THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 form 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.

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)

ADJUSTMENTS TO BUSINESS DEVELOPMENT STRATEGIES AND NON-COMPETITION ARRANGEMENTS APPOINTMENT OF A NON-EXECUTIVE DIRECTOR AND 2024 SECOND EXTRAORDINARY GENERAL MEETING

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 second extraordinary general meeting in 2024 (the "**EGM**") at 9:30 a.m. on Friday, 6 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 EGM-1 to EGM-2 of this circular. A letter from the Board is set out on pages 5 to 38 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 39 to 40 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 41 to 55 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, 5 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*

14 November 2024

CONTENTS

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

"Articles of Association"	the articles of association of the Company, as amended from time to time
"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)
"associate(s)"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Chengde Dayuan"	Chengde Dayuan New-energy Co., Ltd.* (承德大元新能源有限公司), a joint venture held as to 49% by the Company and 51% by Fengning Manchu Autonomous Region Dayuan State-owned Holding Group Co., Ltd.* (豐寧滿族自治區大元國控集團有限公司), an independent third party ultimately and beneficially owned by the Finance Bureau of Fengning Manchu Autonomous County
"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
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules
"connected transaction"	has the same meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"EGM"	the second 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, 6 December 2024 in relation to the matters referred to in this circular
"Existing NCA"	the Non-competition Agreement dated 19 September 2010 entered into between the Company and HECIC, the details of which are set out in "Relationship with HECIC – Non-Competition Agreement and Undertakings" of the prospectus dated 30 September 2010 of the Company being issued in connection with the Global Offering
"Group"	the Company and its subsidiaries
"Hebei SASAC"	the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province
"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
"HECIC Group"	HECIC and its subsidiaries (other than the Group)
"HECIC's Investee Company(ies)"	(1) any entity (whether or not it has legal personality) in which HECIC (or its subsidiaries) holds or controls 30% or more of the non-controlling voting rights at shareholders' meeting, or (2) (if it is a partnership), any partnership in which HECIC (or its subsidiaries) is one of the partners, and the subsidiaries of such partnership
"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 entering into of the New NCA and the connected transaction contemplated thereunder
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the entering into of the New NCA and the connected transaction contemplated thereunder
"Independent Shareholders"	the Shareholders other than HECIC and its associates
"JEI"	Jointo Energy Investment Co., Ltd. Hebei*（河北建投能源投資股份有限公司）, a company listed on the Shenzhen Stock Exchange (Stock Code: 000600) and controlled by HECIC, and formerly known as Shijiazhuang International Building (Group) Co., Ltd.*（石家莊國際大廈(集團)股份有限公司）. It is a subsidiary of HECIC
"Latest Practicable Date"	11 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
"Letter of Undertakings"	the Letter of Explanation and Undertakings on Non-Competition unilaterally issued by HECIC on 10 March 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"New NCA"	the Non-competition Agreement dated 30 October 2024 entered into between the Company and HECIC
"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

"Renewable Energy Law"	the Renewable Energy Law of the PRC (中國可再生能源法)
"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 ascribed to it under the Listing Rules
"Supervisor(s)"	supervisor(s) of the Company
"Undertakings on Non-Competition"	the non-competition undertakings made by HECIC under the Letter of Undertakings
"Yanshan Guyuan"	HECIC Yanshan (Guyuan) Wind Power Co., Ltd.* (建投燕山(沽源)風能有限公司), a company established in the PRC and a non-wholly-owned subsidiary of the Company
"%"	percentage

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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)

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:
Suite 2103,
Prudential Tower
The Gateway, Harbour City
Tsim Sha Tsui
Hong Kong

14 November 2024

To the Shareholders:

Dear Sir or Madam,

ADJUSTMENTS TO BUSINESS DEVELOPMENT STRATEGIES AND NON-COMPETITION ARRANGEMENTS APPOINTMENT OF A NON-EXECUTIVE DIRECTOR AND 2024 SECOND EXTRAORDINARY GENERAL MEETING

Reference is made to the announcements of the Company both dated 30 October 2024 in relation to, among other things, (i) the adjustments to the business development strategies and principal businesses of the Group, and the non-competition arrangements between the Company and HECIC; and (ii) proposed appointment of a non-executive Director.

* *For identification purpose only*

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

The businesses to be considered at the EGM are described in more details in the notice of EGM, which was dispatched to the Shareholders on 14 November 2024.

1. RESOLUTION ON THE SIGNING OF THE NEW NCA WITH THE CONTROLLING SHAREHOLDER AND THE CHANGES TO UNDERTAKINGS ON NON-COMPETITION

1.1 Adjustments to Business Development Strategies and Principal Businesses of the Group

The Board hereby announces that, with a responsible attitude towards the shareholders and after careful consideration by the Company, the Group will continue to focus on the wind power generation and natural gas related businesses in the future, concentrating its resources on the construction and operation of onshore and offshore wind farms, LNG berth and terminals, long-distance natural gas transmission pipelines and urban gas, gas-fired power plants, etc. To this end, the Company plans to gradually dispose of its existing photovoltaic business so as to focus its resources on expanding its principal businesses and further enhance the Group's strength and core competitiveness.

1.1.1 Current Principal Businesses of the Group

The Group is currently principally engaged in the green energy business of wind power generation and sale of natural gas. For the two financial years ended 31 December 2022 and 2023 and the first six months of 2024 ended 30 June 2024, the revenue of the Group's businesses are as follows:

Unit: Renminbi 100 million (except percentage)

Year ended 31 December 2022	**Revenue**		**Gross Profit**	
Items	**Amount**	**Percentage**	**Amount**	**Percentage**
Revenue from natural gas sales	118.51	63.85%	11.34	21.63%
Revenue from wind power generation	61.69	33.24%	37.87	72.24%
Revenue from photovoltaic power generation	1.26	0.68%	0.88	1.69%
Revenue from connection and construction of gas pipeline network	1.91	1.03%	0.83	1.58%
Revenue from other businesses	2.24	1.20%	1.50	2.86%
Total	**185.61**	**100.00%**	**52.42**	**100.00%**

Unit: Renminbi 100 million (except percentage)

Year ended 31 December 2023	Revenue		Gross Profit	
Items	**Amount**	**Percentage**	**Amount**	**Percentage**
Revenue from natural gas sales	137.86	67.97%	12.49	24.61%
Revenue from wind power generation	60.65	29.91%	36.02	70.98%
Revenue from photovoltaic power generation	1.16	0.57%	0.72	1.41%
Revenue from connection and construction of gas pipeline network	1.20	0.59%	0.43	0.85%
Revenue from other businesses	1.95	0.96%	1.09	2.15%
Total	**202.82**	**100.00%**	**50.75**	**100.00%**

Unit: Renminbi 100 million (except percentage)

Six months ended 30 June 2024	Revenue		Gross Profit	
Items	**Amount**	**Percentage**	**Amount**	**Percentage**
Revenue from natural gas sales	87.59	72.17%	5.59	20.83%
Revenue from wind power generation	31.69	26.11%	19.94	74.32%
Revenue from photovoltaic power generation	0.56	0.46%	0.35	1.31%
Revenue from connection and construction of gas pipeline network	0.42	0.35%	0.21	0.78%
Revenue from other businesses	1.11	0.91%	0.74	2.76%
Total	**121.37**	**100.00%**	**26.83**	**100.00%**

