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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)

**NATURAL GAS SERVICES FRAMEWORK AGREEMENT
AND
THE CONTINUING CONNECTED TRANSACTIONS THEREUNDER**

The Board hereby announces that in order to meet the requirements of the government of Hebei Province in natural gas contingency reserve targets, to fully demonstrate the important role of the Group for natural gas allocation and supply in Hebei Province, and to fully utilize the established peak-shaving facilities such as the LNG terminals, the Company entered into the Framework Agreement with two connected subsidiaries, Hebei Gas and Caofeidian Company, pursuant to which the Group will supply natural gas to Hebei Gas, and Caofeidian Company and/or other subsidiaries of the Company will provide the Natural Gas Related Services to Hebei Gas for a term commencing from the signing date of the Framework Agreement to 31 December 2025.

Hebei Gas and Caofeidian Company are non-wholly owned subsidiaries of the Company; and HECIC is the controlling shareholder holding a 49.17% equity interest in the Company and directly holds 10% or more equity interest in Hebei Gas and Caofeidian Company. Therefore, Hebei Gas and Caofeidian Company are connected subsidiaries of the Company, and the Natural Gas Supply and the Natural Gas Related Services constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Natural Gas Supply (both on a standalone basis and together with the procurement of natural gas by Caofeidian Company in June 2023 on an aggregated basis), and the Natural Gas Related Services (both on a standalone basis and together with the provision of Pipeline Transmission Services by Caofeidian Company to the Group in August 2023 on an aggregated basis) exceed 0.1% but are less than 5%, these transactions are therefore subject to the reporting, announcement, and annual review requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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I. FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are as follows:

Date: 24 November 2023

Parties: (i) Hebei Gas;
(ii) Caofeidian Company; and
(iii) the Company

Terms of the Framework Agreement: From the signing date of the Framework Agreement to 31 December 2025.

Scope of the services: Caofeidian Company and other subsidiaries of the Group will supply the natural gas and provide the Natural Gas Related Services to Hebei Gas in accordance with the Framework Agreement, including:

- (i) Natural Gas Supply: The Group will supply natural gas to Hebei Gas in accordance with the LNG procurement demand of Hebei Gas;
- (ii) Tank Storage Services: Caofeidian Company will provide the Tank Storage Services for the LNG procured by Hebei Gas, and carry out daily maintenance and overhaul of those natural gas tanks to ensure the safe storage and utilization of natural gas;
- (iii) Terminal Utilization Services: Caofeidian Company will provide the services of LNG loading and discharging, gasification transmission, and liquid transmission in accordance with the demand of Hebei Gas; and
- (iv) Pipeline Transmission Services: Caofeidian Company and other subsidiaries of the Group will provide the Pipeline Transmission Services in accordance with the demand of Hebei Gas.

Fees and pricing basis:

- (i) Natural Gas Supply: Hebei Gas will procure LNG resources from the Group as contingency reserve gas in accordance with the plan of contingency reserve gas of Hebei Province, and the price is determined with reference to the spot CIF price of LNG in Northeast Asia in the same period.

For reference purpose, the average spot CIF price of LNG in Northeast Asia in December was US\$17.10 per million British thermal unit (MMBtu) (the price calculation period is from 16 October to 15 November 2023). However, the LNG spot prices fluctuate with seasonal and international market supply and demand conditions, and historical prices are not indicative of future prices.

- (ii) Tank Storage Services: The fees of the Tank Storage Services will be charged with reference to the fees of gas storage capacity from related gas enterprises in other provinces in combination with the actual construction and operation costs of storage tanks of Caofeidian Company.

For reference purpose, to the knowledge of the Company, the fees of gas storage capacity for related gas enterprises in other provinces are approximately between RMB0.5 and RMB1 per cubic metre per year.

- (iii) Terminal Utilization Services: The LNG terminal service fee to be charged by Caofeidian Company shall not be higher than the price (tax inclusive) approved by the competent pricing authorities. If the government reapproves the LNG terminal service fee, the price will be adjusted accordingly based on the price approved by the government. The price shall not be higher than the one offered by Caofeidian Company to other LNG terminal users under the same conditions.

