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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)

CONTINUING CONNECTED TRANSACTION
LNG TERMINAL USAGE SERVICES

The Board hereby announces that New-energy Supply Chain, a wholly-owned subsidiary of the Company (as the terminal user) and Caofeidian Company (as the terminal service provider) entered into the Service Contract, pursuant to which Caofeidian Company will provide various LNG terminal usage services to New-energy Supply Chain. The term of the contract is from the date of signing the Service Contract to 31 December 2025. The Company expects the annual service volume of LNG terminals under the Service Contract to be approximately 1 million tonnes (approximately 1.4 billion cubic metres).

Caofeidian Company is a non-wholly owned subsidiary of the Company; and HECIC is the controlling shareholder holding 49.17% equity interest in the Company and directly holds 10% or more equity interest in Caofeidian Company. Therefore, Caofeidian Company is a connected subsidiary of the Company and the Transaction constitutes a continuing connected transaction of the Group under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 0.1% but is less than 5%, the Transaction is therefore subject to the reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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I. SERVICE CONTRACT

The principal terms of the Service Contract are as follows:

Date:	7 March 2023
Parties:	(i) New-energy Supply Chain (as the terminal user); and (ii) Caofeidian Company (as the terminal service provider)
Terms of Contract:	From the date of signing the Service Contract to 31 December 2025.
Services:	Caofeidian Company will provide LNG terminal services, including vessel berthing, LNG loading, discharging, storage, transportation, delivery and inventory regasification etc., to the New-energy Supply Chain at the LNG terminals located in Caofeidian District, Tangshan City, Hebei Province in accordance with the Service Contract.
Service charges and pricing basis:	<p>The amount of LNG terminal service charges to be paid by New-energy Supply Chain to Caofeidian Company is equivalent to the product of the unit service fee rate for a specific service and the volume of natural gas and LNG processed or delivered by Caofeidian Company in providing the service.</p> <p>The service prices of Caofeidian Company for the LNG terminal are set by the local pricing authorities, which shall have the authority to review and adjust such service prices from time to time. The unit service fee rates under the Service Contract shall not be higher than the prices approved by the local pricing authorities and the prices offered by Caofeidian Company to other LNG terminal users under the same conditions. Based on the pricing approval documents from the local pricing authorities and the current applicable tax rate, the tax-inclusive unit service fee rates for LNG terminal services are capped at RMB0.331/cubic metre. In the event of a national tax rate adjustment, the parties will recalculate the tax-inclusive price based on the adjusted tax rate.</p> <p>Pursuant to the procurement contract signed between New-energy Supply Chain and its upstream suppliers, the Company expects the annualized service volume of LNG terminals under the Service Contract to be approximately 1 million tonnes (approximately 1.4 billion cubic metres) and the preliminary estimate of the annual service amount (tax inclusive) to be approximately RMB463 million, upon the commencement of commercial operation of the LNG terminals under the Tangshan LNG Project.</p>

Proposed Annual Caps and Basis of Determination

As the LNG terminals of the Tangshan LNG Project have not formally been put into commercial operation, Caofeidian Company did not provide any LNG terminal services to the Group in the previous years.

The Group estimates the annual caps for the three years ending 31 December 2023, 2024 and 2025 to be RMB280 million, RMB510 million and RMB510 million, respectively.

Such annual caps are determined with reference to the following factors:

1. the projected potential demand for LNG and the distribution capacity of the Group;
2. the estimated annual executed import volumes under the existing LNG procurement long-term contracts of the Group; and
3. the prices approved by the local pricing authorities in relation to the service charges for the use of the Tangshan LNG terminals and the future increase in service charges.