As at 30 June 2024, the Group had a wind power consolidated installed capacity and a photovoltaic consolidated installed capacity of 6,358.25 MW and 126.12 MW, respectively. For the two financial years ended 31 December 2022 and 2023 and the first six months of 2024 ended 30 June 2024, the amounts of wind power generation and photovoltaic power generation are set out in the table below:

Unit: 100 million kWh

Items	2022	2023	First six months of 2024
Wind power generation	140.31	140.81	74.44
Photovoltaic power generation	1.67	1.73	0.87

As at 30 June 2024, the Group cumulatively operated 9,803.86 km of pipelines, with one LNG terminal, five CNG primary filling stations, three CNG secondary filling stations, three LNG filling stations and one L-CNG joint filling station in operation. For the two financial years ended 31 December 2022 and 2023 and the first six months of 2024 ended 30 June 2024, the natural gas transmission volumes are set out in the table below:

Unit: 100 million cubic meters

Item	2022	2023	First six months of 2024
Natural gas transmission volume	45.01	51.14	33.93

1.1.2 The Group's Main Future Development Directions

In terms of wind power, the Group will continue to adhere to the strategy of "based in Hebei and go nationwide", increase the intensity of wind power resource reserves and development, innovate in the cooperation model, seek the transformation of the reserve resources, and make use of its resources and project experience to develop cross-provincial cooperation. In 2023, the Group added a new onshore wind power construction quota of 2.09 million kW and a new approved capacity of onshore wind power projects of 1.44 million kW. At the same time, the Group leveraged its offshore wind power project, such as the Puti Island project in Laoting, Tangshan, which has already been put into operation, to seize the new development opportunities arising from the offshore wind power planning in Hebei Province approved by the government, and vigorously develop offshore wind power. Currently, the Group's wholly-owned 500,000 kW offshore wind power project in Shanhaiguan, Qinhuangdao has been approved. The preliminary work of offshore wind power demonstration projects prepared in advance with a capacity of approximately 2 million kW in province-controlled waters progressed smoothly. During the first half of 2024, the approved capacity of wind power projects for the Group increased by 1,650 MW, laying a solid project foundation for the future development of the Company's wind power business.

In terms of natural gas, with the commissioning of the Tangshan LNG Terminal and Supporting Pipelines Projects upstream, the Group will endeavor to create an integrated operation model with gasification pipeline and liquid distribution services as the mainstay, supplemented by tank capacity leasing, government reserves, window period auctions and other services, thus extending the natural gas industry chain. In terms of the midstream industrial chain, the Group will continue to promote the interconnection of existing pipelines and new major trunk pipelines, such as the Tangshan LNG outbound pipelines, with national gas pipelines and pipelines in nearby provinces, and form a connected "province-wide network" as soon as possible. As for the downstream industrial chain, the Group will steadily promote business development in regional markets and expand urban gas projects within the pipeline coverage. The Group will also actively leverage its advanced management level and rich operating experience to promote the timely and steady merger & acquisition and consolidation of natural gas enterprises in relevant cities.

In addition, the Group proactively laid out a number of energy storage, gas-fired power plants and other demonstration projects. The Group obtained approval for the Qingxian 2*480 MW Gas-fired Power Plant Project in 2023, and added new approved capacity of 960,000 kW for a gas-fired power plant project in Funing, Qinghuangdao in the first half of 2024. In addition, the Huanghuatan 1.2 million kW Pumped Storage Power Station in Laiyuan, Baoding has successfully obtained the national planning approval.

1.1.3 Adjustments to the Photovoltaic Business Development Strategy

In addition to focusing on the development of wind power and natural gas businesses, the Group actively tracks and expands its photovoltaic business. In 2011, the Group launched a 1-megawatt photovoltaic power project in Baoding, Hebei Province. Subsequently, it has gradually expanded to other provinces and regions. Particularly in provinces where there are no wind power projects, the Company has also gradually explored photovoltaic projects to facilitate its acquisition of wind power resources. However, due to various constraints such as the high costs and large land requirements of photovoltaic projects in the early stages of development, the development scale of the Company's photovoltaic business is much smaller than that of its wind power business.

As at 30 June 2024, the consolidated installed capacity of the the Group's photovoltaic power generation business amounted to 172.12 MW, accounting for 2.64% of the Group's new energy consolidated installed capacity, comprising of 15 photovoltaic projects in operation, located in four provinces and autonomous region of Hebei, Xinjiang, Heilongjiang and Liaoning, with a consolidated installed capacity of 126.12 MW; and two photovoltaic projects with a total installed capacity of 12 MW that have been connected to the grid but have not yet commenced commercial operations; and one photovoltaic project with an installed capacity of 34 MW that has completed the assembly. As at 30 June 2024, the Group had photovoltaic projects under construction with a capacity of 266 MW, located in Hebei Province. Furthermore, two photovoltaic projects in total with a registered installed capacity of 130 MW were registered but yet to commence construction, located in Hebei Province and Shaanxi Province (among which, the construction of a part of the project of 100MW design capacity has commenced in September 2024).

As at 30 June 2024, the total installed capacity of the Group's non-control equity investments in photovoltaic projects reached 170 MW, with all these projects located in Hebei Province.

As at 30 June 2024, the total asset value of the Group's photovoltaic projects amounted to approximately RMB922 million, accounting for 1.13% of the Group's total assets, and the revenue amounted to approximately RMB56 million, accounting for approximately 0.46% of the Group's total revenue.

Details of the Group's photovoltaic projects are set out below.

No.	Project	Location	Capacity (MW)	Status	Time of Commencement of construction	(Expected) Time of commencement of commercial operation	Company's shareholding
Project owned or controlled by the Group							
1	Hebei Laiyuan Zhoucun 1MW Photovoltaic Power Station Project (河北淶源周村1MW光伏電站項目)	Laiyuan County, Baoding City, Hebei Province	1	In operation	April 2010	December 2011	Controlling
2	Laiyuan Jinjiajing 10MW Photovoltaic Power Station Project (淶源金家井10MW太陽能光伏電站項目)	Laiyuan County, Baoding City, Hebei Province	10	In operation	May 2014	March 2015	Controlling
3	Suntien Bazhou Hejing Phase I 20MW Photovoltaic Grid-connected Power Generation Project (新天巴州和靜一期20兆瓦光伏併網發電項目)	Hejing County, Bazhou, Xinjiang	20	In operation	September 2013	August 2014	Controlling
4	Chaoyang Nanshuangmiao Photovoltaic Project (朝陽南雙廟光伏項目)	Chaoyang County, Chaoyang City, Liaoning Province	10	In operation	October 2015	July 2016	Controlling