According to the “Guiding Opinion of the National Development and Reform Commission on Improving the Pricing Mechanism for Gasification Services at Terminal Stations for Imported LNG”, the price of gasification services (broadly including the LNG loading and discharging, temporary storage, and gasification services) is governed by the government’s guiding price and the highest price for gasification services at LNG terminals in a province is set by the competent provincial pricing authorities. The prevailing guiding price ceiling for gasification services at Tangshan LNG terminals (which are owned and operated by Caofeidian Company) approved by the HDRC is RMB0.331 per cubic metre (tax inclusive). As far as the Company is aware, the guiding price ceiling of gasification services for the third-party LNG terminals in Hebei Province has been at a similar level since 2013. The Company expects that the prevailing government guiding price of LNG gasification service fee in Hebei Province will remain stable for the next three to five years.

- (iv) Pipeline Transmission Services: The pipeline transmission fee charged by Caofeidian Company and other subsidiaries of the Company shall be implemented under the pricing requirements and standards of the HDRC for the pipeline transmission of the natural gas reserve of the government. If the HDRC imposes other requirements for the pipeline transmission pricing of the natural gas reserve of the government, it shall be adjusted accordingly based on the relevant requirements.

II. HISTORICAL TRANSACTION AMOUNTS, PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

In the past, the business of Hebei Gas was mainly focused on the operation of the Hebei Provincial Natural Gas Dispatch Control Center. Therefore, Caofeidian Company did not procure natural gas from the Group during previous years. As the operation and commissioning of the LNG terminal invested by Caofeidian Company did not commence until June 2023, Caofeidian Company did not provide any natural gas related services to the Group in the previous years. For details of the transactions such as natural gas procurement, natural gas terminal services and Pipeline Transmission Services entered into between the Group and Caofeidian Company during this year, please refer to the announcements of the Company dated 7 March 2023, 14 June 2023, 30 June 2023 and 29 August 2023, and the circular dated 18 July 2023.

In respect of the Natural Gas Supply, the Company estimates the annual cap for each of the three years ending 31 December 2023, 2024 and 2025 to be RMB750 million, RMB928 million and RMB750 million, respectively.

In respect of the Natural Gas Related Services, the Company estimates the annual cap for each of the three years ending 31 December 2023, 2024 and 2025, respectively, as follows:

Unit: RMB100 million

	As at 31 December		
	2023	2024	2025
Tank Storage Services	2.1	2.6	2.6
Terminal Utilization Services	1.1	1.4	1.4
Pipeline Transmission Services	1	1.25	1.25
Total	4.2	5.25	5.25

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

- (a) the amount of natural gas planned to be reserved by Hebei Gas in respective years in accordance with the requirement of natural gas contingency reserve targets set by the government of Hebei Province in a timely manner, and the expected continuous growth of the annual utilization amount of the reserved gas in the future;

- (b) the prices approved by the HDRC in relation to the utilization service fee for the Tangshan LNG terminals and the future increment in service fee; and
- (c) the prevailing prices for the pipeline transmission prices of the Group's natural gas pipelines and Caofeidian Company's LNG outbound pipelines approved/reported by the competent authorities are RMB0.152 per cubic metre and RMB0.295 per cubic metre, respectively.

III. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group possesses and operates natural gas transmission and ancillary facilities in Hebei Province. As at 30 June 2023, the aggregate length of the Group's pipelines in operation was 9,327.49 kilometres with 6 CNG primary filling stations, 3 CNG secondary filling stations, 3 LNG refilling stations and 2 L-CNG joint filling stations in operation and had an aggregate of 619,416 customers. With the completion of the terminals of the Tangshan LNG Project phase I, which were constructed and managed by Caofeidian Company, the Group will further enhance its gas supply capacity, thereby ensuring a stable supply of natural gas to the neighboring regions in Beijing-Tianjin-Hebei, and greatly improving its contingency protection and peak-shaving capabilities. On the other hand, Hebei Gas was appointed by the government of Hebei Province to operate the Hebei Provincial Natural Gas Emergency Command Center, which is responsible for natural gas contingency reserves in Hebei Province.

Entering into the Framework Agreement and conducting the transactions contemplated thereunder are primarily for the purposes of ensuring the security and stability of the natural gas supply in Hebei Province, in response to and in coordination with its requirements of the natural gas contingency reserve targets, and taking advantage of the Group's advantageous position in the natural gas business in Hebei Province by fully leveraging the function of the gas storage and peak-shaving facilities of the Group such as the completed LNG terminals, with an aim to assume social responsibilities and expand social influence of the Group.

