, the Company's total equity interests in Laoting Wind Energy will be reduced from 100% to approximately 51.4%. As such, according to Rule 14.29 of the Listing Rules, the Laoting Capital Contribution will be deemed as a disposal of the Company's equity interest in Laoting Wind Energy.

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## LETTER FROM THE BOARD

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HECIC is the controlling shareholder of the Company. JEI is a subsidiary of HECIC, and is also an associate of the HECIC. Therefore, according to the requirements of the Listing Rules, HECIC and JEI are connected persons of the Company. The Laoting Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of Listing Rules.

As the highest applicable percentage ratio of the Laoting Capital Contribution exceeds 5% but is less than 25%, the Laoting Capital Contribution is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the Laoting Capital Contribution constitutes a disclosable transaction under Chapter 14 of the Listing Rules, it is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

As four of our Directors, namely Dr. Cao Xin, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang, hold management positions in HECIC, they have abstained from voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution according to the requirements of the Articles of Association. Furthermore, as our non-executive Director, Dr. Liu Zheng, was nominated to the Board by HECIC, he has also abstained from the voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution. Save for the above, no other Directors have a material interest in the transactions contemplated under the Laoting Capital Contribution Agreement and hence no other Directors are required to abstain from voting on such Board resolution.

#### IV. THE AGM

The proxy form and the reply slip of the AGM are enclosed.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited and for holders of Domestic Shares, the form of proxy should be returned to the Company's registered office and headquarters in the PRC in person or by post not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip to (for holders of H Shares) Computershare Hong Kong Investor Services Limited or (for holders of Domestic Shares) to the Company's registered office and headquarters in the PRC on or before Monday, 23 May 2016.

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## LETTER FROM THE BOARD

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### V. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

In view of HECIC's interest in Laoting Capital Contribution, HECIC and its associates are required to abstain from voting on the ordinary resolution to be proposed at the AGM to approve the capital contribution to Laoting Wind Energy by connected persons and deemed disposal.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, there is no connected person of the Company or Shareholder or their respective associates with a material interest in the resolution to be proposed at AGM which is required to abstain from voting at the AGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the AGM.

### VI. RECOMMENDATIONS

The Board considers that all regular resolutions and the resolutions on amendment to the Articles of Association proposed at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends shareholders to vote in favour of those proposed resolutions at the AGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the capital contribution to Laoting Wind Energy by connected persons of the Company which is also considered as a deemed disposal under the Listing Rules. Asian Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such respect.

The Directors (excluding the independent non-executive Directors) are of the view that, although the Laoting Capital Contribution Agreement and the transactions thereunder are not entered into in the Company's ordinary and usual course of business, the terms of the Laoting Capital Contribution Agreement and the transactions thereunder are on normal commercial terms, which are in the interests of the Company and the Shareholders as a whole and are fair and reasonable in so far as the Independent Shareholders are concerned.



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## LETTER FROM THE BOARD

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Therefore, the Directors (excluding the independent non-executive Directors) recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the AGM to approve the Laoting Capital Contribution Agreement and the transactions thereunder.

The Independent Board Committee, having taken into account the terms of the Laoting Capital Contribution Agreement and the advice of the Independent Financial Adviser, considers that, although the Laoting Capital Contribution Agreement and the transactions thereunder are not entered into in the Company's ordinary and usual course of business, the terms of the Laoting Capital Contribution Agreement and the transactions thereunder are entered into on normal commercial terms, which are in the interests of the Company and the Shareholders as a whole and are fair and reasonable in so far as the Independent Shareholders are concerned. Therefore, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolution to be proposed at the AGM to approve the Laoting Capital Contribution Agreement and the transactions thereunder.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 30 to 31 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Laoting Capital Contribution Agreement and the transactions thereunder; and (ii) the letter from the Asian Capital set out on pages 32 to 43 of this circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as well as the principal factors and reasons considered in respect of the Laoting Capital Contribution Agreement and the transactions thereunder.

Yours faithfully,  
**Cao Xin**  
*Chairman*



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## APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS

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### 1. BIOGRAPHICAL DETAILS OF THE PROPOSED NON-EXECUTIVE DIRECTORS OF THE COMPANY

**Dr. Cao Xin** (曹欣), aged 44, joined the Group in June 2006, and is a non-executive Director and the chairman of the Board of the Company. He obtained a doctorate in economics from Renmin University of China (中國人民大學) and is a chief senior economist. He has been a deputy general manager of Hebei Construction & Investment Group Co., Ltd. since January 2014. He successively served as executive director, chairman and president of the Company; general manager of HECIC New-energy Co., Ltd; assistant to the general manager of Hebei Construction and Investment Group Co., Ltd.; manager of the Public Utilities Department II of Hebei Construction & Investment Company.

**Dr. Li Lian Ping** (李連平), aged 53, is the chairman and party secretary of Hebei Construction & Investment Group Co., Ltd. He obtained a doctorate in materials processing engineering from the University of Science and Technology Beijing (北京科技大學) and is a chief senior engineer. He was a non-executive Director and chairman of the Company from February 2010 to March 2013. Since September 2015, he has been the chairman and party secretary of Hebei Construction & Investment Group Co., Ltd. and the chairman of Hebei Enterprise Limited. He successively served as deputy party secretary, deputy officer (deputy departmental level) of the State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province, chairman and party secretary of Hebei Construction and Investment Group Co., Ltd., chairman of Hebei Enterprise Limited, director, deputy general manager and party secretary of Hebei Iron & Steel Group Co., Ltd. and general manager, deputy chairman and deputy party secretary of Handan Iron & Steel Group Co., Ltd.

**Mr. Qin Gang** (秦剛), aged 41, joined the Group in October 2014, and is currently a non-executive Director of the Company. He obtained a master's degree in corporate management from Nankai University (南開大學) and is a senior economist. He has been the assistant to the general manager and the general manager of the capital operation department of Hebei Construction and Investment Group Co., Ltd. and the executive deputy general manager of Yanshan Development (Yanshan International Investment) Company Limited (燕山發展(燕山國際投資)有限公司) since April 2015. He successively served as deputy departmental manager of the capital operation department of Hebei Construction and Investment Group Co., Ltd. and deputy manager of the financial management department of Hebei Construction Investment Company.

**Ms. Sun Min** (孫敏), aged 48, joined the Group in January 2015, and is currently a non-executive Director of the Company. She obtained a master's degree in business administration from Nankai University (南開大學), and is a chief senior engineer. She has been the general manager of the appraisal and assessment department of Hebei Construction and Investment Group Co., Ltd. since March 2013. Ms. Sun successively served as deputy manager of the investment and development department of Hebei Construction and Investment Group Co., Ltd., deputy manager of the investment and development department, assistant to the manager of the Energy Branch of Hebei Construction Investment Company.