No.	Project	Location	Capacity (MW)	Status	Time of Commencement of construction	(Expected) Time of commencement of commercial operation	Company's shareholding
5	Hengshui Laobaigan Rooftop Photovoltaic (衡水老白乾屋頂光伏)	Economic Development Zone, Hengshui City, Hebei Province	2.13	In operation	November 2015	August 2016	Controlling
6	Lulong Shimen Photovoltaic Project (盧龍石門光伏項目)	Lulong County, Qinhuangdao City	20	In operation	April 2015	January 2017	Controlling
7	Suntien Kechuang Rooftop Photovoltaic Project (新天科創屋頂光伏項目)	Economic Development Zone, Zhangjiakou City	0.2	In operation	February 2017	March 2017	Controlling
8	Longde Automobile Manufacturing Plant Distributed Photovoltaic Project (隆德汽車製造廠分布式光伏項目)	Wei County, Xingtai City, Hebei Province	9.82	In operation	January 2017	June 2017	Controlling
9	Baoshuo Building Materials Distributed Photovoltaic Project (寶碩建材分布式光伏項目)	Mancheng District, Baoding City, Hebei Province	3.03	In operation	April 2017	June 2017	Controlling
10	Cangzhou Yundong Distributed Photovoltaic (滄州運東分布式光伏)	Yunhe District, Cangzhou City, Hebei Province	1.21	In operation	March 2016	August 2017	Controlling
11	Tailai Ningjiang 10MW and Lizhi 10MW Photovoltaic Projects (泰來寧姜10MW、立志10MW光伏項目)	Tailai County, Qiqihar City, Heilongjiang Province	20	In operation	October 2016	October 2017	Controlling
12	Sunten Shuangsheng 20MW Photovoltaic (新天雙勝20MW光伏)	Tailai County, Qiqihar City, Heilongjiang Province	20	In operation	March 2018	September 2018	Controlling
13	22nd Metallurgical Group Precision Forging Co., Ltd. 1.2W Distributed Photovoltaic Power Generation Project (二十二冶集團精密鍛造有限公司1.2W分布式光伏發電項目)	High-tech Industrial Zone, Tangshan City, Hebei Province	1.2	In operation	Augst 2018	July 2019	Controlling
14	Julu Distributed Photovoltaic Project (巨鹿分布式光伏項目)	Julu County, Xingtai City, Hebei Province	1.734	In operation	July 2022	November 2022	Controlling
15	Baoding Great Wall Distributed Photovoltaic Project (保定長城分布式光伏項目)	Xushui District, Baoding City, Hebei Province	5.8	In operation	June 2022	February 2023	Controlling
16	HECIC Daming County Shaguota Town 6MW Distributed Photovoltaic Power Generation Project (河北建投大名縣沙圪塔鎮6MW分布式光伏發電項目)	Daming County, Handan City, Hebei Province	6	Trial operation	January 2024	November 2024	Controlling
17	Hebei Construction Investment Daming County Shawang Village Township 6MW Distributed Photovoltaic Power Generation Project (河北建投大名縣沙王村鄉6MW分布式光伏發電項目)	Daming County, Handan City, Hebei Province	6	Trial operation	January 2024	November 2024	Controlling

No.	Project	Location	Capacity (MW)	Status	Time of Commencement of construction	(Expected) Time of commencement of commercial operation	Company's shareholding
18	Fengning Waigoumen Wind-Solar Complementary Phase II 100MW Photovoltaic Energy Storage Hydrogen Project (豐寧外溝門風光互補二期100MW光儲氫項目)	Fengning County, Chengde City, Hebei Province	100	Under construction (34MW completed assembly and 66MW under construction)	September 2023	May 2025	Controlling
19	Weichang 200MW Photovoltaic Energy Storage Demonstration Project (圍場200MW光伏儲能示範項目)	Weichang County, Chengde City, Hebei Province	200	Under construction	June 2024	September 2025	Controlling
20	Shaanxi Liquan Suntien 100MW Agrivoltaic Power Generation Project (陝西禮泉新天100MW農光互補光伏發電項目)	Liquan County, Xianyang City, Shaanxi Province	100	Under construction	September 2024	September 2025	Controlling
Project invested by the Group with minority interests							
21	Luanbei 70MW Parity Photovoltaic Power Generation Project (灤北70MW平價光伏發電項目)	Fengning County, Hebei Province	70	In operation	March 2021	July 2022	Minority
22	Ximaqun 100MW Parity Photovoltaic Power Generation Project (西馬群100MW平價光伏發電項目)	Fengning County, Hebei Province	100	In operation	September 2020	July 2022	Minority

As a result of various factors, the comparative advantage of the photovoltaic business in the new energy business is not obvious, among which:

(a) *The return on investment from photovoltaic projects is relatively lower than that from wind power projects*

With the effect of various factors such as the continuous advancement of technology in the new energy industry in China, improvements in equipment performance, and sustained increases in power generation efficiency, the cost of newly built photovoltaic and wind power projects has been decreasing in recent years, meeting the conditions for grid parity. Against this backdrop, on 7 June 2021, the National Development and Reform Commission issued the "Notice on Matters Concerning the New Energy On-grid Tariff Policy in 2021" (《關於2021年新能源上網電價政策有關事項的通知》)(the "**2021 New Policy**"), which stipulates that (i) starting from 1 August 2021, the central government will no longer subsidise newly registered centralised photovoltaic power stations, industrial and commercial distributed photovoltaic projects and newly approved onshore wind power projects, and will implement grid parity[Note 1]; (ii) the on-grid tariff for new projects in 2021 will be based on the local coal-fired base price, while new projects may voluntarily participate in market-based trading[Note 2] to determine on-grid tariffs; (iii) starting in 2021, the on-grid tariffs for newly approved (or registered) offshore wind power projects and photovoltaic thermal power projects will be set by the local provincial pricing authorities. Where conditions permit, these tariffs can be determined through competitive allocation[Note 3]. If the on-grid tariff exceeds the local benchmark price for coal-fired power, the portion below the benchmark price will be settled by the grid companies; and (iv) local governments are encouraged to introduce targeted support policies to promote the sustainable and healthy development of new energy industries such as photovoltaic power, onshore wind power, offshore wind power, and photovoltaic thermal power. The 2021 New Policy only applies to newly approved projects after the release of the policy. Projects approved before the release of this policy will continue to follow the previous electricity pricing policy and enjoy renewable energy subsidies.

According to a series of national policies such as the "Basic Rules for Medium and Long-term Electricity Transactions" (《電力中長期交易基本規則》), the "Basic Rules for the Electricity Spot Market (Trial)" (《電力現貨市場基本規則(試行)》) and the "Notice of the National Development and Reform Commission on Further Accelerating the Construction of the Electricity Spot Market" (《國家發展改革委關於進一步加快電力現貨市場建設工作的通知》), new projects currently in operation shall participate in market-based electricity transactions. Apart from the portion of electricity guaranteed for purchase by grid companies, other electricity can be directly traded with power users.

Before the implementation of grid parity for new energy, the construction costs and tariffs of photovoltaic projects were relatively higher as compared with those of wind power projects, especially when renewable energy subsidies account for a high proportion of tariffs for photovoltaic projects. Given that renewable energy subsidies are not distributed promptly,

Note 1: Grid parity means the peak-to-peak tariff for grid electricity supply, i.e., when a photovoltaic/wind power station transmits electricity to the grid, the price is the same as that of thermal power and hydroelectricity, and is therefore called grid parity. Under such mechanism, photovoltaic/wind power stations sell their electricity to grid companies at the local desulfurised coal power price without national subsidies.

