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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and the relevant proxy forms to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**FURTHER CAPITAL INCREASE IN CAOFEIDIAN COMPANY
AND
THIRD EXTRAORDINARY GENERAL MEETING IN 2024**

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



Gram Capital Limited
嘉林資本有限公司

The Company will convene the third extraordinary general meeting in 2024 (the “EGM”) at 9:30 a.m. on Friday, 13 December 2024 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC. The notice of EGM is set out on pages 31 to 33 of this circular. A letter from the Board is set out on pages 5 to 14 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 26 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For H Shareholders, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person or by post but in any event not less than 24 hours before the time fixed for holding the EGM (i.e. before 9:30 a.m. on Thursday, 12 December 2024). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

* *For identification purpose only*

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DEFINITIONS

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

“2020 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 dated 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. entered into by the Company with HECIC, Caofeidian Development and Caofeidian Company on 8 November 2024
“A Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each subscribed for and paid up in RMB, which is listed on the Main Board of the Shanghai Stock Exchange and traded in Renminbi
“A Shareholder(s)”	registered holder(s) of the A Share(s)

DEFINITIONS

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“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 Hong Kong 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
“connected transaction”	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
“EGM”	the third extraordinary general meeting for 2024 to be held by the Company at the Conference Room, 5th Floor, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC at 9:30 a.m. on Friday, 13 December 2024 in relation to the matters referred to in this circular

DEFINITIONS

“Gram Capital” or “Independent Financial Adviser”	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 respect of the Company’s 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 incorporated in the PRC, and the controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is traded in Hong Kong dollars and listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	registered holder(s) of the H Share(s)
“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 terms of the 2024 Capital Increase Agreement and the Company’s Capital Contribution to Caofeidian Company
“Independent Shareholders”	the Shareholders other than HECIC and its associates
“Latest Practicable Date”	20 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time

DEFINITIONS

“LNG”	liquefied natural gas
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	A Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“%”	percentage

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Board of Directors:

Non-executive Directors:

Dr. Cao Xin (*Chairman*)
Dr. Li Lian Ping
Mr. Qin Gang
Mr. Wang Tao

Executive Directors:

Mr. Tan Jian Xin (*President*)
Mr. Mei Chun Xiao

Independent Non-executive Directors:

Mr. Guo Ying Jun
Mr. Chan Yik Pun
Dr. Lin Tao

**Registered Office and
Headquarters:**

9th Floor, Block A,
Yuyuan Plaza
No. 9 Yuhua West Road
Shijiazhuang City
Hebei Province
PRC

**Principal Place of Business in
Hong Kong:**

Suites 2104-05
Prudential Tower
The Gateway, Harbour City
Tsim Sha Tsui
Hong Kong

25 November 2024

To the Shareholders:

Dear Sir or Madam,

**FURTHER CAPITAL INCREASE IN CAOFEIDIAN COMPANY
AND
THIRD EXTRAORDINARY GENERAL MEETING IN 2024**

Reference is made to the announcement of the Company dated 30 October 2024 in relation to the further capital increase in Caofeidian Company.

The purpose of this circular is to provide you with:

- (a) further information on the details of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company;

* *For identification purpose only*

LETTER FROM THE BOARD

- (b) the letter from the Independent Board Committee to the Independent Shareholders;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and
- (d) other information as required under the Listing Rules.

1. THE EGM

1.1 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 total design capacity of loading and discharging for phases one and two of the Tangshan LNG Project is 10 million tons per year (equivalent to 14 billion cubic meters per year), in particular, phase 1, with a design capacity of 5 million tonnes per annum (equivalent to approximately 7 billion cubic meters per annum) of LNG loading and discharging, commenced commercial operations at the end of 2023, and phase 2, also with a design capacity of 5 million tonnes per annum (equivalent to approximately 7 billion cubic meters per annum) of LNG loading and discharging, is currently under construction. It is planned to construct eight LNG storage tanks (with a storage capacity of 200,000 cubic meters each) and related facilities for phase 3. The final development scale and construction plan will be determined by considering various factors including market demand and the Company’s production capacity. As of the Last Practicable Date, constructions of the third phase has not yet commenced. The Outbound Pipelines Projects were also converted to commercial operation at the end of 2023.