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## APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS

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**Mr. Wu Hui Jiang** (吳會江), aged 36, joined the Group in June 2015, and is currently a non-executive Director of the Company. He has a master's degree in political economy of Zhejiang University and is a senior economist. He has been a general manager of the Investment Development Department of Hebei Construction & Investment Group Co., Ltd. since June 2015 and the deputy general manager of CIC Huaxin Capital Co., Ltd. (建投華信資本有限公司) since January 2015. Prior to this, he was deputy general manager of the Investment Development Department of Hebei Construction & Investment Group Co., Ltd., manager of the Investment Development Department of HECIC Water Investment Co., Ltd. and project manager of the Public Utilities Department I of Hebei Province Construction & Investment Company.

The Company will enter into a service contract with each of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the third session of the Board of Directors. They are eligible for re-election upon expiry of their term according to the Articles of Association. As a non-executive Director of the Company, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang will not receive any Director's fee or remuneration from the Company.

To the best of the knowledge of the Directors and save as disclosed above, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, they do not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointments of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

### 2. BIOGRAPHICAL DETAILS OF THE PROPOSED EXECUTIVE DIRECTORS OF THE COMPANY

**Mr. Gao Qing Yu** (高慶余), aged 52, joined the Group in June 2000, and is an executive Director and the president of the Company. He obtained a master's degree in business administration from The Open University of Hong Kong (香港公開大學) and is a senior engineer. Mr. Gao has been an executive Director and the president of the Company since March 2013. He successively served as executive Director and vice president of the Company and general manager and deputy general manager of Hebei Natural Gas Company Ltd..

**Mr. Wang Hong Jun** (王紅軍), aged 51, joined the Group in March 2013, and is an executive Director of the Company. He obtained a master's degree in business administration from Tianjin University (天津大學). Mr. Wang has been the party secretary of the Company

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## APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS

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since March 2013 and was appointed as an executive Director of the Company in June 2013. Mr. Wang successively served as director of the general office of Hebei Construction & Investment Group Co., Ltd. as well as the director of the general manager office of Hebei Construction Investment Company.

The Company will enter into a service contract with each of Mr. Gao Qing Yu and Mr. Wang Hong Jun, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the third session of the Board of Directors. They are eligible for re-election upon expiry of their term according to the Articles of Association.

As the executive Directors of the Company, Mr. Gao Qing Yu and Mr. Wang Hong Jun will not receive any Director's fee from the Company, and their remuneration will be determined in accordance with the criteria of the Company's remuneration management in relation to the performance evaluation measures of operators, which includes basic salary, performance bonuses and other benefits. Basic salary will be determined in accordance with the positions of the executive Directors in the Company, performance bonus will be determined with reference to the Company's business performance and other benefits will include statutory pension, medical and housing fund. The annual remuneration of Mr. Gao Qing Yu and Mr. Wang Hong Jun will be determined at the year end and disclose in the Company's annual report of that year.

To the best of the knowledge of the Directors and save as disclosed above, Mr. Gao Qing Yu and Mr. Wang Hong Jun did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, they do not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointments of Mr. Gao Qing Yu and Mr. Wang Hong Jun that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

### 3. PARTICULARS OF THE PROPOSED INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

**Mr. Qin Hai Yan** (秦海岩), aged 45, has been an independent non-executive Director of the Company since March 2010. He obtained a master's degree in business administration from Renmin University of China (中國人民大學). Mr. Qin also serves as an independent non-executive director of Huaneng Renewables Corporation Limited (華能新能源股份有限公司), Xinte Energy Co., Ltd. and Ningxia Jiaze New Energy Co., Ltd. (寧夏嘉澤新能源股份有限公司), the standing director of the China Renewable Energy Society (中國可再生能源學會), the secretary-general to the Wind Power Committee of the China Renewable Energy Society (中國可再生能源學會風能專業委員會), the vice chairman of the Renewable Energy Committee

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## APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS

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of the China Association of Resource Comprehensive Utilization (中國資源綜合利用協會可再生能源專業委員會). He is also a vice secretary of the National Wind Power Machinery Standardization and Technology Commission (全國風力機械標準化委員會).

**Mr. Ding Jun (丁軍)**, aged 53, has been an independent non-executive Director of the Company since March 2010. He graduated from the graduate school of the China Academy of Social Sciences (中國社會科學院) with a master's degree in economics. Mr. Ding is an associate researcher of the Beijing Academy of Social Sciences Economics Research Institute (北京市社會科學院經濟研究所), which he joined in 1992. In addition, Mr. Ding was also appointed as standing director and vice secretary-general of the China Association for Studying the Construction of Well-off Society (中國小康建設研究會).

**Mr. Wang Xiang Jun (王相君)**, aged 51, has been an independent non-executive Director of the Company since March 2010. He obtained a bachelor's degree in economics from the Central University of Finance and Economics (中央金融學院). Since November 2005, Mr. Wang has acted as associate professor of Hebei University of Economics and Business (河北經貿大學). In addition, he is a part-time teacher of the Accountant Service Centre of Hebei Finance Office (河北省財政廳會計人員服務中心), a standing director of the Hebei Information Industry and Accounting Association (河北省資訊產業會計學會) and a financial consultant of Hebei Grain Group Co., Ltd. (河北省糧食產業集團有限公司), China Construction Bank Hebei Branch (中國建設銀行河北省分行), the finance department of Hebei Publishing Group (河北省出版集團財務部) and Hebei Products (Group) Co., Ltd. (河北物產企業(集團)公司).

**Mr. Yue Man Yiu Matthew (余文耀)**, aged 54, has been an independent non-executive Director of the Company since June 2010. He graduated from the Chinese University of Hong Kong (香港中文大學) and obtained a bachelor's degree in business administration. Since 2009, Mr. Yue has acted as chief financial officer of Ko Shi Wai Holdings Limited (高士威控股有限公司), and is an independent non-executive director of Asia Cassava Resources Holdings Limited (亞洲木薯資源控股有限公司) and Royale Furniture Holdings Limited (皇朝家私控股有限公司). Mr. Yue is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and a member of the Hong Kong Securities Institute.

The Company will enter into a service contract with each of Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the third session of the Board of Directors. They are eligible for re-election upon expiry of their term according to the Articles of Association.

As independent non-executive Directors, each of Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew will receive annual Director fees of HK\$100,000 or RMB equivalent (which is tax inclusive and is to be paid on a quarterly basis with the Company being responsible for withholding personal income tax). Travel expenses incurred for the purposes of attending Board meetings of the Company, shareholders' general meetings and relevant activities organised by the Board will be borne by the Company.

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## **APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS**

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To the best of the knowledge of the Directors and save as disclosed above, Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, they do not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointments of Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

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## APPENDIX II                      BIOGRAPHICAL DETAILS OF THE PROPOSED NON-EMPLOYEE REPRESENTATIVE SUPERVISORS

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### 1. BIOGRAPHICAL DETAILS OF THE PROPOSED SHAREHOLDERS REPRESENTATIVE SUPERVISORS OF THE COMPANY

**Mr. Yang Hong Chi** (楊洪池), aged 59, joined the Group in February 2010, and is the chairman of the Board of Supervisors of the Company. He graduated from Tianjin University (天津大學). He has been the deputy secretary of the party committee and the disciplinary committee, chairman of the labour union of the Hebei Construction & Investment Group Co., Ltd.. He successively served as deputy secretary of the party committee and the disciplinary committee, chairman of the labour union of the Hebei Construction Investment Company and the director of the general office of the organization department of Hebei Provincial Committee (河北省委組織部辦公室).