Note 2: Market-based trading refers to the trading of power as a commodity in the market according to the supply and demand relationship and pricing mechanism.

Note 3: Competitive allocation refers to the selection of enterprises with investment capability, high technical standards, strong innovation ability, and integrity through competitive means to obtain project construction scale. This aims to guide industrial upgrading, reduce costs, improve the efficiency of national subsidy funds, and promote the healthy and orderly development of offshore wind power generation industry. The competitive allocation scoring comprehensively considers factors such as enterprises' capability, equipment advancement, technical solutions, and proposed electricity prices. The commitment to grid electricity price is usually an important condition, and the project investment entity and grid electricity price are determined from high to low based on the comprehensive score.

cash flow for photovoltaic projects is generally poorer compared to wind power projects, resulting in relatively lower investment returns for photovoltaic projects.

After the implementation of grid parity for new energy, photovoltaic projects remains at a disadvantage compared to wind power projects in terms of return on investment and earnings stability, etc. On one hand, the annual utilisation hours of photovoltaic projects lag behind those of wind power by about 1,000 hours per year in general. On the other hand, as electricity market transactions deepen, some regions experience zero or even negative electricity prices. Since photovoltaic power generation is more concentrated in specific times, this results in a gap in investment returns compared to wind power projects.

For the two years ended 31 December 2022 and 2023 and the first six months of 2024 ended 30 June 2024, (i) the average utilisation hours of the Group's controlled wind power projects were approximately 2,485 hours, 2,419 hours and 1,212 hours, while the average utilisation hours of the Group's controlled photovoltaic power projects were approximately 1,404 hours, 1,376 hours and 688 hours; (ii) the average unit costs (in terms of cost per MW, calculated based on the construction costs of the relevant projects divided by their respective installed capacity) of the Group's newly approved (registered) wind power projects were approximately RMB6.3 million per MW; while the average unit costs of its photovoltaic power generation units were approximately RMB4.6 million per MW; (iii) the Group's profit margins of wind power business were approximately 37.85%, 34.13% and 44.33%, while the Group's profit margins of photovoltaic power generation business were approximately 21.15%, 20.72% and 21.34%. For the three years ended 31 December 2021, 2022 and 2023, the returns on investment of the Group's wind power projects were approximately 8.36%, 7.97% and 7.13%; while the returns on investment of the Group's photovoltaic projects were approximately 6.83%, 6.58% and 5.39%.

As of 31 December 2023, the Group operated 9 non-subsidised wind power projects and 3 non-subsidised distributed photovoltaic power projects under the grid parity mechanism. The return on investment of the Group's grid parity wind power projects for the year ended 31 December 2023 was approximately 5.50%. As all the grid parity photovoltaic power projects in operation during the same period are distributed photovoltaic power projects, they do not be a meaningful comparison for the wind power projects due to the differences in economic and financial models, grid connection and infrastructure, scale and capacity, and energy output and reliability. However, the Company expects that the return on investment of the Group's centralised photovoltaic projects under construction which are subject to the grid parity mechanism will be between 4.33% and 4.52%.

The grid parity mechanism makes the investment returns of wind power projects more transparent and predictable, increasing investor confidence. It will also help the Group reduce reliance on national financial subsidies, making wind power projects more market-driven and autonomous. This strengthens the market's role in regulating power development and construction, leading to more efficient allocation of electricity resources. Although the grid parity mechanism may result in lower returns for grid parity projects compared to subsidised projects, in the long term, it positively impacts the healthy and sustainable development of the wind power industry. Therefore, the Company believes that focusing on development of its wind power business will bring higher and more stable investment returns to the Group, aligning better with the long-term interests of the Company and its Shareholders.

(b) *The photovoltaic business is subject to greater constraints from changes in national land policies*

Photovoltaic power generation is a technology that uses the photovoltaic effect of the semiconductor interface to directly convert light energy into electrical energy. Due to the characteristics of photovoltaic projects, they generally occupy a large area of land. At present, the national policies on forest land and land supervision are strict. It has been seen in the market that some photovoltaic projects have been dismantled or partially dismantled due to changes in land supervision policies.

Since its establishment, the Company has primarily focused on the development of wind power and has gained considerable operational experience in the wind power sector. In view of the above constraints and taking into account the Group's strengths in its principal businesses, future development plans and strategies, the Company considers that it is more in line with the overall development objectives of the Group and the interests of the Shareholders as a whole to divest the existing photovoltaic business and to focus its major efforts and resources on the Group's advantageous businesses.

The Company has already had preliminary contacts with some potential buyers, and the potential buyers are conducting preliminary evaluation. It is expected that a firm intention to sell some of the completed photovoltaic projects will be reached in the near future. For the Group's photovoltaic projects under construction, as the national policy explicitly disallows the transfer of shareholdings or change of shareholders in new energy projects before their completion and grid connection, the Company will actively seek potential buyers during the construction period, aiming to complete the sale as soon as possible within a certain period after completion.

As at the Latest Practicable Date, the Group had three photovoltaic projects under construction, with a total installed capacity of 400 MW. Based on the project investment plan and funding schedules, the estimated total capital expenditure of approximately RMB1.6 billion (including 20% equity investment and 80% debt financing from financial institutions) will be further incurred to complete the constructions and operation of such projects. The Company expects that all these projects will be completed in 2025.

1.2 Non-competition Arrangements

1.2.1 The Existing NCA and the Letter of Undertakings

On 19 September 2010, the Company entered into the Existing NCA with HECIC, the controlling shareholder of the Company, pursuant to which, HECIC and its subsidiaries undertook not to participate in any business which is directly or indirectly compete with the principal businesses of the Group. Save for the adjustments as disclosed in sub-section 1.2.3 below, the principal terms of the Existing NCA and the New NCA are substantially the same.

Pursuant to the regulatory requirements for A share listing of the Company, HECIC issued the Letter of Undertakings on 10 March 2020, in which HECIC (i) confirmed the inclusion of both centralised photovoltaic and distributed photovoltaic power generation businesses within the scope of the Company's principal businesses; (ii) reaffirmed that HECIC and its holding companies will not engage in any business within or outside the PRC which constitutes or may constitute competition with the Group's principal businesses; and (iii) restated the arrangements in relation to the grant of new business opportunities and pre-emptive right to the Company.

1.2.2 The New NCA

The Company and HECIC entered into the New NCA on 30 October 2024, which will supersede the Existing NCA upon the approval by the Independent Shareholders, to align with the Group's development strategy adjustments and the latest industry development as disclosed in sub-sections 1.1.2 and 1.1.3 above, and to streamline the relevant instruments related to the non-competition arrangements between the Company and HECIC Group by merging the key terms of the Letter of Undertakings into the non-competition agreement, and to more reasonably define the rights and obligations of both parties.

As agreed under the New NCA:

(a) The scope of the non-competition shall be the principal businesses of the Group in any geographical area within or outside the PRC. The "principal businesses" are defined as the businesses in which the Group is principally engaged or intends to be engaged, including the clean energy-related businesses in relation to the wind power generation, nuclear power generation and the transmission and sale of natural gas.

