

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
CAPITAL CONTRIBUTION TO A SUBSIDIARY OF THE COMPANY
BY CONNECTED PERSON

The Board hereby announces that on 19 December 2014, HECIC New-energy, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with HECIC, pursuant to which, HECIC shall make capital contribution of RMB20 million in cash to Suntien Weichang, a wholly-owned subsidiary of HECIC New-energy. Upon the completion of the Capital Contribution, Suntien Weichang will be held as to 93.71% and 6.29% by HECIC New-energy and HECIC, respectively.

HECIC is the controlling shareholder of the Company. Therefore, according to the Listing Rules, HECIC is a connected person of the Company, and the Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Transaction is more than 0.1% but less than 5%, the Capital Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board hereby announces that on 19 December 2014, HECIC New-energy, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with HECIC, pursuant to which, HECIC shall make capital contribution of RMB20 million in cash to Suntien Weichang, a wholly-owned subsidiary of HECIC New-energy. Upon the completion of the Capital Contribution, Suntien Weichang will be held as to 93.71% and 6.29% by HECIC New-energy and HECIC, respectively.

The Joint Venture Agreement

Date

19 December 2014

Parties

- (i) HECIC New-energy; and
- (ii) HECIC.

Capital Contribution by HECIC in Cash

As a new shareholder, HECIC shall make capital contribution of RMB20 million to Suntien Weichang in cash. HECIC shall deposit the contributed capital to the designated bank account of Suntien Weichang within 30 days upon the signing of the Joint Venture Agreement. The capital contribution by HECIC New-energy remains unchanged.

Upon the completion of the Capital Contribution, the registered capital of Suntien Weichang will be increased from RMB298 million to RMB318 million. Suntien Weichang will be held as to 93.71% and 6.29% by HECIC New-energy and HECIC, respectively, and will continue to be a subsidiary of HECIC New-energy.

HECIC's shareholding in Suntien Weichang after the Capital Contribution is determined by reference to the net asset value of Suntien Weichang of approximately RMB298 million as at 31 December 2013, being the benchmark date on which an independent valuer carried out the asset valuation.

Corporate Structure

The board of directors of Suntien Weichang shall consist of five directors, including four directors elected from the candidates recommended by HECIC New-energy at a shareholders' meeting, and one employee representative director elected by the employee representatives assembly of Suntien Weichang. There shall be one chairman of the board of directors, who is recommended by HECIC New-energy.

Suntien Weichang has no supervisory committee, and its two supervisors shall be elected from the candidates recommended by HECIC New-energy at a shareholders' meeting.

Suntien Weichang has one general manager and one deputy general manager, whom are recommended by HECIC New-energy.

Profit Distribution

After making up losses (if any) and allocating statutory reserve and the reserve resolved by the shareholders' meeting, the profit available for distribution of Suntien Weichang for each accounting year shall be distributed to its shareholders in full according to their respective shareholdings in Suntien Weichang.

Information of Suntien Weichang

Suntien Weichang was incorporated on 30 March 2011 in accordance with the laws of the PRC, and is a wholly-owned subsidiary of HECIC New-energy before the Capital Contribution. It primarily engages in development and construction of wind power projects. It is currently investing and constructing several wind power projects, including Ruyihe Wind Farm.

According to the unaudited financial statements of Suntien Weichang prepared in accordance with the Generally Accepted Accounting Principles of the PRC, the unaudited net asset value of Suntien Weichang as at 30 June 2014 was approximately RMB298 million. As the wind farm projects currently being invested by Suntien Weichang are still at a preliminary stage of development or under construction, all of the economic events occurred of Suntien Weichang during the two financial years before the date of this announcement were related to the engineering and construction and there was no profit or loss incurred before or after tax reduction and non-recurring items for the same financial years.

After the Capital Contribution, Suntien Weichang will still continue to be a subsidiary of HECIC New-energy, and its accounts will remain consolidated into the consolidated financial statements of the Group. As the Capital Contribution will not result in the loss of control of Suntien Weichang by the Group, the deemed disposal constituted by the Capital Contribution will be accounted for as an equity transaction that will not result in the recognition of any profit or loss.

The proceeds from the Capital Contribution will be used for the development and construction of Ruyihe Wind Farm.

