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CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*
新天綠色能源股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00956)

CONNECTED TRANSACTION
NON-EXERCISE OF THE PRE-EMPTIVE RIGHT

Non-exercise of the Pre-emptive Right

As at the date of this announcement, each of the Company and its controlling shareholder, HECIC, holds 51% and 49% equity interests in Caofeidian Company, respectively. The Board was informed that HECIC proposed to transfer 20% equity interests held by it in Caofeidian Company to CDIG, with the estimated transfer price ranging from RMB550 million to RMB620 million with the final price to be determined in the definitive agreement to be signed by the parties.

Pursuant to Article 71 of the Company Law of the PRC and the articles of association of Caofeidian Company, the Company, as a shareholder of Caofeidian Company, has the Pre-emptive Right in respect of any equity interest in Caofeidian Company proposed to be transferred by HECIC to any person other than existing shareholders in the Equity Transfer. After careful consideration by taking into account the practical operating conditions and the overall development plan of the Group, the Board resolved that the Company will not exercise the Pre-emptive Right.

HONG KONG LISTING RULES IMPLICATIONS

HECIC is a controlling shareholder holding 49.17% equity interests in the Company and therefore a connected person of the Company. Pursuant to Rule 14A.24 of the Hong Kong Listing Rules, the non-exercise of the Pre-emptive Right by the Company is a transaction between the Company and a connected person. As the highest percentage ratio applicable to the non-exercise of the Pre-emptive Right exceeds 0.1% but is less than 5%, the non-exercise of the Pre-emptive Right is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Considering that the amount of the Group's related transactions (as defined under the A Share Listing Rules) with HECIC and companies directly or indirectly controlled by HECIC in the past 12 months accounted for 5% of the absolute value of the latest audited net assets of the Company, the non-exercise of the Pre-emptive Right is subject to approval by the general meeting of the Company, pursuant to the A Share Listing Rules and the articles of association. The Company will despatch the notice and circular of extraordinary general meeting to shareholders containing details of the non-exercise of the Pre-emptive Right in due course.

I. NON-EXERCISE OF THE PRE-EMPTIVE RIGHT

As at the date of this announcement, each of the Company and its controlling shareholder, HECIC, holds 51% and 49% equity interests in Caofeidian Company, respectively. The Board was informed that HECIC proposed to transfer 20% equity interests held by it in Caofeidian Company to CDIG. The consideration of the Equity Transfer will be determined based on the entire shareholders' equity of Caofeidian Company as of 31 December 2021 (the base date of appraisal), i.e. approximately RMB1,920 million, adopted the asset based approach, which is evaluated by China Enterprise Appraisals Consultation Co., Ltd.* (北京中企華資產評估有限責任公司), an independent third-party valuation agency, and subject to the valuation results filed with the state-owned assets supervision and administration authority. After comprehensive consideration of the factors such as the amount of capital contribution and the assets appreciation following the base date of appraisal, the estimated transfer price of the Equity Transfer ranges from RMB550 million to RMB620 million with the final price to be determined in the definitive agreement to be signed by the parties.

Pursuant to Article 71 of the Company Law of the PRC and the articles of association of Caofeidian Company, the Company, as a shareholder of Caofeidian Company, has the Pre-emptive Right in respect of any equity interest in Caofeidian Company proposed to be transferred by HECIC to any person other than existing shareholders in the Equity Transfer. After careful consideration by taking into account the practical operating conditions and the overall development plan of the Group, the Board resolved that the Company will not exercise the Pre-emptive Right.

It is expected that upon completion of the Equity Transfer, the Company, HECIC and CDIG will hold 51%, 29% and 20% of the shares of Caofeidian Company, respectively, and Caofeidian Company will remain a non-wholly owned subsidiary of the Company.

II. INFORMATION ON CAOFEIDIAN COMPANY

Caofeidian Company was incorporated on 22 March 2018 in accordance with the laws of the PRC. It is primarily engaged in investment in the development of Tangshan LNG Project, the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian – Baodi section) and the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi – Yongqing section).

Based on the financial statements of Caofeidian Company prepared in accordance with China Accounting Standards for Business Enterprises, the key financial data of Caofeidian Company for the two years ended 31 December 2020 and 2021 and the nine months ended 30 September 2022 are as follows:

Key financial data (audited)	Item	As of 31 December 2020
	Total assets (RMB'000)	3,350,642
	Net assets (RMB'000)	731,876

Item	Year ended 31 December 2020
Revenue (RMB'000)	0.00
Net profit/("-" indicates loss) (before tax and extraordinary items) (RMB'000)	-75
Net profit/("-" indicates loss) (after tax and extraordinary items) (RMB'000)	-75

Key financial data (audited)	Item	As of 31 December 2021
	Total assets (RMB'000)	8,747,702
	Net assets (RMB'000)	1,451,713

Item	Year ended 31 December 2021
Revenue (RMB'000)	0.00
Net profit/("-" indicates loss) (before tax and extraordinary items) (RMB'000)	-162
Net profit/("-" indicates loss) (after tax and extraordinary items) (RMB'000)	-162