II. REASONS FOR AND BENEFITS OF THE TRANSACTION

For the whole layout of the natural gas business of the Group, the Company invested in the construction of the Tangshan LNG Project (in three phrases), 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) through Caofeidian Company. By providing various LNG terminal services to New-energy Supply Chain, Caofeidian Company is able to significantly increase the utilisation rate of the terminal and outbound pipelines of the Tangshan LNG Project; and by charging related service fees, Caofeidian Company is able to enhance its profitability and improve its investment recovery efficiency.

On the other hand, New-energy Supply Chain is actively constructing a diversified gas supply, matching the layout of the pipeline network and the need for peaking facilities, reasonably planning the supply capacity according to the downstream gas consumption structure, and relying on the LNG terminals of the Tangshan LNG Project to form a safe and high efficient natural gas production, supply, storage and sales system, which will facilitate the coordinated development of the upper, middle and lower reaches of the industry chain.

Therefore, the Transaction can further assure that New-energy Supply Chain is able to meet the demand for gas in Beijing, Tianjin, Hebei and the surrounding areas, and improve the efficiency in the use of the LNG terminals of the Tangshan LNG Project, which will continue to expand the end market scale of the Group's natural gas business and enhance the Group's influence in the industry.

The Directors (including the independent non-executive Directors) consider that the Service Contract was entered into by the Group in the ordinary course of business and on normal commercial terms and that the terms of the contract, the transaction contemplated thereunder and the annual caps are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

III. IMPLICATIONS UNDER THE LISTING RULES

Caofeidian Company is a non-wholly owned subsidiary of the Company; and HECIC is the controlling shareholder holding 49.17% equity interest in the Company and directly holds 10% or more equity interest in Caofeidian Company. Therefore, Caofeidian Company is a connected subsidiary of the Company and the Transaction constitutes a continuing connected transaction of the Group under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 0.1% but is less than 5%, the Transaction is therefore subject to the reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Cao Xin and Mr. Qin Gang hold positions in HECIC, and Mr. Mei Chun Xiao, Mr. Wang Hong Jun and Mr. Wu Hui Jiang hold positions in Caofeidian Company, they are deemed to have a material interest in the LNG Terminal Usage Contract. Therefore, they have abstained from voting on the resolution of the Board approving the LNG Terminal Usage Contract and the transaction contemplated thereunder. Save for the above, none of the Directors has a material interest in the Transaction and, therefore, no other Director was required to abstain from voting on the relevant resolution of the Board.

IV. GENERAL INFORMATION

The Company and New-energy Supply Chain

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.

New-energy Supply Chain is a wholly-owned subsidiary of the Company. It is a professional natural gas sales platform established to complete the integration of purchase, storage, transmission and sales of natural gas. It is mainly engaged in the sales of piped gas and LNG by relying on the Tangshan LNG Project and the supporting outbound pipelines project, and undertakes the task of distributing natural gas resources at the LNG terminals of the Tangshan LNG Project.

Caofeidian Company

Caofeidian Company was incorporated under the laws of the PRC on 22 March 2018, and is held by the Company and HECIC as to 51% and 49%, respectively. It is primarily engaged in investment in the development of the Tangshan LNG Project (in three phases), 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).

HECIC

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

V. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Caofeidian Company”	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司), a company incorporated in the PRC with limited liability on 22 March 2018, and a connected subsidiary of the Company
“Company”	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 9 February 2010, 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 in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HECIC”	Hebei Construction & Investment Group Co., Ltd.* (河北建設投資集團有限責任公司), a state-owned enterprise incorporated in the PRC, and the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“New-energy Supply Chain”	HECIC New-energy Supply Chain Management Co., Ltd.* (河北建投新能供應鏈管理有限公司), a company incorporated in the PRC with limited liability on 9 July 2019, and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Service Contract”	the LNG Terminal Usage Contract dated 7 March 2023 signed by New-energy Supply Chain and Caofeidian Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Transaction”	the transaction under the Service Contract for the provision of various LNG terminal services by Caofeidian Company to New-energy Supply Chain

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

Shijiazhuang City, Hebei Province, the PRC, 7 March 2023

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.