**Mr. Liu Jin Hai** (劉金海), aged 43, joined the Group in June 2013, and is a supervisor of the Company. He received a master's degree in business administration from the Hebei University of Technology (河北工業大學) and is a senior accountant. He has been the assistant to the general manager and the general manager of the financial management department of the Hebei Construction & Investment Group Co., Ltd. He successively served as general manager of HECIC Water Investment Co., Ltd., head of the financial management department of Hebei Construction & Investment Group Co., Ltd. and general manager of HECIC Group Finance Company Limited.

The Company will enter into a service contract with each of Mr. Yang Hong Chi and Mr. Liu Jin Hai and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the third session of the Board of Supervisors. They are eligible for re-election upon expiry of their term according to the Articles of Association. As the shareholders representative Supervisors of the Company, Mr. Yang Hong Chi and Mr. Liu Jin Hai will not receive any supervisors remuneration from the Company.

To the best of the knowledge of the Directors and save as disclosed above, Mr. Yang Hong Chi and Mr. Liu Jin Hai did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company and they do not hold any position in the Company or any of its subsidiaries. As at the Latest Practicable Date, they do not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointments of Mr. Yang Hong Chi and Mr. Liu Jin Hai that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.



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## APPENDIX II                      BIOGRAPHICAL DETAILS OF THE PROPOSED NON-EMPLOYEE REPRESENTATIVE SUPERVISORS

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### 2.    BIOGRAPHICAL DETAILS OF THE PROPOSED INDEPENDENT SUPERVISORS OF THE COMPANY

**Mr. Xiao Yan Zhao** (肖延昭), aged 42, has been an independent supervisor of the Company since June 2014. He obtained a bachelor of laws degree from China University of Political Science and Law (中國政法大學), and is a qualified lawyer and Chinese registered senior planner. Mr. Xiao was the partner and the chief lawyer of Beijing Delvheng Law Firm (北京市德律珩律師事務所) from 2005 to 2012. He is currently the senior partner of C&I Partners, Beijing (北京市信利律師事務所) and a member of the criminal professional committee of Beijing Lawyers Association. He has served as deputy secretary-general of the Association of Cross-Strait Legal Exchange (海峽兩岸法學交流促進會), general legal advisor of the People's Government of Chongwen District, Beijing, executive director and deputy secretary-general of the Law and Trading Seminar (Shenzhen) of WTO and China – Asean Free Trade Area (世界貿易組織及中國東盟自由貿易區法律貿易研究會), and director of China Association of Small and Medium Business Enterprises (中國中小商業企業協會).

**Mr. Liang Yong Chun** (梁永春), aged 44, has been an independent supervisor of the Company since June 2015. He is currently a teacher at the Electrical Engineering College, Hebei Science and Technology University. He obtained a doctorate in high voltage and insulation technology from Xi'an Jiaotong University. He has been a teacher of Electrical Engineering College, Hebei Science and Technology University since 1998, during which he studied a doctoral course in Xi'an Jiaotong University from 2004 to 2009. He was an ECS visiting scholar at the University of Southampton in the United Kingdom from 2012 to 2013.

The Company will enter into a service contract with each of Mr. Xiao Yan Zhao and Mr. Liang Yong Chun and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the third session of the Board of Supervisors. They are eligible for re-election upon expiry of their term according to the Articles of Association. As the independent Supervisors of the Company, Mr. Xiao Yan Zhao and Mr. Liang Yong Chun will receive HK\$50,000 or RMB equivalent (tax inclusive) as the supervisors remuneration per year after the approval by the shareholders in the general meeting.

To the best of the knowledge of the Directors and save as disclosed above Mr. Xiao Yan Zhao and Mr. Liang Yong Chun did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company and they do not hold any position in the Company or any of its subsidiaries. As at the Latest Practicable Date, they do not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointments of Mr. Xiao Yan Zhao and Mr. Liang Yong Chun that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.



**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)**

*To the Independent Shareholders*

25 April 2016

Dear Sirs and Madams,

**CAPITAL CONTRIBUTION TO LAOTING WIND ENERGY BY  
CONNECTED PERSONS AND DEEMED DISPOSAL**

We refer to this circular dated 25 April 2016 issued by the Company (the “**Circular**”) to its shareholders of which this letter forms part. Unless the context otherwise requires, terms used in this letter have the same meanings as defined in the Circular.

According to the Listing Rules, we have been appointed as the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the entering into of the Laoting Capital Contribution Agreement and the transactions thereunder are in the Company’s ordinary and usual course of business and on normal commercial terms, which are in the interests of the Company and the Shareholders as a whole, and are fair and reasonable as far as the Independent Shareholders are concerned. In this regard, Asian Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. Details of the Laoting Capital Contribution Agreement and the connected transactions thereunder as well as the reasons for entering into the transactions are set out on pages 16 to 20 under the section headed Letter from the Board of the Circular.

We also have discussed the terms of Laoting Capital Contribution Agreement and the transactions thereunder with the management of the Company.

Having considered (i) the terms of the Laoting Capital Contribution Agreement, (ii) the background and nature of the Laoting Capital Contribution Agreement as discussed with the management of the Company and (iii) the advice to the Independent Board Committee and Independent Shareholders from Asian Capital, the Independent Financial Adviser, we consider that, although the Laoting Capital Contribution Agreement and the transactions thereunder are not entered into in the Company’s ordinary and usual course of business, the terms of the Laoting Capital Contribution Agreement and the connected transactions

\* *For identification purposes only*



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**APPENDIX III LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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thereunder are on normal commercial terms, which are in the interests of the Company and the Shareholders as a whole, and are fair and reasonable in so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Laoting Capital Contribution Agreement and its connected transactions thereunder.

Yours faithfully,  
**China Suntien Green Energy Corporation Limited**  
**Qin Hai Yan**  
**Ding Jun**  
**Wang Xiang Jun**  
**Yue Man Yiu Matthew**  
Independent Board Committee  
*Independent Non-executive Directors*

*The following is the text of a letter from Asian Capital (Corporate Finance) Limited to the Independent Shareholders and the Independent Board Committee prepared for the purpose of incorporation in this circular:*



Suite 601, Bank of America Tower  
12 Harcourt Road  
Central, Hong Kong

*To the independent board committee and the independent shareholders of  
China Suntien Green Energy Corporation Limited*

25 April 2016

Dear Sirs,

**CONNECTED AND DISCLOSEABLE TRANSACTION –  
CAPITAL CONTRIBUTION TO LAOTING WIND ENERGY BY  
CONNECTED PERSON AND DEEMED DISPOSAL**

**INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders to advise whether the Laoting Capital Contribution Agreement dated 24 March 2016 entered into by the Company, HECIC and JEI is on normal commercial terms and the terms of the Laoting Capital Contribution Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Relevant details of the transaction are set out in the circular of the Company dated 25 April 2016 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context indicates otherwise.

