

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
FURTHER CAPITAL INCREASE IN CAOFEIDIAN COMPANY

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



The Board hereby announces that, in order to further satisfy the capital needs of Caofeidian Company and enhance its financing capability, the Company intends to sign the 2024 Capital Increase Agreement with HECIC, Caofeidian Development and Caofeidian Company, pursuant to which the registered capital of Caofeidian Company will increase by RMB1,400 million. The Company, HECIC and Caofeidian Development will subscribe for the increased share capital according to their respective shareholding ratios, in which, the Company shall subscribe for RMB714 million. Upon completion of the 2024 Capital Increase, the registered capital of Caofeidian Company will increase from the current RMB2,600 million to RMB4,000 million.

HECIC is the controlling shareholder of the Company, holding 48.95% equity interest in the Company and directly holding 10% or more equity interest in Caofeidian Company. Therefore, Caofeidian Company is a connected subsidiary of the Company. The Company's Capital Contribution to Caofeidian Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase, when aggregated with the Company's capital contribution to Caofeidian Company under the 2020 Second Capital Increase, 2021 Capital Increase and 2022 Capital Increase, exceeds 5% but is less than 25%, the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has appointed Gram Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

In addition, Caofeidian Development is a substantial shareholder of Caofeidian Company, holding 20% equity interest in it, and is, therefore, a connected person of the Company at the subsidiary level. HECIC's and Caofeidian Development's capital contributions to Caofeidian Company constitute connected transactions of the Company, but are fully exempt from compliance with the rules of connected transactions under Chapter 14A of the Listing Rules, in accordance with Rule 14A.92(1) of the Listing Rules.

The Company will convene an extraordinary general meeting to seek approval from the Independent Shareholders/non-connected shareholders in respect of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase Agreement. A meeting notice and a circular containing, among other things, (i) details of the 2024 Capital Increase Agreement and the 2024 Capital Increase; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, will be dispatched to the shareholders of the Company no later than 15 business days after the publication of this announcement in accordance with the Listing Rules.

1. INTRODUCTION

The Group invests in, through Caofeidian Company, the development of the Tangshan LNG Project (in three phases) and two outbound pipelines projects, i.e. 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) (the “**Outbound Pipelines Projects**”). The Tangshan LNG Project and the Outbound Pipelines Project are listed as projects to be sped up in the 2020 oil and natural gas infrastructure key constructions of the PRC by the National Development and Reform Commission (國家發改委2020年石油天然氣基礎設施重點工程), which also satisfy the relevant requirements of the Implementation Plan on Speeding Up the Development of Natural Gas Storage Capacity (《關於加快推進天然氣儲備能力建設的實施方案》) issued by four authorities including the Development and Reform Commission of Hebei Province. The construction of these projects will play an active role in implementing the national strategy for natural gas production, supply, storage and marketing, and in establishing a system for guaranteeing the supply of diversified gas sources in Hebei Province to ensure the safety of gas supply.

The first phase of the Tangshan LNG Project was put into commercial operation at the end of 2023, with a design capacity of 5 million tonnes per annum (equivalent to approximately 7 billion cubic meters per annum) of LNG loading and discharging; the second phase is under construction and has a design capacity of 5 million tonnes per annum (equivalent to approximately 7 billion cubic meters per annum) of LNG loading and discharging. The Tangshan LNG Project has a total capacity of 10 million tonnes per annum (equivalent to approximately 14 billion cubic meters per annum) of LNG loading and discharging in the first phase and second phase. The Outbound Pipelines Projects were also put into commercial operation at the end of 2023.

Due to the large project scale, significant investment size and long construction cycle of the above-mentioned projects, Caofeidian Company must raise funds for the investment and constructions according to the project schedule through shareholder capital contributions and external financing. Since 2020, the Group, along with other shareholders, has continuously injected additional capital into Caofeidian Company based on the projects' construction progress and the capital utilization plans.

In order to further satisfy the capital needs of Caofeidian Company and enhance its financing capability, the Company intends to sign the 2024 Capital Increase Agreement with HECIC, Caofeidian Development and Caofeidian Company, pursuant to which the registered capital of Caofeidian Company will increase by RMB1,400 million. The Company, HECIC and Caofeidian Development will subscribe for the increased share capital according to their respective shareholding ratios, in which, the Company shall subscribe for RMB714 million. Upon completion of the 2024 Capital Increase, the registered capital of Caofeidian Company will increase from the current RMB2,600 million to RMB4,000 million.