(b) HECIC has irrevocably undertaken that during the term of the New NCA, it will not, and will also procure its subsidiaries (other than the Group) not to, in any geographical area within or outside the PRC, alone or with others, in any form, directly or indirectly, be engaged in, assist or support a third party to be engaged in or participate in any competing businesses.

However, the above restrictions do not apply in the following circumstances:

(i) HECIC and its subsidiaries (other than the Group) for the purposes of investment, acquiring or holding interests of not more than 10% in aggregate in a listed company which competes or is likely to compete with the Group in the principal businesses; or

(ii) HECIC or its subsidiaries (other than the Group), by virtue of the debt restructuring of a third party, holding interests of not more than 10% in aggregate in such third party which competes or is likely to compete with the Group in the principal businesses.

(c) HECIC has undertaken to grant options for new business opportunities to the Group:

(i) During the term of the agreement, if HECIC or its subsidiaries become aware of any new business opportunity which competes or is likely to compete, directly or indirectly, with the principal businesses of the Company, they shall immediately notify the Company in writing, provide the Company with all information relating to the new business opportunities and use their best endeavors to procure that the new business opportunities are first offered to the Group on reasonable and fair terms and conditions.

(ii) HECIC has undertaken that it shall use its best efforts to procure HECIC's Investee Companies[Note 4] other than its subsidiaries to offer to the Group as agreed above any business opportunity which directly or indirectly competes, or is likely to compete, with the principal businesses of the Group.

(iii) In respect of any of the new business opportunities HECIC may obtain that compete, or are likely to compete, directly or indirectly with the principal businesses (notwithstanding the Company deciding not to take up a new business opportunity in the first place pursuant to (a) above), HECIC has granted the Company the option, pursuant to relevant laws and regulations, to purchase any

Note 4: Under the Existing NCA and the New NCA, "HECIC's Investee Companies" refers to those entities in which HECIC (or its subsidiaries) holds or controls 30% or more of the non-controlling voting rights at shareholders' meetings, or a partnership in which HECIC (or its subsidiaries) is one of the partners, and the subsidiaries of such partnerships. It is expected that only the subsidiaries or partnerships of HECIC that are engaged in energy-related businesses will make investments in businesses similar to the Group's principal businesses. As of the Latest Practicable Date, HECIC has over ten investee companies in energy related industry that are directly invested by HECIC, including six companies in the coal-fired and/or thermal energy industry (among which three are listed companies), one company in the biomass power industry, one company in the pumped-storage hydroelectricity industry, and one company in the natural gas pipeline and transmission industry. In addition, HECIC has over 12 investee companies that are indirectly held by JEI, which are primarily engaged in coal-fired and/or thermal energy and new energy technology development.

equity interests, assets or other interests which form part of new businesses as described above. HECIC has further undertaken to procure its subsidiaries (other than the Group) to, at the Company's option, transfer any new business opportunities to the Company or to grant a right of operation of new businesses to the Company by means of entrusted management, leasing or contracting. The transfer price will be determined based on the evaluation by a qualified third party appraiser and according to the relevant laws.

(iv) The Company shall not exercise such option if a third party is entitled to a pre-emptive right pursuant to the relevant laws and Articles of Association. In this circumstance, HECIC and its subsidiaries shall use their best efforts to procure such third party to waive its pre-emptive right.

(d) HECIC has undertaken to grant the right of first refusal to the Group:

(i) If HECIC intends to transfer, sell, lease or license any new business opportunity which has been offered to, but has not been taken up by, the Company and has been retained by HECIC or any of its subsidiaries, which competes, or may lead to competition, directly or indirectly with the Group's principal businesses, the Group shall have the right of first refusal over these interests, which the Group may exercise any time as long as the New NCA remains effective.

(ii) HECIC or its subsidiaries shall notify the Company of its intended transfer, sale, lease or licence by written notice in advance. The selling notice shall attach the terms of the transfer, sale, lease or licence and any information that may be reasonably required by the Company to make a decision. The decision whether or not to accept the offer specified in the selling notice will be made by the independent non-executive Directors of the Company and a written reply shall be made to HECIC or its subsidiaries within 30 days after receiving the selling notice from HECIC or its subsidiaries. HECIC has undertaken that until it or any of its subsidiaries receives the reply from the Company, it shall not notify any third parties of the intention to transfer, sell, lease or license the business. If the Company decides not to exercise the right of first refusal or if the Company does not reply to HECIC or any of its subsidiaries within the agreed time period, HECIC or any of its subsidiaries will be entitled to transfer, sell, lease or license the business to a third party pursuant to the terms not better than those stipulated in the selling notice. HECIC has further undertaken to procure its subsidiaries and associates (other than the Group) to grant such right of first refusal to the Company.

(iii) HECIC has undertaken that it shall use its best efforts to procure HECIC's Investee Companies to provide the right of first refusal to the Group in accordance with the New NCA.

(e) Divested Business

(i) In order to further focus on its core principal businesses, to concentrate its resources on wind power and natural gas related businesses and to enhance its corporate strength and core competitiveness, the Group plans to dispose of or transfer the divested business, being the photovoltaic power generation business and assets wholly-owned or controlled by the Group as at the date of the New NCA, but excluding the Company's non-controlling investee companies, which are engaged in photovoltaic power generation, and their photovoltaic power generation businesses and assets.

As of the Latest Practicable Date, the Company has invested in Chengde Dayuan, a joint venture established by the Company and Fengning Manchu Autonomous Region Dayuan State-owned Holding Group Co., Ltd., an independent third party. The Company holds 49% equity interests in Chengde Dayuan without the right of control. Chengde Dayuan operates two photovoltaic projects, the Fengning Luanbei Parity Photovoltaic Project and Fengning Ximaqun Parity Photovoltaic Project, with a total installed capacity of 170 MW. In addition to the photovoltaic projects, Chengde Dayuan also operates a 112.5 MW wind power project. Fengning County is an important base for the Group's wind power projects, with the Group holding and operating wind power installations with a capacity of 841.95 MW in this area. The Company will retain its shares in Chengde Dayuan to maintain a good cooperative relationship with the local government, which may facilitate help the Company in securing more wind power business investment opportunities in Fengning region.

As HECIC Group does not have any power generation business or new energy business in Fengning region, the Company does not envisage any competition between the Group and HECIC Group arising due to the maintenance of these projects in Fengning region.

(ii) In principle, the Company will endeavor to dispose of or transfer the divested business to independent third parties. However, if the Group fails to complete the disposal or transfer of all of the divested business by 31 December 2029 due to market conditions or reasons beyond the Company's control, HECIC undertakes that it shall acquire or procure its subsidiaries or HECIC's Investee

Companies to acquire the remaining divested business, and the transfer price shall be based on the appraised value made by a third party professional appraiser jointly appointed by both parties after valuation, in accordance with the manner and procedures stipulated in the then applicable laws and regulations and the listing rules and relevant regulatory requirements of the place where the shares of the Company are listed, through negotiation between both parties.