LETTER FROM THE BOARD

The investment and development of each project are as follows:

Project		Project Status	Capital Utilization Plan ¹	Expected Utilization Timeline
Tangshan LNG Project	Phase 1	Commercial operation commenced by the end of 2023	As of October 2024, approximately RMB6.945 billion has been paid, and the outstanding project balance is approximately RMB400 million	The Group will comprehensively consider payment factors such as the balance payment milestones stipulated in the EPC contract, invoice issuance time, and payment request time. The project balance is expected to be fully paid by 2025.
	Phase 2	The construction is ongoing, and it is expected to be ready for intended use in 2025	As of October 2024, approximately RMB3.04 billion has been paid, with an estimated remaining construction expenditure of approximately RMB6 billion	According to the subsequent project progress, payments will be made after reaching the corresponding agreed payment milestones.
	Phase 3	Construction has not yet started	According to the feasibility study report, the total estimated construction investment is approximately RMB5.7 billion (including tax)	According to the subsequent project progress, payments will be made after reaching the corresponding agreed payment milestones.
Outbound Pipelines Projects		Commercial operation commenced by the end of 2023	As of October 2024, approximately RMB2.856 billion has been paid, with an estimated remaining project balance of approximately RMB600 million	The project balance will be paid after the project settlement is completed, and it is expected to complete the settlement work and pay the balance by 2025.

Note: Preliminary estimate only, subject to final project settlement amount.

LETTER FROM THE BOARD

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 project 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 entered into the 2024 Capital Increase Agreement with HECIC, Caofeidian Development and Caofeidian Company on 8 November 2024, 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, among others, 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.

The Company expects that the funds raised from the 2024 Capital Increase will be utilised by Caofeidian Company to pay for project construction costs and repay part of its existing loans. The increased capital is expected to be fully utilised by 2025.

1.2 The 2024 Capital Increase Agreement

The principal terms of the 2024 Capital Increase Agreement are as follows:

Signing Date

8 November 2024

Parties

The Company;

HECIC;

Caofeidian Development; and

Caofeidian Company

LETTER FROM THE BOARD

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	<u>2,600.00</u>	<u>1,400.00</u>	<u>4,000.00</u>	<u>100%</u>	

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 new 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.

1.3 Reasons for and Benefits of Entering into the 2024 Capital Increase Agreement

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 commencement of construction operations and create favourable conditions for the early commissioning of the projects.

LETTER FROM THE BOARD

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.

1.4 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. Lian Ping, Mr. Qin Gang, Mr. Mei Chun Xiao, Mr. Wang Tao and Mr. Tan Jian Xin abstained from voting on the Board resolution 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.

LETTER FROM THE BOARD

1.5 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

LETTER FROM THE BOARD

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

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

1.6 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 the exploration and utilization projects of natural gas, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas, etc.; (ii) investment in the exploration of wind power and other new energy 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.

LETTER FROM THE BOARD

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 of Caofeidian Industrial Zone.

2. THE EGM

The business to be considered at the EGM is described in the notice of EGM. An ordinary resolution will be proposed at the EGM to consider and approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

The proxy form is enclosed. If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person or by post not less than 24 hours before the time fixed for holding the EGM (i.e. on or before 12 December 2024) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

Arrangements for A shareholders to attend the EGM will be separately announced by the Company on the Shanghai Stock Exchange's website as and when appropriate.

3. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will exercise his power under the articles of association of the Company to demand a poll in relation to the proposed resolution at the EGM.

In view of HECIC's interests in the transaction under the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company, HECIC (being the controlling shareholder of the Company holding approximately 48.95% of total number of issued Shares as at the Latest Practicable Date) and its associates are required to abstain and shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, there are no connected person of the Company or Shareholder or their respective associates with a material interest in the resolution to be proposed at EGM which is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.

4. RECOMMENDATIONS

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in such respect.