2. 2024 CAPITAL INCREASE AGREEMENT

The principal terms of the 2024 Capital Increase Agreement which is intended to be signed by the parties are as follows:

Parties

The Company;

HECIC;

Caofeidian Development; and

Caofeidian Company

2024 Capital Increase

The Company, HECIC and Caofeidian Development currently hold 51%, 29% and 20% equity interest in Caofeidian Company, respectively. Each shareholder will make a capital contribution to Caofeidian Company according to their respective shareholding ratios. Upon completion of the 2024 Capital Increase, the registered capital of Caofeidian Company will increase to RMB4,000 million. The amounts of capital contribution, shareholding and capital contribution method of each shareholder are as follows:

Name of shareholder	Current capital contribution (RMB million)	Newly increased capital contribution (RMB million)	Total capital contribution (RMB million)	Shareholding	Capital contribution method
The Company	1,326.00	714.00	2,040.00	51%	Cash
HECIC	754.00	406.00	1,160.00	29%	Cash
Caofeidian Development ^{Note}	520.00	280.00	800.00	20%	Cash
Total	2,600.00	1,400.00	4,000.00	100%	

Note: Caofeidian Development completed the acquisition of 20% equity interest in Caofeidian Company from HECIC in January 2024, and has become a shareholder of Caofeidian Company since then.

The increased registered capital shall be paid in two instalments, and all parties shall complete the first capital contribution before 31 December 2024 and the second capital contribution before 20 March 2025. The Company will use external financing or its owned funds for the Company's Capital Contribution to Caofeidian Company.

3. INFORMATION OF CAOFEIDIAN COMPANY

Caofeidian Company was established in March 2018 in accordance with the laws of the PRC, solely funded by the Group. Due to the large scale of investment in the investment and construction projects, the Group decided to introduce external investors, and jointly invested in the construction of the Tangshan LNG Project and the Outbound Pipelines Projects along with other shareholders based on these projects' construction progress and the capital utilization plans. Details of capital increases of Caofeidian Company since its establishment are as follows:

Time	Details of the Capital Increase	Arrangements for Shareholders to Subscribe for the Capital Increase	Shareholding Structure
May 2020	Capital increase of RMB290 million	HECIC invested in Caofeidian Company by subscribing for RMB240.1 million The Company subscribed for RMB49.9 million (including the paid-in registered capital of RMB44.7 million and a cash contribution of RMB5.2 million)	The Company and HECIC held 51% and 49% equity interest in Caofeidian Company, respectively
August 2020	Capital increase of RMB860 million	The Company subscribed for RMB438.6 million, and HECIC subscribed for RMB421.4 million	The shareholding ratios of the Company and HECIC remained unchanged
August 2021	Capital increase of RMB799 million	The Company subscribed for RMB407.49 million, and HECIC subscribed for RMB391.51 million	The shareholding ratios of the Company and HECIC remained unchanged
September 2022	Capital increase of RMB451 million	The Company subscribed for RMB230.01 million, and HECIC subscribed for RMB220.99 million	The shareholding ratios of the Company and HECIC remained unchanged

Based on the financial statements of Caofeidian Company prepared in accordance with the Chinese Accounting Standards for Business Enterprises (中國企業會計準則), the key financial data of Caofeidian Company for the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 are as follows:

Item	As of 31 December 2022 <i>(audited)</i>	As of 31 December 2023 <i>(audited)</i>	As of 30 June 2024 <i>(unaudited)</i>
Total assets (RMB'000)	15,074,851	16,019,872	17,279,601
Net assets (RMB'000)	2,461,745	2,563,870	2,640,888

Item	Year ended 31 December 2022 <i>(audited)</i>	Year ended 31 December 2023 <i>(audited)</i>	Six months ended 30 June 2024 <i>(unaudited)</i>
Revenue (RMB'000)	0.00	210,065	381,863
Net profit/("-" indicates loss) (before tax and extraordinary items) (RMB'000)	-15,056	124,413	-46,098
Net profit/("-" indicates loss) (after tax and extraordinary items) (RMB'000)	-15,468	97,231	-46,200

4. REASONS FOR AND BENEFITS OF THE 2024 CAPITAL INCREASE

The Group, along with other shareholders, has continuously injected additional capital into Caofeidian Company based on the projects' construction progress and the capital utilization plans. The 2024 Capital Increase will directly provide project funding support to Caofeidian Company and enhance its external financing capability in order to further leverage external financing resources. This will ensure the timely availability of project construction funds, facilitate the smooth proceeding of construction operations and create favourable conditions for the early commissioning of the projects.