By leveraging its advantageous resources in Hebei Province, the Group is able to provide the Natural Gas Supply, the LNG Terminal Utilization Services, the Tank Storage Services and the Pipeline Transmission Services of stable grades in priority to Hebei Gas, thereby enabling Hebei Gas to successfully complete the task of reserve and supply of contingency reserve gas.

In addition, for the overall layout of the natural gas business of the Group, the Company is able to significantly increase the utilization rate of LNG terminals, storage tanks and transmission pipelines and meet the demand for the commencement of business of Hebei Gas by integrating the natural gas service resources within the Group. As a result, the business of the Group is not subject to the constraints of short duration of service windows or unavailability of timely services at third-party LNG jetties. The Group is able to expand downstream customer base and markets for the natural gas business through business cooperation with users of the reserve gas, thus enhancing the influence of the Group in the industry and improving the collaboration ability and profitability of various management units.

The Directors (including the independent non-executive Directors) are of the view that the Framework Agreement and the continuing connected transactions thereunder were entered into by the Group in its ordinary and usual course of business and on normal commercial terms, and that the terms of the Framework Agreement and the annual caps are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

IV. IMPLICATIONS UNDER THE LISTING RULES

Hebei Gas and Caofeidian Company are non-wholly owned subsidiaries of the Company; and HECIC is the controlling shareholder holding a 49.17% equity interest in the Company and directly holds 10% or more equity interest in Hebei Gas and Caofeidian Company. Therefore, Hebei Gas and Caofeidian Company are connected subsidiaries of the Company, and the Natural Gas Supply and the Natural Gas Related Services constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Natural Gas Supply (both on a standalone basis and together with the procurement of natural gas by Caofeidian Company in June 2023 on an aggregated basis), and the Natural Gas Related Services (both on a standalone basis and together with the provision of Pipeline Transmission Services by Caofeidian Company to the Group in August 2023 on an aggregated basis) exceed 0.1% but are less than 5%, these transactions are therefore subject to the reporting, announcement, and annual review 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, Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, and Mr. Wang Tao and Mr. Mei Chun Xiao hold positions in Hebei Gas, they are deemed to have material interests in the Framework Agreement. Accordingly, they have abstained from voting on the Board resolution approving the Framework Agreement and the transaction contemplated thereunder. Save for the above, none of the Directors has a material interest in these transactions and, therefore, no other Director was required to abstain from voting on the relevant resolution of the Board.

V. GENERAL INFORMATION

The Company

The Company is one of the leading clean energy companies in Northern China. Its scope of business includes: (i) investment in exploration and utilization projects of natural gas, 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.

Hebei Gas

Hebei Gas was established under the laws of the PRC on 3 December 2018, and is held by the Company and HECIC as to 55% and 45%, respectively. It was appointed by the government of Hebei Province to operate the Hebei Provincial Natural Gas Dispatch Control Center, which is responsible for natural gas contingency reserves in Hebei Province.

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.

VI. 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 of Hong Kong Limited 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

“Framework Agreement”	the Natural Gas Services Framework Agreement dated 24 November 2023 entered into among Hebei Gas, Caofeidian Company and 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
“HDRC”	the Development and Reform Commission of Hebei Province* (河北省發展和改革委員會)
“Hebei Gas”	Hebei Gas Co., Ltd.* (河北燃氣有限公司), a company incorporated in the PRC with limited liability on 3 December 2018, and is held by the Company and HECIC as to 55% and 45%, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LNG”	liquefied natural gas
“Natural Gas Supply”	the supply of natural gas by the Group to Hebei Gas in accordance with the LNG procurement requirements of Hebei Gas under the Framework Agreement
“Natural Gas Related Service(s)”	any or all of the Tank Storage Services, the Terminal Utilization Services and the Pipeline Transmission Services
“Pipeline Transmission Services”	the natural gas pipeline transmission services
“Tank Storage Services”	the LNG tank storage services, and the daily maintenance and overhaul of such natural gas tanks to ensure the safe storage and use of natural gas
“Terminal Utilization Services”	the provision of LNG loading and discharging, gasification transmission and liquid transmission services by Caofeidian Company to Hebei Gas in accordance with the requirements of Hebei Gas under the Framework Agreement

“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
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules

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

Shijiazhuang City, Hebei Province, the PRC, 24 November 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*