The Directors (including the independent non-executive Directors) are of the view that, although the 2024 Capital Increase Agreement was not entered into by the Group in the ordinary and usual course of business of the Group, it is on normal commercial terms, and the terms for the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 15 to 16 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company; and (ii) the letter from the Independent Financial Adviser set out on pages 17 to 26 of this circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as well as the principal factors and reasons considered in respect of the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

25 November 2024

To the Independent Shareholders:

Dear Sir or Madam,

FURTHER CAPITAL INCREASE IN CAOFEIDIAN COMPANY

We refer to the circular dated 25 November 2024 (the “**Circular**”) to the Shareholders by the Company, of which this letter forms part. Capitalized terms used in this letter shall have the same meaning as those defined in the Circular unless specified otherwise.

In accordance with the requirements of the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company are conducted by the Company in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. For such purpose, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of, and the reasons for, the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company are contained in the letter from the Board set out on pages 5 to 14 in the Circular.

We have also discussed with the management of the Company regarding the terms of the 2024 Capital Increase Agreement.

Having considered (i) the terms of the 2024 Capital Increase Agreement, (ii) the discussions with the management of the Company about the background and nature of the 2024 Capital Increase Agreement, (iii) reasons for the proposed terms and (iv) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, we consider that, although the 2024 Capital Increase Agreement is not entered into in the ordinary and usual course of business of the Group, it is on normal commercial terms, and the terms of the transaction thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

Yours faithfully,
Independent Board Committee of
China Suntien Green Energy Corporation Limited
Mr. Guo Ying Jun
Mr. Chan Yik Pun
Dr. Lin Tao
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Company's Capital Contribution to Caofeidian Company for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 November 2024

*To: The independent board committee and the independent shareholders
of China Suntien Green Energy Corporation Limited*

Dear Sir/ Madam,

CONNECTED TRANSACTION FURTHER CAPITAL INCREASE IN CAOFEIDIAN COMPANY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Company's Capital Contribution to Caofeidian Company, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 25 November 2024 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, in order to further satisfy the capital needs of Caofeidian Company and enhance its financing capacity, the Company entered into the 2024 Capital Increase Agreement with HECIC, Caofeidian Development and Caofeidian Company on 8 November 2024, pursuant to which the registered capital of Caofeidian Company will be increased by RMB1,400 million. The Company, HECIC and Caofeidian Development will subscribe for the increased share capital according to their respective shareholding ratios, among others, 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.

With reference to the Board Letter, the Company's Capital Contribution to Caofeidian Company constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Guo Ying Jun, Mr. Chan Yik Pun and Dr. Lin Tao (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase Agreement are on normal commercial terms and are fair and reasonable; (ii) whether the Company's Capital Contribution to Caofeidian Company is in the interests of the Company and the Shareholders as a whole and conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, apart from our engagement as the Independent Financial Adviser in respect of the Company's Capital Contribution to Caofeidian Company, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's (i) continuing connected transactions, details of which are set out in the Company's announcement dated 30 June 2023; (ii) continuing connected transaction, details of which are set out in the Company's circular dated 18 July 2023; (iii) continuing connected transaction, details of which are set out in the Company's circular dated 9 November 2023; and (iv) connected transaction, details of which are set out in the Company's circular dated 14 November 2024 (collectively, the "**IFA Engagements**"). Save for the IFA Engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the IFA Engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Company's Capital Contribution to Caofeidian Company.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser and the IFA Engagements, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, their subsidiaries and/or associates.

Having considered the above, in particular (i) none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the IFA Engagements were only independent financial advisory engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Company's Capital Contribution to Caofeidian Company. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Caofeidian Company, HECIC, Caofeidian Development or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Company's Capital Contribution to Caofeidian Company. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Company's Capital Contribution to Caofeidian Company, we have taken into consideration the following principal factors and reasons:

Information on the Company

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

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2023 and the six months ended 30 June 2024 (together with comparative figures) as extracted from the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report"), the Company's interim report for the six months ended 30 June 2024 (the "2024 Interim Report") and the Board Letter:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Year-on-year change	For the year ended 31 December 2023	For the year ended 31 December 2022	Year-on-year change
	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(audited)</i>	<i>(audited)</i>	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	12,137,162	10,047,362	20.80	20,281,789	18,560,523	9.27
– Sales of natural gas	8,758,990	6,518,773	34.37	13,785,962	11,850,603	16.33
– Wind and photovoltaic power generation	3,225,382	3,393,398	(4.95)	6,181,320	6,294,905	(1.80)
– Connection and construction of gas pipeline network	42,191	50,667	(16.73)	119,774	191,427	(37.43)
– Rental income	8,357	6,926	20.66	20,278	21,861	(7.24)
– Others	102,242	77,598	31.76	174,455	201,727	(13.52)
Net profit attributable to the Shareholders	1,429,607	1,438,597	(0.62)	2,207,474	2,292,631	(3.71)

As illustrated in the above table, (i) the Group's revenue was approximately RMB20,282 million for the year ended 31 December 2023 ("FY2023"), representing an increase of approximately 9.27% as compared to that for the year ended 31 December 2022 ("FY2022"); and (ii) the Group's revenue was approximately RMB12,137 million for the six months ended 30 June 2024 ("1H2024"), representing an increase of approximately 20.80% as compared to that for the corresponding period in 2023. With reference to the 2023 Annual Report and the 2024 Interim Report, the aforesaid increases in the Group's revenue were mainly attributable to increase in sales volume of natural gas.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding the aforesaid increases in the Group's revenue, (i) the net profit attributable to the Shareholders for FY2023 decreased by approximately 3.71% as compared to that for FY2022; and (ii) the net profit attributable to the Shareholders for 1H2024 decreased slightly by approximately 0.62% as compared to that for the corresponding period in 2023.

With reference to the 2023 Annual Report and the 2024 Interim Report, the aforesaid decreases in net profit attributable to the Shareholders for FY2023 and 1H2024 were mainly attributable to decrease in the number of utilisation hours of the Group's wind power and photovoltaic power generation business, thereby resulting in decrease in revenue from electricity sales, partially offset by increase in the Group's profit from natural gas business as a result of increase in revenue from sales of natural gas.

With reference to the 2024 Interim Report, the Company will seize the favourable opportunity of promoting clean energy in the PRC, fully utilize the government's policy guidance of promoting clean energy and strengthening pollution control, give full play to its resources and service advantages, continue to expand the development of natural gas customers, and strive to expand the scope of the Company's operating regions and increase its market share.

Information on Caofeidian Company

With reference to the Board Letter, 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 (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 "**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 set out under the section headed "1.5 Information of Caofeidian Company" of the Board Letter.

As advised by the Directors, the aforesaid projects were approved by the National Development and Reform Commission of the PRC (the "**NDRC**"). For our due diligence purpose, we obtained copies of the NDRC approval documents (the "**Approval Documents**") of the aforesaid projects and further details of the aforesaid projects from the Company as set out below:

Tangshan LNG Project

The purpose of the Tangshan LNG Project is to enhance natural gas supply and storage in the Beijing-Tianjin-Hebei region (in particular, Hebei region). The Tangshan LNG Project involves building of new LNG storage tanks, ship berths, and supporting facilities (collectively forms Hebei Sunstein Tangshan LNG Terminal), which will be constructed in the Caofeidian Port Logistics Park in Tangshan City, Hebei Province, in three phases. Phase I of the Tangshan LNG Project was completed and put into commercial operation at the end

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of 2023. In October 2024, Phase II of the Tangshan LNG Project is still under construction; and construction of Phase III of the Tangshan LNG Project is not yet commenced and subject to further planning.

Hebei Sunstein Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)

The purpose of the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) is to further improve the natural gas pipeline network in Hebei Province and boost regional natural gas supply capacity. The Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) involves building of LNG pipelines (with ancillary facilities) from Hebei Suntien Tangshan LNG Terminal to Baodi distribution station in Tianjin. The Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) was completed and put into commercial operation at the end of 2023.

Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)

The purpose of the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section) is to further improve the natural gas pipeline network in Hebei Province and boost regional natural gas supply capacity. The Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section) involves building of LNG pipelines (with ancillary facilities) from Baodi distribution station in Tianjin to Yongqing terminal station in Langfang, Hebei Province. The Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section) was completed and put into commercial operation at the end of 2023.