Key financial data (unaudited)	Item	As of 30 September 2022
	Total assets (RMB'000)	12,015,188
	Net assets (RMB'000)	2,148,713
		Nine months ended 30 September 2022
	Item	
	Revenue (RMB'000)	0.00
	Net profit/("-" indicates loss) (before tax and extraordinary items) (RMB'000)	0.00
	Net profit/("-" indicates loss) (after tax and extraordinary items) (RMB'000)	0.00

III. REASONS FOR AND BENEFITS OF NON-EXERCISE OF THE PRE-EMPTIVE RIGHT

The Company's non-exercise of the Pre-emptive Right is based on its practical business conditions and overall development plan. Caofeidian Company is primarily engaged in investment in the development of Tangshan LNG Project, the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian – Baodi section) and the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi – Yongqing section), with huge capital investments in the early stage of project construction. Rooted in the development and construction of Caofeidian City, CDIG has rich resources and a broad business network in the region. The Equity Transfer will introduce new shareholders to Caofeidian Company and provide more powerful support for the future project construction and operation activities of Caofeidian Company. Meanwhile, it will form a better synergy through the cooperation with CDIG which may provide more opportunities for Caofeidian Company to expand its business.

Based on the above, the Directors, including the independent non-executive Directors, believe that although the non-exercise of the Pre-emptive Right is not conducted in the Company's ordinary and usual course of business, it is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IV. HONG KONG LISTING RULES IMPLICATIONS

HECIC is a controlling shareholder holding 49.17% equity interests in the Company and therefore a connected person of the Company. Pursuant to Rule 14A.24 of the Hong Kong Listing Rules, the Company's non-exercise of the Pre-emptive Right is a transaction between the Company and a connected person. As the highest percentage ratio applicable to the non-exercise of the Pre-emptive Right exceeds 0.1% but is less than 5%, the non-exercise of the Pre-emptive Right is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang hold positions in HECIC, and Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, they had abstained from voting on the Board resolution on the non-exercise of the Pre-emptive Right in accordance with the articles of association of the Company. Save for the above, none of the Directors has any material interest in the non-exercise of the Pre-emptive Right and no other Directors are therefore required to abstain from voting on the Board resolution.

Considering that the amount of the Group's related transactions (as defined under the A Share Listing Rules) with HECIC and companies directly or indirectly controlled by HECIC in the past 12 months accounted for 5% of the absolute value of the latest audited net assets of the Company, the non-exercise of the Pre-emptive Right is subject to approval by the general meeting of the Company, pursuant to the A Share Listing Rules and the articles of association of the Company. The Company will despatch the notice and circular of extraordinary general meeting to shareholders containing details of the non-exercise of the Pre-emptive Right in due course.

V. GENERAL INFORMATION

The Company

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

HECIC

HECIC is a wholly state-owned enterprise established under the approval of the People's Government of Hebei Province and is under the direct supervision of the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province. It is primarily engaged in the investment and construction of energy, transportation, water business, commercial real estates and other infrastructure industries, infrastructures and pillar industries of Hebei Province.

CDIG

CDIG is a wholly-owned subsidiary of Caofeidian State Holding Investment Group Co., Ltd.* (曹妃甸國控投資集團有限公司). CDIG is primarily engaged in the industries in relation to urban operation, industrial investment and infrastructure supporting in Caofeidian City. It has a total of more than 60 subsidiaries and branches, covering nine major business segments, namely public utilities, asset management, trade logistics, tourism development, investment in new industries, transportation investment, park development, engineering construction and engineering management. It carries out overall planning, management and operation of regional monopolistic resources. To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, CDIG and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

VI. DEFINITIONS

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

“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“Caofeidian Company”	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司), a company incorporated in the PRC with limited liability on 22 March 2018, and a non-wholly owned subsidiary of the Company
“CDIG”	Tangshan Caofeidian Development Investment Group Limited* (唐山曹妃甸發展投資集團有限公司), a wholly state-owned enterprise established in the PRC and the proposed transferee of the Equity Transfer
“Company”	China Suntien Green Energy Corporation Limited* (新天綠色能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 9 February 2010, the H shares and A shares of which are listed on the Main Board of the Stock Exchange and the Main Board of the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company

“Equity Transfer”	the proposed contractual transfer of 20% equity interests in Caofeidian Company by HECIC to CDIG
“Group”	the Company and its subsidiaries
“HECIC”	Hebei Construction & Investment Group Co., Ltd.* (河北建設投資集團有限責任公司), a wholly state-owned enterprise established in the PRC, and the controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Pre-emptive Right”	the pre-emptive right of the Company over the target equity interest in Caofeidian Company under the Equity Transfer
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shijiazhuang City, Hebei Province, the PRC, 5 December 2022

As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang; the executive Directors of the Company are Mr. Mei Chun Xiao and Mr. Wang Hong Jun; and the independent non-executive Directors of the Company are Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* *For identification purpose only*