On 24 March 2016, the Company entered into the Laoting Capital Contribution Agreement with HECIC and JEI, whereby each of the Company, HECIC and JEI agreed to contribute capital into Laoting Wind Energy, which is currently a wholly-owned subsidiary of the Company. According to the terms of Laoting Capital Contribution Agreement, the Company, HECIC and JEI shall contribute approximately RMB475 million, RMB40 million and RMB500 million, respectively, into Laoting Wind Energy in phases by the end of 2018. After the completion of the Laoting Capital Contribution (the “**Completion**”), the registered capital of Laoting Wind Energy will increase from RMB96 million as at 24 March 2016 to approximately RMB1,111 million, and the Company, HECIC and JEI will hold approximately 51.4%, 3.6% and 45% equity interests in Laoting Wind Energy, respectively. Laoting Wind Energy will remain a subsidiary of the Company after Completion.

Laoting Wind Energy is currently engaged in the investment and construction of Puti Island Offshore Wind Power Farm, which is the Company's first approved 300MW offshore wind power project and the first offshore wind power project that obtained the approval from the People's Government of Hebei Province. It is expected that the Company's capital contributions to Laoting Wind Energy will be financed by the Company's internal resources in cash. The proceeds from the Laoting Capital Contribution will be used by Laoting Wind Energy for the development and construction of the Puti Island Offshore Wind Power Farm.

HECIC is the controlling Shareholder of the Company and holds approximately 50.50% equity interest in the Company as at the Latest Practicable Date. JEI is a subsidiary of HECIC. According to requirements of the Listing Rules, both HECIC and JEI are regarded as the connected persons of the Company. Since one or more of the applicable percentage ratios (as defined under Rule 14.07 under the Listing Rules) of Laoting Capital Contribution are more than 5% but less than 25%, the Laoting Capital Contribution contemplated under the Laoting Capital Contribution Agreement constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and a non-exempt connected transaction for the Company which is subject to the requirements of reporting, announcement and approval of Independent Shareholders at the AGM by way of poll pursuant to Chapter 14A of the Listing Rules. In view of their interests in the Laoting Capital Contribution Agreement, HECIC and JEI and their respective associates will abstain from voting on the resolution in relation to the Laoting Capital Contribution Agreement and the transactions contemplated thereunder at the AGM.

As four of the Directors of the Company, namely Dr. Cao Xin, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Huijiang, hold management positions in HECIC, they have abstained from voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution according to the requirements of the articles of association of the Company. Dr. Liu Zheng, a non-executive Director of the Company nominated by HECIC, has also abstained from the voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution. Save for the above, no other Directors have a material interest in the transactions contemplated under the Laoting Capital Contribution Agreement and no other Directors are required to abstain from voting on such Board resolutions.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew, has been formed to advise the Independent Shareholders whether the terms of the Laoting Capital Contribution Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **OUR INDEPENDENCE**

In the past two years, we were appointed by the Company as the independent financial advisor to give independent advice on a renewed financial services framework agreement entered into between the Company and HECIC Group Finance Company Limited (the "Group Finance Company") in respect of the deposit service provided to the Group by the

Group Finance Company dated 11 November 2015, details of which were set out in the Company's announcement and circular dated 11 November 2015 and 11 December 2015 respectively.

Saved as disclosed above, we are not connected with the Company or any of its substantial Shareholders or any person acting or deemed to be acting in concert with any of them. As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us, and accordingly, we are considered eligible to give independent advice on the Laoting Capital Contribution. Apart from a normal professional fee payable to us in connection with this appointment, no other arrangements exist whereby we will receive any fees or benefits from the Company or any of its substantial Shareholders or any person acting or deemed to be acting in concert with any of them.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendation, we have considered, among other things, (i) the audited annual reports of the Company for the years ended 31 December 2014 and 2015; (ii) the audited annual reports of Laoting Wind Energy for the years ended 31 December 2014 and 2015 (together, the "**Laoting Audited Reports**"); (iii) the Laoting Capital Contribution Agreement; (iv) the assets appraisal report of Laoting Wind Energy (the "**Appraisal Report**") issued on 4 February 2016 by the independent valuer, 河北中康仁達資產評估有限公司 (Hebei Zhong Kang Renda Assets Appraisal Co., Ltd.\*) (the "**Valuer**"); (v) this Circular; and (vi) other available public information. We have also relied on all relevant material information, opinions and representations made to us by the Directors and the representatives of the Company.

We have not made any independent evaluation or appraisal of the assets and liabilities of Laoting Wind Energy. Saved as and except for the Appraisal Report issued by the Valuer, we have not been furnished with any other evaluation or appraisal reports. Since we are not experts in valuation of assets, we have relied solely upon the Appraisal Report for the appraised value of Laoting Wind Energy as at 31 December 2015.

In forming our opinion in relation to the Laoting Capital Contribution, we consider that we have reviewed sufficient relevant information and documents and have taken reasonable steps as specified under Rule 13.80 of the Listing Rules (including its notes) to reach an informed view and to make our recommendation on a reasonable basis. We have relied on information provided and statements and opinions made by the Company, its Directors, advisers and representatives, for which they take full responsibilities. We assume that all relevant information and statements were true, accurate and complete at the time they were given or made and continue to be so as at the date of the Circular. We also assume that all views, opinions and statements of intention provided by the Directors, advisers and representatives of the Company have been arrived at after due and careful enquiries. The Company has confirmed that there were no other material facts not contained in the information provided to us the omission of which would make any statement or opinion contained in the Circular misleading.

We have no reason to suspect that any material fact or information has been omitted or withheld from the information or opinions provided to us by the Company, its Directors, advisers or representatives, or to doubt the truth, accuracy or completeness of the information and representations or reasonableness of the opinions provided to us by them. We have not, however, conducted any independent verification on the information provided to us by the Company, its Directors, advisers or representatives, nor have we conducted any independent investigation into the business and affairs or the prospects of the Group. We therefore do not guarantee the accuracy or completeness of any of such information. We have no obligation to update our advice and opinion to take into account circumstances and events occurring after the date of this letter. As a result, circumstances and events could occur prior to the approval of the Laoting Capital Contribution Agreement that, if known to us at the time when we had rendered our advice and opinion, would have altered our advice and opinion.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Laoting Capital Contribution contemplated under the Laoting Capital Contribution Agreement, we have considered the following principal factors:

#### 1. **Background about the parties involved and reasons for the Laoting Capital Contribution**

##### *(i) Information of the Group*

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.

The Group has two major business segments: (i) the natural gas business and (ii) the wind power and solar energy (the “**Renewable Energy**”) business. The sales volume of natural gas of the Group was 1,127 million cubic meters for the year ended 31 December 2015. As at 31 December 2015, the Group newly increased 396.8MW of consolidated installed capacity of wind power and the Group’s accumulative consolidated installed capacity of wind power was 2,093.6MW.