Financial information

Set out below are the financial information of Caofeidian Company for the two years ended 31 December 2023 and 1H2024 as extracted from the Board Letter:

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

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

As advised by the Directors, Caofeidian Company started to generate revenue of approximately RMB210 million for FY2023 as Phase I of the 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) were put into commercial operation at the end of 2023. Accordingly, Caofeidian Company recorded net profit after tax and extraordinary items of approximately RMB97 million for FY2023.

As advised by the Directors, given the continuous operation of the Projects as mentioned above, Caofeidian Company generated revenue of approximately RMB382 million for 1H2024. Nevertheless, as (i) Caofeidian Company started to recognize depreciation in respect of the Projects for 1H2024 and recorded substantial finance cost for 1H2024 as it ceased to capitalize interest expenses of certain project loans; and (ii) Phase I of the Tangshan LNG Project and the Outbound Pipelines Projects are still under market development phase, Caofeidian Company recorded net loss after tax and extraordinary items of approximately RMB46 million for 1H2024. The Directors expect Caofeidian Company's financial performance to be improved alongside with the continuous operation and development of the Projects.

Reasons for and benefits of the Company's Capital Contribution to Caofeidian Company

With reference to the Board Letter, 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 commencement of construction operations and create favourable conditions for the early commissioning of the projects.

We noted from the 2023 Annual Report that (i) the Group's operations include sales of natural gas, connection and construction of gas pipeline network; and (ii) the Group possesses and operates natural gas transmission and ancillary facilities in Hebei province, and sells natural gas through natural gas distribution channels.

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For our due diligence purpose, we noted the total planned investment amount of the Projects from the Approval Documents and obtained latest budgeting plan of the Projects from the Company (the “**Budgeting Plan**”). We noted from the Budgeting Plan (i) the planned funding need of the Projects, including payment of outstanding construction cost of approximately RMB1 billion and construction cost of approximately RMB11.7 billion to be incurred for continuous development of the Projects (details of which are also set out under the section headed “1.1 Introduction” of the Board Letter); and (ii) that Caofeidian Company planned to finance such funding need with the proceed to be received from the 2024 Capital Increase (the “**Proceeds**”) and further debt/equity financing (which is consistent with the financing method of equity financing together with debt financing as stated under the Approval Documents). With reference to the Board Letter, the Company expects that the Proceeds will be utilised by Caofeidian Company to (i) pay for the aforesaid outstanding construction cost/construction cost to be incurred for continuous development of the Projects; and/or (ii) repay part of existing loans of Caofeidian Company, by 2025.

As (i) Phase I of the 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) has been put into commercial operation and generating revenue of approximately RMB210 million for FY2023 and approximately RMB382 million for 1H2024 for Caofeidian Company; and (ii) the Directors expect Caofeidian Company’s financial performance to be improved alongside with the continuous operation and development of the Projects, we consider that it is reasonable for the Company to further finance the development of the Projects.

Having considered the above, we are of the view that although the Company’s Capital Contribution to Caofeidian Company is not conducted in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole.

PRINCIPAL TERMS OF THE COMPANY’S CAPITAL CONTRIBUTION TO CAOFEIDIAN COMPANY

Summarised below are the principal terms for the 2024 Capital Increase Agreement (including terms of the Company’s Capital Contribution to Caofeidian Company), details of which are set out under the section headed “1.2 The 2024 Capital Increase Agreement” of the Board Letter.

Date

8 November 2024

Parties

- (1) The Company;
- (2) HECIC;
- (3) Caofeidian Development; and
- (4) Caofeidian Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2024 Capital Increase

The Company, HECIC and Caofeidian Development currently hold 51%, 29% and 20% equity interests of Caofeidian Company, respectively. Each shareholder will make a capital contribution to Caofeidian Company according to their respective shareholding ratio. 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	520.00	280.00	800.00	20%	Cash
Total	2,600.00	1,400.00	4,000.00	100%	

The new 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.

Given Caofeidian Company's funding needs and the intended uses of the Proceeds as mentioned in the section headed "Reasons for and benefits of the Company's Capital Contribution to Caofeidian Company" above, we consider the amount of capital contribution under the 2024 Capital Increase to be reasonable.