Reasons for the Transaction

Budget for provincial-level state-owned capital was approved in the second meeting of the Twelfth Session of Hebei Provincial People's Congress, among others, RMB20 million was specifically allocated to the construction of Ruyihe Wind Farm, the confirmatory approval of which has been issued to HECIC by the Department of Finance of Hebei Province and Hebei SASAC. In order to confirm the ownership of the state-owned capital and to support the construction of Ruyihe Wind Farm, HECIC intends to use such provincial-level state-owned capital to make capital contribution to Suntien Weichang. As Ruyihe Wind Farm is currently under construction, the Capital Contribution will lower the financial risk of Suntien Weichang and protect the safety of capital chain, which is beneficial to the implementation of the Ruyihe Wind Farm project.

General Information

Information of the Company

The Company is one of the leading clean energy companies in Northern China. Its business scope includes investment in exploration and utilization projects of natural gas, LNG, CNG, coalbed methane and coal-made natural gas etc; investment in the development of new energy projects such as wind power, solar power and nuclear energy projects and development of new energy technology and technical services. The Group is the largest distributor of natural gas in Hebei Province, operating pipelines with a cumulative length of 1,291.5 km, and owning natural gas projects in 25 cities, ten distribution stations, four gate stations, three CNG refilling stations and two CNG primary filling stations. During the first half of 2014, the sales volume of the Group was 772 million cubic meters. As at 30 June 2014, the Group had controlling interests in the operation of 23 wind farms with a consolidated installed capacity of 1,481.3 MW. During the first half of 2014, gross power generation of the Group was 1,414 million KWh. In addition, the Group operated two solar power projects of 21MW in total.

HECIC New-energy

HECIC New-energy is a wholly-owned subsidiary of the Company. Its business scope includes: investment in new energy projects such as wind power, solar energy and nuclear energy; new energy projects planning, development and related technology consultation, technology services, technology development, technology cooperation, staff training services; technology and equipment development in electric power environmental protection, energy saving and renewable energy; operation, maintenance and repairment of substation equipment and the high and low voltage equipment; and (for branch office only): wind power generation.

HECIC

HECIC is one of the promoters and the controlling shareholder of the Company, directly and indirectly holding approximately 50.5% of the equity interest in the Company and a wholly state-owned enterprise incorporated under the approval of the People's Government of Hebei Province. It primarily engages in the investment in and construction of the infrastructure and pillar industries of Hebei Province, such as energy and transportation.

Implications of the Listing Rules

HECIC is the controlling shareholder of the Company. Therefore, according to the Listing Rules, HECIC is a connected person of the Company, and the Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Contribution is more than 0.1% but less than 5%, the Capital Contribution is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As four Directors, namely Dr. Cao Xin, Dr. Liu Zheng, Mr. Zhao Hui and Mr. Qin Gang, hold positions in HECIC, they have abstained from voting on resolutions of the Board relating to the approval of signing of the Joint Venture Agreement and the Capital Contribution, in accordance with the requirement of the Articles of Association of the Company. Save for the above mentioned, there is no Director having material interest in the Joint Venture Agreement and the Capital Contribution and, therefore, no other Directors have to abstain from voting in relation to the related Board resolutions.

Directors (including independent non-executive Directors) consider that the Joint Venture Agreement and the Capital Contribution are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Definitions

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

“Board”	the board of Directors of the Company;
“Capital Contribution”	capital contribution made by HECIC to Suntien Weichang according to the Joint Venture Agreement;
“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 of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HECIC”	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a wholly state-owned enterprise incorporated in the PRC, and one of the promoters and the controlling shareholder of the Company;
“HECIC New-energy”	HECIC New-energy Co., Ltd. (河北建投新能源有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company;
“Hebei SASAC”	Hebei Provincial People’s Government State-owned Assets Supervision and Administration Commission;

”Joint Venture Agreement”	the equity joint venture agreement entered into between HECIC New-energy and HECIC on 19 December 2014 in relation to the Capital Contribution;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
”Ruyihe Wind Farm”	Ruyihe Wind Farm of the Company located at Yudaokou, Chengde Weichang, Hebei Province;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it in the Listing Rules; and
“Suntien Weichang”	Suntien Green Energy Weichang Co., Ltd. (新天綠色能源圍場有限公司), a company established in the PRC, and a wholly-owned subsidiary of HECIC New-energy before the Capital Contribution. Upon the completion of the Capital Contribution, it will be held as to 93.71% and 6.29% by HECIC New-energy and HECIC, respectively.

By order of the Board of
China Suntien Green Energy Corporation Limited
Gao Qing Yu
Executive Director and President

Shijiazhuang City, Hebei Province, the PRC, 19 December 2014

As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Dr. Liu Zheng, Mr. Zhao Hui and Mr. Qin Gang; the executive Directors of the Company are Mr. Gao Qing Yu and Mr. Wang Hong Jun; and the independent non-executive Directors of the Company are Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew.

* *For identification purposes only*