Set out below are the consolidated financial results of the Group for two years ended 31 December 2015 as extracted from the Company's annual report for the year ended 31 December 2015 (the "2015 Annual Report"):

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>	<b>% change from 2014 to 2015</b>
	<i>RMB Million (Audited)</i>	<i>RMB Million (Audited)</i>	
<b>Consolidated financial information</b>			
Revenue	5,149.43	4,224.21	(17.97)
Profit before tax	674.61	200.37	(70.30)
Profit for the period/year	498.33	188.94	(62.09)
Profit for the period/year attributable to owners of the Company	335.05	168.35	(49.75)
<b>Natural Gas Segment financial information</b>			
Revenue	3,903.00	2,795.73	(28.37)
Gross profit	643.99	410.97	(36.18)
Gross profit margin	16.50%	14.70%	
Profit from operations of natural gas business	548.00	103.00	(81.20)
Operating profit margin	14.04%	3.68%	
<b>Renewable Energy business financial information</b>			
Revenue	1,246.04	1,428.48	14.64
Gross profit	650.41	699.84	7.60
Gross profit margin	52.20%	49.80%	
Profit from operations of Renewable Energy business	565.00	617.00	9.20
Operating profit margin	45.35%	43.66%	

As depicted by the above table, the Group recorded a decrease in revenue of approximately 17.97% from approximately RMB5,149.43 million for the year ended 31 December 2014 to approximately RMB4,224.21 million for the year ended 31 December 2015. With reference to the 2015 Annual Report, the Group's profit for the year ended 31 December 2015 was approximately RMB188.94 million, representing a decrease of 62.09% as compared with same period in 2014. It was mainly due to (1) a significant drop in retail sales of natural gas affected by a decline in national macroeconomic situation and a decrease in coal and oil prices; (2) provision for

impairment caused by an increase of trade receivables of Hebei Natural Gas; (3) a decrease in annual utilization hours of the Group caused by the poor wind resources in the areas where the wind farms operated by the Group were located during the year.

With reference to the 2015 Annual Report, the revenue of Renewable Energy business increased from approximately RMB1,246.04 million for the year ended 31 December 2014 to approximately RMB1,428.48 million for year ended 31 December 2015, representing an increase of 14.64% as compared with same period in 2014. The increase was mainly attributable to an increase in the number of new wind farms that were put in operation, which resulted in an increase in sales volumes of wind power and revenue.

The gross profit margin of the Renewable Energy business was approximately 49.80% during the year ended 31 December 2015, which was much higher than the gross profit margin of natural gas business of approximately 14.70%. The higher gross profit margin illustrated a better profitability of the Renewable Energy business.

Since the Renewable Energy business is expanding in the year ended 31 December 2015 with a higher gross profit margin compared with the natural gas business, the Company has strengthened its wind power generation through conscientious plans and efforts. We are of the view that the Company's exploration of the potential opportunity in the Renewable Energy business in order to generate a better return for the Shareholders is in the interests of the Company and the Shareholders as a whole.

*(ii) Information of HECIC*

HECIC was established on 21 March 1990. It is a wholly state-owned enterprise incorporated under the approval of the People's Government of Hebei Province and under the direct supervision of the State-owned Assets Supervision and Administration Commission in the People's Government of Hebei Province. HECIC primarily engages in the investment and construction of infrastructure industries and pillar industries of Hebei Province. It is the controlling Shareholder of the Company and holds approximately 50.50% equity interest in the Company as at the Latest Practicable Date.

Over the past decade, HECIC has interests in more than 180 enterprises, some of which are listed on Shenzhen Stock Exchange and the Stock Exchange. The investment of HECIC includes construction of power plants, railways, ports, highways and a number of provincial major support projects through government-led and market-oriented operations.

*(iii) Information of JEI*

JEI was established on 18 January 1994 and was listed on the Shenzhen Stock Exchange (stock code: 000600.SZ) on 6 June 1996. As advised by the management of the Company, HECIC holds approximately 67.21% equity interest in JEI as at the Latest Practicable Date.

The principal business of JEI includes investment in the construction, operation and management of energy projects mainly in the power generation industry.

*(iv) Information of Laoting Wind Energy*

Laoting Wind Energy was a company established in the PRC with limited liability on 19 February 2011, with a registered capital of RMB40 million. On 3 May 2013, the registered capital of Laoting Wind Energy was increased to RMB96 million in cash by shareholder's contribution. Laoting Wind Energy is currently a wholly owned subsidiary of the Company.

The principal activity of Laoting Wind Energy is development and construction of power project. According to its business license, its scope of business includes: (i) investment and construction of wind power facilities; (ii) operation and management of the wind power facilities; (iii) sales of the wind power generated; (iv) sales of wind power facilities; and (v) training of wind power expertise and consultation of wind power operation. Its business model is to provide a comprehensive service in respect to clean energy generation by wind power.

Since the principal activities of Laoting Wind Energy is in line with the Company's long term strategy in developing clean energy, we are of the view that the Laoting Capital Contribution to expand the size of Laoting Wind Energy is in the interests of the Company and the Shareholders as a whole.

Set out below is the selected financial information of Laoting Wind Energy extracted from the balance sheet of Laoting Audited Reports for the years ended 31 December 2014 and 2015:

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB Million</i>	<i>RMB Million</i>
	<i>(Audited)</i>	<i>(Audited)</i>
<b>Total Assets</b>	170.55	154.40
<b>Total Liabilities</b>	74.55	58.40
<b>Owner's equity</b>	96.00	96.00

Since Laoting Wind Energy has not started commercial operation, its net assets value as at 31 December 2015 was approximately RMB96 million which is the same as its registered capital. Furthermore, as the Puti Island Offshore Wind Power Farm, which is being invested by Laoting Wind Energy, is still under construction, there has been no revenue, profit or loss incurred by Laoting Wind Energy before or after tax reduction and non-recurring items over the financial years of 2014 and 2015.



*(v) Information of Puti Island Offshore Wind Power Farm*

The Puti Island Offshore Wind Power Farm is the Company's first approved 300MW offshore wind power project and the first offshore wind power project which obtained the approval from the People's Government of Hebei Province. The wind farm is located in Tangshan, Hebei Province and is currently being developed by Laoting Wind Energy. We understand from the management of the Company that the wind farm is in a favourable location which has plenty of resources for the development of wind power.

The construction of the Puti Island Offshore Wind Power Farm commenced in early 2015. The construction comprises the installation of 75 wind turbines with an installed capacity of 4MW each and a 220kV island booster station. The construction of the Puti Island Offshore Wind Power Farm is expected to take four years with an estimated completion time of around end of 2018 and its production period will be 25 years from the date of completion of the construction.