The Company expects that it will take at least four to five years to complete the disposal of the divested business, by taking into account the following factors:

a) The Company will prioritise selling photovoltaic projects in operation, followed by those under construction, which are expected to be completed in 2025. For projects under construction, it may take up to 12 months to reach a transferable status. During this period, the Group needs to obtain operational licenses, conduct trial operations, and collect preliminary operational data for the projects to be disposed of before the Company commence negotiations with potential buyers.

b) Typically, it will take at least 24 months to undergo the procedures for disposal, from solicitation of suitable buyers to completion of the disposal, including solicitation of suitable buyers, project negotiation and due diligence, obtaining internal corporate approvals and approvals by state-owned asset supervision, conducting audits and evaluations, completing the filing of state-owned asset evaluation results, fulfilling the listing for sale procedures in the property rights exchange market, and completing the filing procedures in relation to the assets / equity interest transfer with competent authorities such as the State Administration for Market Regulation and national and local tax bureaux.

c) Currently, most of the target potential buyers are state-owned enterprises. These state-owned enterprises require strict internal approval and decision-making processes for acquisitions, which may take a considerable amount of time.

As of the Latest Practicable Date, the Group has not entered into any agreement with HECIC in relation to the disposal of the divested business. The Company will comply with the requirements under Chapters 14 and 14A of the Listing Rules should any thresholds be triggered.

(iii) For the avoidance of doubt, the Company and its subsidiaries may continue to hold shareholding in the Company's non-controlling investee companies if it is necessary to continue to operate such non-controlling investee companies which are engaged in photovoltaic power generation and their related project assets for any reason which the Company considers reasonable. In particular, the Group may engage in joint ventures with local governments or third parties in regions with abundant wind resources or potential for natural gas growth. This is to meet the needs of local governments to increase fiscal revenue or the cooperation needs of third parties. These activities are conducted when they are beneficial for the Group to secure investment opportunities in wind power and natural gas businesses. Subsequently, the Group may gradually transfer such photovoltaic power generation investment to local governments or third parties as and when appropriate and subject to the terms of cooperation.

(f) The New NCA shall be concluded upon signing by both parties and shall become effective upon approval by the Board, the independent non-executive Directors and Independent Shareholders of the Company. At that time, the Existing NCA and the Letter of Undertakings shall be automatically invalidated.

(g) The New NCA will remain in full force and be terminated upon the earlier of: (i) HECIC and its subsidiaries, directly or indirectly, holding less than 30% of the Company's total share capital; (ii) or the Company's H Shares no longer being listed on the Shanghai Stock Exchange, the Hong Kong Stock Exchange or other internationally recognised stock exchanges.

1.2.3 Major Adjustments to the Existing NCA under the New NCA

The New NCA is drafted based on the Existing NCA with adjustments to take into account the actual situation of both parties and the latest developments, which mainly include:

(a) Adjustments and supplements to the agreement content based on the Company's business strategy adjustments

The Company has decided to further focus on its core principal businesses in the future and concentrate its resources on wind power generation and natural gas related businesses. Except for the necessary retained equity in non-controlling investee companies for strategic business development as disclosed in sub-section 1.2.2(e) above, the Company has no plan to independently invest in or develop photovoltaic power generation projects in the future. Therefore, the Company plans to dispose of or transfer the existing photovoltaic business. In order to establish a clearer business development positioning and to identify the Group's core businesses and capabilities to the market and investors, both parties have agreed to make the following adjustments to the New NCA:

(i) Amend the definitions to remove photovoltaic power generation from the scope of "principal businesses". The amended scope of principal businesses of the Company include clean energy-related businesses in relation to the wind power generation, nuclear power generation and the transmission and sale of natural gas.

For the avoidance of doubt, the Company has not been engaged in any nuclear business since its incorporation, nor does it possess the licenses or qualifications for nuclear power generation, although it included nuclear energy as part of its business scope at the outset. As a form of clean energy, nuclear power plants offer high energy density and stable, efficient generation. Nuclear power has strong generation capacity and dispatch flexibility, providing significant support to the end of the Hebei grid and complementing wind power to meet peak shaving needs. While HECIC Group has not been engaged in any nuclear business, the Company does not rule out the possibility of developing nuclear power in the future. In particular, as nuclear technology advances and safety and economic efficiency improve, the Company may expand into new business areas in the future to create new profit growth opportunities for Shareholders. Thus, the Company retains its nuclear power generation business in the scope of principal business under the New NCA.

(ii) Add the relevant provisions on the arrangement regarding the divested business, as detailed in sub-section 1.2.2(e) above.

(b) Adjustments to the agreement content based on changes in the actual circumstances of both parties

Given that the Existing NCA was signed in 2010, almost 14 years have passed. There have been significant changes in the business development of the Group and HECIC as follows:

(i) The Company held a small amount of waste-to-energy and biomass power generation business at the time of the listing of its H Shares in 2010, but the sale and transfer of such businesses was already completed by 2015 and the Company does not have any plan to enter into the relevant industry sectors in the future.

(ii) At the time of the listing of its H Shares, the Company and the HECIC Group jointly invested in Yanshan Guyuan with shareholding of 75% and 25%, respectively. Subsequent to the Company's acquisition of Yanshan Guyuan and the capital increase underwent by Yanshan Guyuan, the existing shareholding of the Company in Yanshan Guyuan is 94.43%, with HECIC holding only 5.57%. As the shareholding of HECIC is less than 10%, it falls into a situation where HECIC can make investment under the Existing NCA. Given that Yanshan Guyuan is a holding subsidiary of the Group, it does not raise concern of any competition.

(iii) The Company successfully completed its A-share IPO and listing in 2020, and HECIC, as its controlling shareholder, has also issued the Letter of Undertakings for the purpose of the A-share listing and offering and in compliance with the regulatory requirements, where HECIC unilaterally undertook to ensure compliance with the Undertakings on Non-Competition by itself and all of its subsidiaries.

In light of the above changes in circumstances, both parties have agreed to make the following adjustments to the arrangements under the New NCA:

(i) Delete the relevant provisions regarding the "retained businesses" (i.e. waste-to-energy and biomass power generation businesses and Yanshan Guyuan), and remove references to the "retained businesses" and HECIC's undertakings on the obligations of good stewardship from the provisions of the HECIC's undertakings, the new business opportunities and options, and the right of first refusal.

(ii) Adjust the description and scope of "subsidiary(ies)" and related definitions to include JEI and its subsidiaries into the scope of subsidiaries of HECIC.

(iii) Considering that the New NCA must be approved by the Board, the independent non-executive Directors and the Independent Shareholders of the Company before taking effect, add provisions regarding the conditions precedent for the effectiveness of the New NCA, as detailed above.

Please see detailed comparison between the Existing NCA and the New NCA in Appendix I to this circular.

Save for the above adjustments, the principal terms of the two agreements are substantially the same. If the conditions for the effectiveness of the New NCA are not satisfied, the Company and HECIC will continue to perform according to the Existing NCA and the Letter of Undertakings.