Based on the table above, each shareholder of Caofeidian Company will make capital contribution to Caofeidian Company according to their respective shareholding ratio. Having also considered the funding needs of Caofeidian Company as concluded under the section headed "Reasons for and benefits of the Company's Capital Contribution to Caofeidian Company" above, we consider the amount of the Company's Capital Contribution to Caofeidian Company to be fair and reasonable.

Taking into account the principal terms of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase Agreement as set out above, we consider that the terms of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase Agreement are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Possible financial effects of the Company's Capital Contribution to Caofeidian Company

Based on the 2024 Interim Report, the unaudited consolidated total equity attributable to the Shareholders was approximately RMB21.42 billion as at 30 June 2024. The Directors expect that the Company's Capital Contribution to Caofeidian Company would not have material impact on the unaudited consolidated total equity attributable to the Shareholders.

It should be noted that the aforementioned analysis is for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Company's Capital Contribution to Caofeidian Company.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Company's Capital Contribution to Caofeidian Company under the 2024 Capital Increase Agreement are on normal commercial terms and are fair and reasonable; and (ii) although the Company's Capital Contribution to Caofeidian Company is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors, Supervisors and Senior Management in the Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests of Directors, supervisors and senior management of the Company in the Shares of the Company are as follows:

Name	Position(s)	Class of Shares	Capacity	Number of Shares held	Percentage in the relevant class of Shares (%)	Percentage of the total Shares in issue (%)
Cao Xin	Chairman and Non-executive Director	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0012%
Li Lian Ping	Non-executive Director	A Shares	Beneficial owner	200,000 ¹ (Long position)	0.0085%	0.0048%
Tan Jian Xin	Executive Director and President	A Shares	Beneficial owner	200,000 ¹ (Long position)	0.0085%	0.0048%
Mei Chun Xiao	Executive Director	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0012%
Lu Yang	Vice President	A Shares	Beneficial owner	200,000 ¹ (Long position)	0.0085%	0.0048%
Lu Sheng Xin	Vice President	A Shares	Beneficial owner	200,000 ¹ (Long position)	0.0085%	0.0048%
Ban Ze Feng	Vice president, Board secretary and joint company secretary	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0012%
		A Shares	Beneficial owner	200,000 ¹ (Long position)	0.0085%	0.0048%
Liu Tao	Chief Accountant	A Shares	Beneficial owner	80,000 ¹ (Long position)	0.0034%	0.0019%

Note 1: Each of Mr. Li Lian Ping, Mr. Tan Jian Xin, Mr. Lu Yang, Mr. Lu Sheng Xin, Mr. Ban Ze Feng and Mr. Liu Tao held the restricted A shares granted by the Company under its 2023 Restricted Share Incentive Scheme.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or senior management of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) Competing and Other Interests of Directors

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

(c) Material Interests of the Directors in the Transaction

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Mr. Wang Tao and Mr. Mei Chun Xiao hold positions in or receive a salary from HECIC, and Mr. Tan Jian Xin holds a position in Caofeidian Company, they are deemed to have material interests in the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company. Accordingly, they have abstained from the voting on the Board resolution in relation to the approval for the 2024 Capital Increase Agreement and the Company's Capital Contribution to Caofeidian Company.

3. POSITIONS HELD BY THE DIRECTORS IN THE CONTROLLING SHAREHOLDER

The following table sets out the positions held by the Directors in HECIC and Caofeidian Company as at the Latest Practicable Date:

Name of Director	Position(s) held in the Company	Position(s) held in HECIC or Caofeidian Company
Dr. Cao Xin	Chairman and Non-executive Director	Vice Secretary of the Party Committee, General manager and Vice Chairman of HECIC
Mr. Qin Gang	Non-executive Director	Deputy general manager of HECIC
Mr. Mei Chun Xiao	Executive Director	Chief engineer and chief scientist of HECIC

Name of Director	Position(s) held in the Company	Position(s) held in HECIC or Caofeidian Company
Mr. Wang Tao	Non-executive Director	General manager of the investment development department of HECIC
Mr. Tan Jian Xin	Executive Director and president	Director of Caofeidian Company

4. INTERESTS HELD BY THE DIRECTORS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of or leased by any member of the Group, or are proposed to be acquired or disposed of or leased by any member of the Group.