Based on the above, the Directors (excluding the independent non-executive Directors, whose view will be disclosed in the circular after receiving the advice from Gram Capital) consider that the Company's Capital Contribution to Caofeidian Company is conducted on normal commercial terms although it is not in the ordinary course of business of the Group, and the terms of the 2024 Capital Increase Agreement are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

5. IMPLICATIONS UNDER THE LISTING RULES

HECIC is the controlling shareholder of the Company, holding 48.95% equity interest in the Company and directly holding 10% or more equity interest in Caofeidian Company. Therefore, Caofeidian Company is a connected subsidiary of the Company. The Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase, when aggregated with the Company's capital contribution to Caofeidian Company under the 2020 Second Capital Increase, the 2021 Capital Increase and the 2022 Capital Increase, exceeds 5% but is less than 25%, the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, Caofeidian Development is a substantial shareholder of Caofeidian Company, holding 20% equity interest in it, and is, therefore, a connected person of the Company at the subsidiary level. HECIC's and Caofeidian Development's capital contributions to Caofeidian Company constitute connected transactions of the Company, but are fully exempt from the compliance with the rules of connected transactions under Chapter 14A of the Listing Rules, in accordance with Rule 14A.92(1) of the Listing Rules.

Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Mr. Mei Chun Xiao, Mr. Wang Tao and Mr. Tan Jian Xin have abstained from voting on the Board resolutions approving the execution of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company. Save for the above, none of the Directors has any material interest in the 2024 Capital Increase Agreement and the 2024 Capital Increase and no other Director is therefore required to abstain from voting on the relevant Board resolution.

6. 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 basic industries, infrastructures and pillar industries of Hebei Province.

Caofeidian Development

Caofeidian Development is 100% owned by Caofeidian State-owned Investment Group Limited* (曹妃甸國控投資集團有限公司), which is 100% ultimately and indirectly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Tangshan City (唐山市人民政府國有資產監督管理委員會). It is mainly engaged in infrastructure construction investment and financing, as well as urban operation functions, within Caofeidian Industrial Zone.

7. EXTRAORDINARY GENERAL MEETING

The Company will convene an extraordinary general meeting to seek approval from the Independent Shareholders in respect of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

The Independent Board Committee, comprising all the independent non-executive Directors of the Company, has been formed to advise the Independent Shareholders in relation to the transaction of the Company concerning the capital contribution to Caofeidian Company under the 2024 Capital Increase Agreement. The Company has appointed Gram Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A meeting notice and a circular containing, among other things, (i) details of the 2024 Capital Increase Agreement and the 2024 Capital Increase; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, will be dispatched to the shareholders of the Company no later than 15 business days after the publication of this announcement in accordance with the Listing Rules.

8. DEFINITIONS

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

- “2020 Second Capital Increase” the transaction in relation to the capital increase of RMB438.6 million and RMB421.4 million made by the Company and HECIC in Caofeidian Company, respectively, pursuant to the “Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” entered into on 26 August 2020. Please refer to the Company’s announcement published on the same day for details
- “2021 Capital Increase” the transaction in relation to the capital increase of RMB407.49 million and RMB391.51 million made by the Company and HECIC in Caofeidian Company, respectively, pursuant to the “Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” entered into on 25 August 2021. Please refer to the Company’s announcement published on the same day for details
- “2022 Capital Increase” the transaction in relation to the capital increase of RMB230.01 million and RMB220.99 million made by the Company and HECIC in Caofeidian Company, respectively, pursuant to the “Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” entered into on 27 September 2022. Please refer to the Company’s announcement published on the same day for details
- “2024 Capital Increase” the capital increase made by the Company, HECIC and Caofeidian Development in Caofeidian Company pursuant to the 2024 Capital Increase Agreement
- “2024 Capital Increase Agreement” the “Capital Increase Agreement of Caofeidian Suntien Liquefied Natural Gas Co., Ltd.” is intended to be signed by the Company with HECIC, Caofeidian Development and Caofeidian Company
- “Board” the board of Directors of the Company
- “Caofeidian Development” Tangshan Caofeidian Development Investment Group Limited* (唐山曹妃甸發展投資集團有限公司), a company incorporated in the PRC with limited liability on 17 July 2007
- “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
“Company’s Capital Contribution to Caofeidian Company”	the capital contribution made by the Company to Caofeidian Company pursuant to the 2024 Capital Increase Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the transaction of the Company concerning the capital contribution to Caofeidian Company under the 2024 Capital Increase Agreement
“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
“Independent Board Committee”	an independent board committee established by the Company, comprising all of the independent non-executive Directors, namely Mr. Guo Ying Jun, Mr. Chan Yik Pun and Dr. Lin Tao, for the purpose of advising the Independent Shareholders in respect of the transaction of the Company concerning the capital contribution to Caofeidian Company under the 2024 Capital Increase Agreement
“Independent Shareholders”	the shareholders other than HECIC and its associates
“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 the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules

By order of the Board
China Suntien Green Energy Corporation Limited
Tan Jian Xin
Executive Director and President

Shijiazhuang City, Hebei Province, the PRC, 30 October 2024

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. Tan Jian Xin and Mr. Mei Chun Xiao; and the independent non-executive Directors of the Company are Mr. Guo Ying Jun, Mr. Chan Yik Pun and Dr. Lin Tao.

* *For identification purpose only*