1.2.4 Reasons for and Benefits of Entering into the New NCA

(a) Adjustments to the business development strategies and the principal businesses

In line with the national goals of achieving carbon peak and carbon neutrality, the 2024 National Energy Work Conference explicitly proposed the "dual carbon" target, aiming for an additional 200 GW of wind and photovoltaic power installations. This initiative aims to significantly enhance the safe and reliable substitution of new energy sources and accelerate the transition to green and low-carbon energy. Onshore new energy bases, offshore wind power and decentralised wind power will release a huge increment. Pumped storage, new energy storage and gas-fired power plants will play a greater supporting role. The hydrogen energy industry will embrace significant development opportunities. The proportion of natural gas consumption will continue to increase. LNG terminals and underground gas storage depots will become important means of gas storage and peak shaving.

Since its establishment, the Company has invested most of its resources in the wind power generation and natural gas businesses. With the continuous growth in the business scale, the Company has maintained its position as a leading clean energy company in Northern China. The Company's principal businesses of new energy and natural gas are highly in line with the keynote of the national energy development and the national policy direction. In the future, the Company will continue to focus on wind power generation and natural gas related businesses, focus on the construction of a new energy system and the improvement of the natural gas industry chain, and increase efforts in the layout of projects in the areas of onshore wind power, offshore wind power and natural gas resource supply, infrastructure construction and downstream market expansion. With innovation and enhancement as support, the Company will actively lead the transformation and upgrading of the industry, driving the diversification and better synergistic development of the two main business segments of new energy and natural gas, thereby creating a green power provider and natural gas integrated service provider. In order to achieve this objective and bear the responsibility to the Shareholders, the Company, after careful consideration, will no longer invest resources in the photovoltaic business in the future and plans to dispose of its existing photovoltaic power generation business and related assets.

(b) Adjustment of National Energy Policy

In May 2022, the General Office of the State Council issued the "Notice on Forwarding the Implementation Plan for Promoting High-Quality Development of New Energy in the New Era by the National Development and Reform Commission and the National Energy Administration" (Guobanhan [2022] No. 39)(《轉發國家發展改革委、國家能源局 <關於促進新時

代新能源高質量發展實施方案> 的通知》(國辦函 [2022] 39號)), which requires promoting the optimised combination of coal and new energy, and encourages coal power enterprises to engage in substantial joint ventures with new energy enterprises.

In September 2023, the Standing Committee of the Hebei Provincial People's Congress promulgated the "Hebei Province New Energy Development Promotion Regulations" (Announcement No. 13 of the Standing Committee of the 14th Hebei Provincial People's Congress) (《河北省新能源發展促進條例》(河北省第十四屆人民代表大會常務委員會公告第13號)), Article 28 of which stipulates: "traditional energy enterprises such as oil and gas, and coal are encouraged to legally and compliantly utilise their own mining rights, land, and other resources to strengthen the development and utilisation of new energy such as solar energy, wind energy, and geothermal energy, promote the integration of new energy and traditional energy, and advance the substitution of production energy use."

After strategically adjusting its principal business, the Company will concentrate resources, funds, and manpower on developing advantageous businesses such as wind power and natural gas. According to the latest policies and regulations mentioned above, the optimised combination and joint operation of traditional coal power and new energy is the future trend for the integration and development of traditional and new energy. Without affecting the interests of the Company, HECIC Group may carry out photovoltaic business. This move is essentially in active cooperation with the implementation of national and Hebei Province's high-quality development policies for new energy in the new era, helping HECIC Group better utilise the latest industrial policies. On one hand, it is beneficial for acquiring new photovoltaic business opportunities, which helps HECIC Group expand its business scale and further supports the long-term positive development of the Company; on the other hand, it is advantageous for the Company to gain new wind power business opportunities through cooperation with HECIC, thereby further enhancing the Company's strength and core competitiveness.

(c) Joint development with HECIC Group

As at the end of 2023, the national electricity installed capacity amounted to 2.92 billion kW, among which the total renewable energy installed capacity reached 1.45 billion kW, including 420 million kW of hydropower, 56.91 million kW of nuclear power, 440 million kW of wind power and 610 million kW of photovoltaic power. The installed capacity of thermal power amounted to 1.39 billion kW, and for the first time, the installed capacity of non-fossil energy power generation exceeded that of thermal power generation. As of the end of 2023, Hebei Province had 31.41 million kW of installed wind power, 54.16 million kW of installed photovoltaic power and 49.73 million kW of installed thermal power. The Company had a wind power consolidated installed capacity of 6.29 million kW and an installed capacity under management of 6.55 million kW. Its installed capacity accounted for 1.38% of the national capacity, ranking the 12th nationwide and 2nd in Hebei Province. The Company's main competitors in the country and Hebei Province are those third-party state-owned power generation groups at central governmental level, provincial energy enterprises and private enterprises, which leverage their centralised enterprises, provincial state-owned enterprises, wind power manufacturing industry and other advantages, and consolidate the whole group's strengths to continue to develop the wind power market. The Company is of the view that in the face of fierce competition in the new energy market, in addition to the Group's own continuous development to enhance its competitiveness and market share in the industry, it can also rely on the infrastructure and investment and financing platform of HECIC to fully leverage its synergies and help accelerate its development and stabilise its market position.

HECIC is a state-owned capital operation organisation and investment entity under the supervision and management of the Hebei SASAC, which is a financing operating platform, infrastructure construction platform and investment and financing platform for the Hebei Provincial Government to aggregate, finance and guide social and financial capital and support the economic development of Hebei Province. Over the years, HECIC has invested in the construction of a number of significant projects in Hebei Province, including power generation, railways, ports, highways, natural gas pipelines, water management, and has gradually formed a business segment focusing on energy, transportation, water supply, urbanisation and other infrastructure and strategic emerging industries, while HECIC is also involved in infrastructure construction, financial services, mineral development and other industrial investment areas. With the power of HECIC's state-owned investment platform, the Group can strengthen its collaboration with the thermal power, water supply, transportation and urbanization sectors, fully leveraging the important support and facilitating role of infrastructure construction in local development, and adopt the mode of cooperation and development to jointly promote the development of the new energy sector and the rapid layout of the Group's industries.

HECIC has abundant project resources in various areas and strong financial capabilities. It has been continuously investing resources in developing energy projects, thereby consistently increasing its high-quality reserve resources. HECIC has provided various new business opportunities to the Group pursuant to the Existing NCA, and closely collaborates with it to actively expand its business landscape. With the development of new energy technology and the optimisation and updating of industry business models, if suitable opportunities arise in the future, the Group can collaborate with HECIC Group to jointly develop comprehensive energy projects such as wind-photovoltaic hybrid, photovoltaic thermal power generation, or new energy storage, further enhancing its business scale and competitiveness. Without any breach of the New NCA, the cooperation model between both parties will be determined based on the characteristics and development needs of future new projects. This includes, but is not limited to, establishing joint ventures, joint bidding, or operation management by the Group. As of the Latest Practicable Date, the Group and HECIC have no plans or ongoing projects for jointly investing in comprehensive energy projects.

(d) Removal of contractual restrictions on HECIC to take over the divested business

The Group will gradually dispose of or transfer the divested business. Although the Company will endeavor to dispose of or transfer the business to a third party, the Company cannot exclude the possibility that HECIC Group may become a counterparty to the transaction. In addition, as agreed in the New NCA, if the Group fails to complete the disposal or transfer of all of the divested business by 31 December 2029 due to market conditions or reasons beyond the Company's control, HECIC undertakes to acquire or procure its subsidiaries or HECIC's Investee Companies to acquire the remaining divested business.