*(vi) Reasons for Laoting Capital Contribution*

As the Puti Island Offshore Wind Power Farm is currently at the stage of investment and construction, a significant investment amount will be required in different development phases. In addition, the Puti Island Offshore Wind Power Farm has a lower investment yield with a longer payback period. The Board considers that it would not be attractive to the investors if the Company carries out external fund raising under the current economic condition. As a result, with the support of HECIC and JEI, the Laoting Capital Contribution is expected to generate the necessary working capital for the imminent cash requirement of Puti Island Offshore Wind Power Farm.

We have discussed with the management regarding the Company's decision to invest in the Puti Island Offshore Wind Power Farm, and understand that due to the over exploitation of non-renewable energy, the demand of sustainable clean energy remains high in China. For instant, Beijing, being 150 km away from Puti Island, has suffered from serious air pollution due to rapid urbanization and exhaust emission from motor vehicles over the past decade. The seriousness of air pollution has elevated the public awareness to unprecedented levels and has prompted the Chinese government to roll out mitigation measures to address the air pollution.

The Chinese government is currently focusing on the promotion of the use of clean energy, and the development of offshore wind farms is in line with the national energy strategy according to China's 12th Five-Year Plan. In addition, after more than ten years of onshore wind farms development, new onshore wind resources are currently very limited in Hebei Province, and offshore wind farm is a new type of wind power facilities which has huge growth potential. Despite the current drawbacks in the financial performance, for instant the lower investment yield and longer payback period of the Puti Island Offshore Wind Power Farm than those of the onshore wind power projects, the Company will still be able to achieve reasonable returns upon the Puti

Island Offshore Wind Power Farm commences operations. The Puti Island Offshore Wind Power Farm is expected to generate stable revenue to the Company commencing 2019, which will benefit the Company and Shareholders in the long run.

With the Laoting Capital Contribution, the Puti Island Offshore Wind Power Farm will have sufficient working capital during 2016-2018 and accelerate its development plans. Furthermore, the Laoting Capital Contribution can reduce the current capital pressure on the Company with the participation of HECIC and JEI, which enables the Company to release its spare resources for the use in other potential projects.

Upon Completion, the increase in the registered capital of Laoting Wind Energy will greatly strengthen its capital base as well as the debt financing capacity of the Puti Island Offshore Wind Power Farm if further financing is needed due to a lower gearing ratio. Furthermore, JEI owns extensive experience in management and operation of power plants since its listing on the Shenzhen Stock Exchange in 1996. As advised by the management of the Company, JEI's generic management expertise of energy projects, from which the wind power business of the Company could benefit, would be inherent in Laoting Wind Energy with its directors appointed by JEI. It would be more conducive for the Company to utilize the expertise of JEI in the construction, operation and management of energy projects, which would further boost the competitiveness of the Company and Laoting Wind Energy as a whole in the long run.

In view of the above, we are of the opinion that the use of the Laoting Capital Contribution for the development and construction of the Puti Island Offshore Wind Power Farm will support the Company's strategy in the long run. Given the aforesaid factors, we concur with the Directors that the Laoting Capital Contribution is in the interests of the Company and the Shareholders as a whole.

## **2. Principal terms of the Laoting Capital Contribution Agreement**

### **Date:**

24 March 2016, and effective only upon each party obtaining the approval at its general meeting

### **Parties:**

- (i) the Company;
- (ii) HECIC; and
- (iii) JEI

### *Laoting Capital Contribution and payment terms*

According to the terms of the Laoting Capital Contribution Agreement, the capital contributions from the Company, HECIC and JEI shall be payable in phases according to the progress of the construction of the Puti Island Offshore Wind Power Farm

based on their respective proportion of their subscription amount in Laoting Wind Energy, which are approximately RMB475 million, RMB 40 million and RMB500 million, respectively. The total capital contributions shall be paid in full by 31 December 2018. After Completion, the registered capital of Laoting Wind Energy will increase from RMB96 million as at 24 March 2016 to approximately RMB1,111 million. The Company, HECIC and JEI will hold approximately 51.4%, 3.6% and 45% equity interests in Laoting Wind Energy, respectively. Laoting Wind Energy will remain a subsidiary of the Company after Completion.

Although there is no specified time table for the Laoting Capital Contribution in the Laoting Capital Contribution Agreement, we understand that the Laoting Capital Contribution shall be made by the parties to the Laoting Capital Contribution Agreement at the same time in accordance with their respective shareholdings, whenever there is a call for capital by Laoting Wind Energy.

With 31 December 2015 as the valuation reference date, according to the assets valuation of Laoting Wind Energy performed by the Valuer using the asset-based approach, the net assets of Laoting Wind Energy is approximately RMB96 million, which is the same as its registered capital.

We have reviewed the business licenses and the asset appraisal qualification certificate of the Valuer, and noted that the Valuer is approved by the Ministry of Finance of Hebei Province to conduct asset appraisal on enterprises. Accordingly, we consider that the Appraisal Report is sufficient for us to ascertain the current market value of Laoting Wind Energy. In view of the fact that the shareholding proportion of each party after Capital Contribution refers to the assets valuation results from the Valuation Report and the proposed scale of capital contribution to the Laoting Wind Energy, we are of the opinion that the Laoting Capital Contribution Agreement is entered into on normal commercial terms or better, and the terms of the Laoting Capital Contribution Agreement are fair and reasonable.

### **3. Authorization of the Puti Island Offshore Wind Power Farm by relevant authorities**

We have reviewed the “國家能源局關於印發全國海上風電建設方案(2014-2016)的通知” (The Notice of the National Offshore Wind Power Development Plan (2014-2016)\*) issued by the National Energy Administration, and noted that the Puti Island Offshore Wind Power Farm is part of the development plan proposed by the National Energy Administration. We have also reviewed the “河北省固定資產投資項目核准證” (Investment Projects on Fixed Assets in Hebei Province Approval Certificate\*) issued by the Hebei Provincial Development and Reform Commission, and “國家能源局同意樂亭菩提島海上風電場前期工作的復函” (the Reply Letter on Approval of Initial Development Stage of Laoting Puti Island Offshore Wind Farm\*) issued by the National Energy Administration, and confirmed that the Puti Island Offshore Wind Power Farm has been approved by the relevant authorities above.

After reviewing the above documents, we are of the opinion that the Puti Island Offshore Wind Power Farm is in line with the People's Government of Hebei Province's power development policy, and it is expected to receive further support from the People's Government of Hebei Province for both its development and operation stage, which is in the interests of the Company and Shareholders as a whole.

#### **4. Financial impact of the Laoting Capital Contribution to the Group**

##### *Effect on net assets value*

Upon Completion, Laoting Wind Energy will remain a subsidiary of the Company and its net asset value will remain to be consolidated into the Group. As extracted from the 2015 Annual Report, the audited consolidated net assets (as calculated by total assets minus total liabilities) (the "NAV") of the Group were approximately RMB8,900.52 million as at 31 December 2015. Assuming the Laoting Capital Contribution was completed on 31 December 2015, the Laoting Capital Contribution would have increased the NAV of the Group on 31 December 2015 by approximately RMB540 million, which is the total amount of the capital contributed by HECIC and JEI. The increased amount in NAV represents approximately 6.07% of the Group's NAV on 31 December 2015.

