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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
LNG PURCHASE AND SALE CONTRACT

The Board hereby announces that New-energy Supply Chain (as the vendor) and Caofeidian Company (as the purchaser) entered into the Purchase and Sale Contract, pursuant to which New-energy Supply Chain will supply LNG to Caofeidian Company for commissioning of terminals and the external pipelines. The Company estimates the LNG transaction volume under the Purchase and Sale Contract to be approximately 33 thousand tons for a total estimated transaction amount (tax inclusive) of approximately RMB175 million.

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 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. PURCHASE AND SALE CONTRACT

The principal terms of the Purchase and Sale Contract are as follows:

Date: 14 June 2023

Parties: (i) New-energy Supply Chain (as vendor); and
(ii) Caofeidian Company (as purchaser)

Purchase and sale and delivery of LNG: In accordance with the Purchase and Sale Contract, New-energy Supply Chain will supply approximately 33 thousand tons of LNG to Caofeidian Company for commissioning of terminals and the external pipelines, with the actual quantities being determined by both parties at the time of delivery in the manner stipulated in the Purchase and Sale Contract.

The LNG resources purchased and sold in accordance with the Purchase and Sale Contract shall arrive at the designated port within the agreed period and be delivered at the LNG terminals of Caofeidian Company in the agreed quantity, quality and price. Delivery is deemed complete when the LNG resources pass through the delivery point and the risk of loss and ownership of the purchased LNG are transferred from New-energy Supply Chain to Caofeidian Company.

Charges and pricing basis: The sales price of LNG will be between RMB3,700/ton and RMB3,900/ton, and the final price will be confirmed in the price confirmation letter issued by New-energy Supply Chain to Caofeidian Company upon arrival of LNG at the designated port. Caofeidian Company is also required to bear the ancillary costs associated with the LNG procurement. The total estimated transaction amount (tax inclusive) is approximately RMB175 million.

The Transaction is based on the principle of “payment before delivery”, whereby Caofeidian Company shall make advanced payment equivalent to approximately RMB157 million to New-energy Supply Chain two working days prior to the arrival of the LNG, and final settlement shall be made within seven working days after the completion of the unloading of LNG, to refund for any overpayment or supplement any deficiency based on the final price mutually agreed by both parties.

The LNG price refers to the average listing price of Tangshan LNG receiving station of PetroChina Company Limited, Natural Gas Sales Hebei Branch in May 2023, and is ultimately based on the price confirmation letter provided by New-energy Supply Chain to Caofeidian Company upon the arrival of the LNG at the designated port. Ancillary costs are determined based on the actual reasonable costs incurred by New-energy Supply Chain for the importation of LNG and the commissioning of the terminals in conjunction with Caofeidian Company, including but not limited to charter hire, fuel costs, evaporation related costs, port charges, surveyor’s fees and/or other ancillary costs associated with the commissioning of the LNG terminals.

II. REASONS FOR AND BENEFITS OF THE TRANSACTION

As the overall layout of the natural gas business of the Group, the Company has invested 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) through Caofeidian Company. Currently, it is needed to purchase LNG to commence commissioning of the Tangshan LNG Project (Phase I). On the one hand, the Transaction will ensure timely supply of LNG to Caofeidian Company to ensure smooth commissioning and early production of the project. On the other hand, the synergies of LNG supply from the Group have also been leveraged to improve the business and revenue of the Group's LNG trading supply chain.

The commencement of operation of Tangshan LNG project (Phase I) and outbound pipelines project of Caofeidian Company will increase the Group's LNG storage and outbound capacity, and create a safe and highly efficient natural gas purchase, storage, transmission and sales system for the Group. Through the outbound transmission of overseas quality LNG resources in the form of gas and liquid, it will provide strong guarantee to the energy supply of Hebei Province and surrounding provinces and improve social and economic benefits.

The Directors (including the independent non-executive Directors) consider that the Purchase and Sale Contract was entered into by the Group in the ordinary and usual course of business and on normal commercial terms and that the contract terms 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 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, Mr. Qin Gang and Mr. Wang Tao hold positions in HECIC, and Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, they have abstained from voting on the resolution of the Board approving the Transaction in accordance with the provisions of the Company's Articles of Association. 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

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

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 Tangshan LNG terminals.

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).

V. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Caofeidian Company”	Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司), a company incorporated in the PRC with limited liability 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 under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HECIC”	Hebei Construction & Investment Group Co., Ltd.* (河北建設投資集團有限責任公司), a wholly state-owned enterprise established 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 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
“Purchase and Sale Contract”	the “LNG Purchase and Sale Contract” dated 14 June 2023 entered into between New-energy Supply Chain and Caofeidian Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the supply of LNG to Caofeidian Company by New-energy Supply Chain under the Purchase and Sale Contract

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

Shijiazhuang City, Hebei Province, the PRC, 14 June 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. Wang Tao; 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