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Group that is relevant to the business of the Group and is still valid as at the Latest Practicable Date.

5. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors had or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

6. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there are no material adverse changes in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited accounts of the Group were made up).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular dated 25 November 2024 with the inclusion of its letter and the reference to its name in the form and context in which it is included;
- (b) as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The joint company secretaries of the Company are Mr. Ban Zefeng and Ms. Lam Yuen Ling, Eva (a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators).
- (b) The Company's registered office and headquarters in the PRC is situated at 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC, and its principal place of business in Hong Kong is situated at Suites 2104-05, 21st floor, Prudential Tower, The Gateway, Harbour City, Kowloon, Hong Kong.
- (c) The Company's H Share registrar and transfer office is Computershare Hong Kong Investor Services Limited which is situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

9. DOCUMENTS ON DISPLAY

A copy of the 2024 Capital Increase Agreement will be published on the Hong Kong Stock Exchange's website and the Company's own website for a period of 14 days from the date of this circular.

NOTICE OF EGM



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)

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2024

NOTICE IS HEREBY GIVEN that the Third Extraordinary General Meeting in 2024 (the “EGM”) of China Suntien Green Energy Corporation Limited (the “**Company**”) will be held at 9:30 a.m. on Friday, 13 December 2024 at the Conference Room, 5th Floor, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the People's Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing the following resolution:

Ordinary Resolution

1. Resolution in relation to the capital increase in Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司) (“**Caofeidian Company**”) and the connected transaction thereunder:

“THAT:

- (a) the Capital Increase Agreement (the “**2024 Capital Increase Agreement**”) dated 8 November 2024 entered into among the Company, Hebei Construction & Investment Group Co., Ltd., Tangshan Caofeidian Development Investment Group Limited and Caofeidian Company and the execution thereof, and implementation of the transaction thereunder be and are hereby approved, ratified and confirmed;
- (b) any executive Director or his delegate(s) of the Company be and is hereby authorised to, on behalf of the Company, take all such steps as he/she may consider necessary and desirable for the purpose of and/or to give effect to the implementation of the terms of the 2024 Capital Increase Agreement; and
- (c) any executive Director or his delegate(s) be and is hereby authorised to, on behalf of the Company, execute all such other documents, instruments and agreements and take all such actions or do all such things as he/she may consider incidental to, ancillary to or in connection with the matters contemplated under the 2024 Capital Increase Agreement, and agree to make

* For identification purpose only

NOTICE OF EGM

any amendments to any terms of the 2024 Capital Increase Agreement as he/she may consider being immaterial in nature and being in the interests of the Company.”

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

Shijiazhuang City, Hebei Province, the PRC, 25 November 2024

Notes:

1. The H share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H shares to attend the EGM, from Tuesday, 10 December 2024 to Friday, 13 December 2024 (both days inclusive), during which period no transfer of H shares will be registered. In order to attend the EGM, all instruments of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 9 December 2024. Holders of H shares whose names appear on the register of members of the Company at the close of business on Monday, 9 December 2024 are entitled to attend the EGM.

The Company will announce the details and materials for holders of A shares attending the EGM on the website of the Shanghai Stock Exchange in due course.

2. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by way of a poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in this notice of EGM will be voted by poll. Results of the poll voting will be published on the Company’s website at www.suntien.com and the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.
3. Any shareholder (in case of a corporate shareholder, its duly authorized representative) entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
4. In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company’s registered office and headquarters in the PRC (for holders of A shares) or the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares), at least 24 hours before the EGM (i.e. no later than 9:30 a.m. on Thursday, 12 December 2024 for the purpose of the EGM) or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of a proxy form will not preclude a shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
5. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his proxy should produce proof of identity when attending the EGM.

NOTICE OF EGM

8. The Company's registered office and headquarters in the PRC is 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC.

As at the date of this notice, 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.