##### *Effect on earnings*

Upon Completion, Laoting Wind Energy will remain a subsidiary of the Company and its operating results will remain to be consolidated into the Group. Assuming the Laoting Capital Contribution was completed on 31 December 2015, it would have no effect on the Group's earnings on 31 December 2015 as it did not have any income or expense during the previous financial year.

##### *Effect on working capital*

As at 31 December 2015, the Group has cash and cash equivalents of approximately RMB3,138.61 million. Assuming the Laoting Capital Contribution was completed on 31 December 2015, the Laoting Capital Contribution would have increased the working capital of the Group on 31 December 2015 by approximately RMB540 million, which is the total amount of the capital contributed by HECIC and JEI. The increased amount in working capital represents approximately 17.21% of the Group's working capital on 31 December 2015.

Based on the aforementioned financial effects of the Laoting Capital Contribution, in particular, the positive impacts on the NAV and working capital of the Group, we are of the opinion that the Laoting Capital Contribution is in the interests of the Company and its Shareholders as a whole.

**RECOMMENDATIONS**

Having considered the above principal factors and reasons, we are of the view that although entering into the Laoting Capital Contribution Agreement is not in the ordinary and usual course of business of the Group, the Laoting Capital Contribution Agreement is entered into on normal commercial terms or better, and that the terms of Laoting Capital Contribution Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favour of the relevant resolutions in relation to the Laoting Capital Contribution to be proposed at the AGM.

Yours faithfully,  
For and on behalf of  
**Asian Capital (Corporate Finance) Limited**  
**Larry CHAN**

*Note:* Mr. Larry Chan is a licensed person registered with the SFC and a responsible officer of Asian Capital (Corporate Finance) Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO since 2010. He has participated in and completed various advisory transactions in respected of connected transactions of listed companies in Hong Kong.

\* *For identification purpose only*

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

**2. DISCLOSURE OF INTERESTS****(a) Interests and Short Positions of Directors, Supervisors and Senior Management in the Shares, Underlying Shares and Debentures**

As at the Latest Practicable Date, none of the Directors, Supervisors or senior management of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

**(b) Competing and Other Interests of Directors**

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

**(c) Material Interests of the Directors in the Transactions**

As Dr. Cao Xin, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang hold positions in HECIC, the controlling shareholder of the Company, they are deemed to have material interests in the Laoting Capital Contribution Agreement and the transactions thereunder. Accordingly, they have abstained from the voting on the Board resolution in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the transactions thereunder. Furthermore, as our non-executive Director, Dr. Liu Zheng, was nominated to the Board by HECIC, he has also abstained from the voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution.

### 3. POSITIONS HELD BY THE DIRECTORS IN THE CONTROLLING SHAREHOLDER

The following table sets out the positions held by the Directors in HECIC as at the Latest Practicable Date:

<b>Name of Director</b>	<b>Position(s) held in the Company</b>	<b>Position(s) held in HECIC</b>
Dr. Cao Xin	Chairman and Non-executive Director	Deputy general manager of HECIC
Mr. Qin Gang	Non-executive Director	Assistant to the general manager and department head of the capital department of HECIC
Ms. Sun Min	Non-executive Director	Department head of the appraisal and assessment department of HECIC
Mr. Wu Hui Jiang	Non-executive Director	Department head of the investment development department of HECIC

### 4. INTERESTS HELD BY THE DIRECTORS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of or leased by any member of the Group, or are proposed to be acquired or disposed of or leased by any member of the Group.

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Group that is relevant to the business of the Group and is still valid as at the Latest Practicable Date.

### 5. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors has or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).



**6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015 (being the date to which the latest published audited accounts of the Group were made up).

**7. EXPERT AND CONSENT**

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Asian Capital (Corporate Finance) Limited	a licensed corporation to carry out Types 1 (dealing in Securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO

Asian Capital (Corporate Finance) Limited has confirmed that it:

- (a) it has given and has not withdrawn its written consent to the issue of this circular dated 25 April 2016 with the inclusion of its letter and the reference to its name in the form and context in which it appears;
- (b) as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. GENERAL**

- (a) In any event of inconsistency, the English text of this circular shall prevail over the Chinese text;
- (b) The joint company secretaries of the Company are Mr. Ban Ze Feng and Ms. Lam Yuen Ling, Eva;
- (c) The Company's registered office and headquarters in the PRC is situated at 9 Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC, and its principal place of business in Hong Kong is situated at Suite 2103, 21st Floor, Prudential Tower, The Gateway, Harbour City, Kowloon, Hong Kong; and

- (d) The Company's H Share registrar and transfer office is Computershare Hong Kong Investor Services Limited which is situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## **9. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m. at the Company's principal place of business in Hong Kong at Suite 2103, 21st Floor, Prudential Tower, The Gateway, Harbour City, Kowloon, Hong Kong within 14 days from the date of this circular (excluding Saturdays, Sundays and public holidays):

- (a) the Laoting Capital Contribution Agreement;
- (b) the letter of recommendation from the Independent Board Committee regarding the Laoting Capital Contribution Agreement, the text of which is set out on pages 30 to 31 of this circular;
- (c) the letter from Asian Capital to the Independent Board Committee and Independent Shareholders regarding the Laoting Capital Contribution Agreement, the text of which is set out on pages 32 to 43 of this circular;
- (d) written consent of Asian Capital as mentioned in paragraph 7 in this Appendix;  
and
- (e) this circular.

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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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)

#### NOTICE OF 2015 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2015 annual general meeting (the “**AGM**”) of China Suntien Green Energy Corporation Limited (the “**Company**”) will be held at 9:00 a.m. on Monday, 13 June 2016 at the Conference Room, 5/F, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC, for the following purposes:

#### ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board of Directors of the Company (the “**Board**”) for 2015.
2. To consider and approve the Report of the Board of Supervisors of the Company for 2015.
3. To consider and approve the final accounts of the Company for the year ended 31 December 2015.
4. To consider and approve the audited financial statements of the Company and the independent auditors’ report for the year ended 31 December 2015.
5. To consider and approve the profit distribution plan of the Company for 2015.
6. To consider and approve the budget report of the Company for the year ending 31 December 2016.
7. To consider and approve the re-appointment of Reanda Certified Public Accountants (利安達會計師事務所) and Ernst & Young as the Company’s PRC auditors and international auditors, respectively, for 2016 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board of Directors to determine their respective remunerations.
8. To consider and elect the Directors of the third session of the Board of Directors of the Company, including:

\* For identification purposes only

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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- (a) Dr. Cao Xin as a non-executive Director of the third session of the Board of Directors of the Company;
  - (b) Dr. Li Lian Ping as a non-executive Director of the third session of the Board of Directors of the Company;
  - (c) Mr. Qin Gang as a non-executive Director of the third session of the Board of Directors of the Company;
  - (d) Ms. Sun Min as a non-executive Director of the third session of the Board of Directors of the Company;
  - (e) Mr. Wu Hui Jiang as a non-executive Director of the third session of the Board of Directors of the Company;
  - (f) Mr. Gao Qing Yu as an executive Director of the third session of the Board of Directors of the Company;
  - (g) Mr. Wang Hong Jun as an executive Director of the third session of the Board of Directors of the Company;
  - (h) Mr. Qin Hai Yan as an independent non-executive Director of the third session of the Board of Directors of the Company;
  - (i) Mr. Ding Jun as an independent non-executive Director of the third session of the Board of Directors of the Company;
  - (j) Mr. Wang Xiang Jun as an independent non-executive Director of the third session of the Board of Directors of the Company; and
  - (k) Mr. Yue Man Yiu Matthew as an independent non-executive Director of the third session of the Board of Directors of the Company.
9. To consider and elect the non-employee representative Supervisors of the third session of the Board of Supervisors of the Company, including:
- (a) Mr. Yang Hong Chi as the shareholders representative Supervisor of the third session of the Board of Supervisors;
  - (b) Mr. Liu Jin Hai as the shareholders representative Supervisor of the third session of the Board of Supervisors;
  - (c) Mr. Xiao Yan Zhao as the Independent Supervisor of the third session of the Board of Supervisors; and
  - (d) Mr. Liang Yong Chun as the Independent Supervisor of the third session of the Board of Supervisors.

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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10. To consider and approve the Directors and Supervisors remuneration package of the third session of the Board of Directors and the Board of Supervisors.
11. To approve, confirm and ratify the Laoting Capital Contribution Agreement entered into between the Company, Hebei Construction & Investment Group Co., Ltd. and Jointo Energy Investment Co., Ltd. on 24 March 2016 and the connected transactions contemplated thereunder; and to authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Laoting Capital Contribution Agreement.

### SPECIAL RESOLUTIONS

12. To consider and approve the granting of a general mandate to the Board to allot, issue and deal with additional domestic shares and H shares not exceeding 20% of each of the total number of issued domestic shares and H shares of the Company, respectively, in issue, and to authorise the Board to make amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the allotment or issue of additional shares pursuant to such mandate:

**THAT:**

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Articles of Association of the Company and the relevant laws and regulations of the People’s Republic of China (the “**PRC**”), the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with, either separately or concurrently, additional domestic shares and H shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Board during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) each of the total number of domestic shares and H shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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(a) shall not exceed 20% of each of the total number of issued domestic shares and H shares of the Company respectively in issue at the date of passing this resolution;

(d) the Board will only exercise the above powers in accordance with the Company Law of the PRC and the Listing Rules (as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained; and

(e) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or

(iii) the date of revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

(B) the Board be authorised to make amendments to the Articles of Association as necessary so as to reflect the new share capital structure of the Company upon the allotment or issue of shares pursuant to the sub-paragraph (A)(a) of this resolution.

13. To consider and approve the amendment of paragraph four of Chapter 3 Article 19 of the Articles of Association to read as:

“After the Company has been established and subject to the approval by the China Securities Regulatory Commission, the Company is allowed to issue 1,238,435,000 shares of foreign listed shares, including over-placing of 161,535,000 shares. At the same time of issuance of foreign listed shares, the state-owned shareholder of the Company has transferred not more than 123,844,000 state-owned shares to the National Social Security Fund Council in accordance with the relevant national requirement in relation to reduction of holding of state-owned shares.

After completion of the issuance of the aforesaid foreign invested shares listed overseas, the Company’s equity capital structure was: Hebei Construction & Investment Group Co., Ltd. held 1,500,924,800 shares, accounting for 46.35% of all the ordinary shares; HECIC Water Investment Co., Ltd. held 375,231,200 shares, accounting for 11.59% of all the ordinary shares; the National Social

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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Security Fund Council held 123,844,000 shares, accounting for 3.82% of all the ordinary shares; shareholders of H shares held 1,238,435,000 shares, accounting for 38.24% of all ordinary shares.

In January 2014, as approved by the China Securities Regulatory Commission, the Company issued an additional 476,725,396 foreign invested shares listed overseas to no more than 10 foreign investors by way of private placing. After completion of such issuance of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,500,924,800 shares, accounting for 40.40% of all the ordinary shares; HECIC Water Investment Co., Ltd. holds 375,231,200 shares, accounting for 10.10% of all the ordinary shares; the National Social Security Fund Council holds 123,844,000 shares, accounting for 3.33% of all the ordinary shares; shareholders of H shares hold 1,715,160,396 shares, accounting for 46.17% of all ordinary shares.

**In July 2015, as approved by the State-owned Assets Supervision and Administration Commission of the State Council, HECIC Water Investment Co., Ltd. transferred 375,231,200 domestic shares of the Company to its controlling shareholder Hebei Construction & Investment Group Co., Ltd. by administrative allocation at nil consideration. After completion of such transfer of shares, the Company's equity capital structure is: Hebei Construction & Investment Group Co., Ltd. holds 1,876,156,000 shares, accounting for 50.50% of all the ordinary shares; shareholders of H shares hold 1,839,004,396 shares, accounting for 49.50% of all ordinary shares.**

By order of the Board of  
China Suntien Green Energy Corporation Limited  
Gao Qing Yu  
*Executive Director and President*

Shijiazhuang City, Hebei Province, the PRC

25 April 2016

*Notes:*

1. The Board recommends the distribution of a final dividend of RMB0.015 per share (tax inclusive) (which equates to approximately RMB56 million in total) for the year ended 31 December 2015 subject to the shareholders' approval at the AGM.
2. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by way of a poll. Accordingly, each of the resolutions set out in the notice of AGM will be voted by poll. Results of the poll voting will be published on the Company's website at [www.suntien.com](http://www.suntien.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM.
3. Any shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's registered office and headquarters in the PRC (for holders of domestic shares) or the H Share Registrar of the Company, Computershare Hong Kong



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## NOTICE OF 2015 ANNUAL GENERAL MEETING

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Investor Services Limited (for holders of H shares), at least 24 hours before the AGM or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of a proxy form will not preclude a shareholder from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish.

5. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H shares to attend the AGM, from Friday, 13 May 2016 to Monday, 13 June 2016 (both days inclusive), during which period no transfer of H shares will be registered. In order to attend the AGM, all instruments of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 12 May 2016. H-Share holders who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.
6. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
7. Shareholders of the Company intending to attend the AGM in person or by their proxies should return the reply slip for attending the AGM by courier or by post to the Company's registered office and headquarters in the PRC (for holders of domestic Shares) or the Company's H Share Registrar, Computershare Hong Kong Investors Services Limited (for holders of H Shares) on or before Monday, 23 May 2016. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
8. The AGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
9. A shareholder or his proxy should produce proof of identity when attending the AGM.
10. The Company's registered office and headquarters in the PRC is 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC.

*As at the date of this notice, the non-executive Directors are Dr. Cao Xin, Dr. Liu Zheng, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Hui Jiang; the executive Directors are Mr. Gao Qing Yu and Mr. Wang Hong Jun; and the independent non-executive Directors are Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew.*