Under the Existing NCA, the photovoltaic power generation business is one of the principal businesses of the Company and HECIC is restricted from being engaged in the business of photovoltaic power development either directly or indirectly. The entering into of the New NCA will remove the contractual restrictions for HECIC to undertake the divested business, which is more in line with the commercial interests of the Company.

The Directors (other than the independent non-executive Directors) consider that although the New NCA is not entered into in the ordinary and usual course of business of the Group, the terms of the New NCA are fair and reasonable, in the interests of the Company and its Shareholders as a whole and on normal commercial terms.

1.2.5 Delineation of Energy Business with HECIC

After adjusting its business development strategies, the Company will focus its resources on fully developing its wind power generation and natural gas businesses. The energy segments of HECIC Group primarily include coal-fired power generation, biomass power generation, and pumped-storage hydroelectricity. It directly invests in six coal-fired enterprises with minority shareholdings and controls JEI, an A-share listed company of which coal-fired power generation is a key business segment. HECIC also holds non-controlling interests in one company in the biomass power industry, one in the pumped-storage hydroelectricity industry, and one in the natural gas pipeline and transmission industry. It is anticipated that HECIC will further expand its business in photovoltaic power generation, through JEI and/or other companies within the HECIC Group, subject to the signing and approval of the New NCA by the Shareholders. In the actual business development, there are considerable differences of wind power from thermal power and various forms of clean energies. The Company is of the view that such energy businesses do not constitute peer competition for the following reasons:

(a) *Differences between the wind power business and the coal-fired power generation business*

After the Company was established, HECIC injected its wind power and natural gas assets and businesses into the Company. Meanwhile, the related coal-fired power enterprises were already controlled by JEI through holding or entrusted management before the Company's establishment. The Company is in possession of substantially all operating facilities and technology relating to its principal businesses. It has the independent right to make operational decisions and implement such decisions. It has independent access to customers and suppliers and is not dependent on HECIC with respect to customers and suppliers for its operations. The Company has sufficient capital, equipment and employees to operate its business independently from HECIC.

Wind power generation primarily uses natural wind energy, while coal-fired power generation primarily uses coal. The difference in raw materials leads to significant differences in site selection considerations, site area, equipment type, main technology, and personnel between wind farms and thermal power plants.

(i) Equipment, Technology, and Personnel

Due to the different technology of wind and thermal power generation, the key equipment of wind power generation includes wind turbines, towers, blades, gearboxes, generators and control systems, etc., with a focus on professionals in electrical and wind turbine operation and maintenance. The coal-fired power business needs equipment of boilers, steam turbines, generators, and electrical supporting equipment, with a need for professionals in thermal power, boilers, and related management.

(ii) Project Planning and Site Selection

Wind power plants must be built in areas with relatively abundant wind resources, while coal-fired plant's site selection requires comprehensive consideration of raw material transportation and power output to reduce fuel procurement or power output costs.

(iii) Procurement and sales channels

In terms of the procurement and sales channels, wind power business utilises wind energy, a natural resource, for power generation, requiring no procurement. The main procurement involves wind turbine equipment and engineering construction, with suppliers primarily being wind turbine manufacturers and construction companies. For coal-fired power business, coal is the key raw materials supplied by coal sales companies. There is no overlapping on procurement channels and main suppliers between these two businesses.

(iv) Sales of electricity and major customers

In terms of sales of electricity and major customers, due to the unique nature of electricity products, the major customers of the Company and JEI within Hebei Province are the State Grid Hebei Electric Power Co., Ltd. and the State Grid Jibei Electric Power Co., Ltd.

However, the on-grid electricity volume and tariffs are strictly regulated by the government, and power generation enterprises cannot decide on their own. In Hebei Province, the Hebei Provincial Development and Reform Commission allocates on-grid electricity volume based on supply and demand, power source structure, and other factors. As such, neither the Company nor HECIC Group can decide or influence the on-grid tariffs of their respective power generation stations.

In addition, according to the Renewable Energy Law, the Management Measures for Full Guaranteed Purchase of Renewable Energy Power Generation (《可再生能源發電全額保障性收購管理辦法》), and other relevant laws, regulations, and normative documents, the wind power industry is a key renewable energy industry supported by the State, with a current policy of full guaranteed purchase, which requires grid companies (including power dispatch agencies) to purchase the entire grid-connected electricity output of renewable energy generation projects within the planned scope based on the benchmark on-grid price set by the competent authority and the guaranteed purchase utilisation hours. Additionally, according to the Several Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening the Reform of the Electric Power System (Zhongfa [2015] No. 9) (《中共中央、國務院關於進一步深化電力體制改革的若干意見》(中發[2015]9號)), the Notice of the National Development and Reform Commission and the National Energy Administration on Issuing Supporting Documents for the Reform of the Electric Power System (Fagai Jingtai [2015] No. 2752) (《國家發展改革委、國家能源局關於印發電力體制改革配套文件的通知》(發改經體[2015]2752號)), and the Notice of the National Development and Reform Commission on Issuing the Management Measures for Full Guaranteed Purchase of Renewable Energy Power Generation (Fagai Nengyuan [2016] No. 625) (《國家發展改革委關於印發可再生能源發電全額保障性收購管理辦法的通知》(發改能源[2016]625號)), the priority is given to energy conservation, emission reduction, and clean energy grid connection. Under the premise of ensuring power supply safety, priority is given to the grid connection of planned wind power, photovoltaic power, and other clean energy power generation, promoting full and maximum clean energy generation. Therefore, the dispatch order of wind power is prioritised over coal-fired power with the benefit of such priority guaranteed purchase policies.

(b) Differences between wind power business and photovoltaic power generation business

(i) Belonging to Different Sub-sectors with Significant Differences in Technology, Equipment, and Site Selection Between Wind Power and Photovoltaic Power Generation

Wind power generation relies on wind power to drive turbines, and the core technologies include the design, manufacturing and control technologies of wind turbines. Photovoltaic power generation uses solar cells to convert sunlight directly into electrical energy, and the core technologies include the manufacturing technology of solar cells, the integration technology of photovoltaic systems and inverter technology.

The main equipment of wind power generation includes wind turbines, towers, blades, gearboxes, generators and control systems, etc. The main equipment of photovoltaic power generation includes solar panels (modules), inverters, controllers, batteries (for off-grid systems) and power distribution systems.

Site selection for wind power generation typically considers factors such as wind speed, wind direction, topography, climatic conditions and environmental impacts, etc., whereas site selection for photovoltaic power generation mainly considers factors such as sunshine duration, intensity of solar radiation, land costs and conditions for grid connection.

(ii) Wind power and photovoltaic power generation do not constitute competition by law

Pursuant to the Electric Power Law of the People's Republic of China (as amended on 29 December 2018), electricity tariffs are subject to unified policies, unified pricing principles, and hierarchical management. Grid operation is subject to unified dispatch and hierarchical management, and no entity or individual may illegally interfere with grid dispatch. Therefore, the Company cannot influence the pricing principles and grid dispatch.

According to Article 14 of the Renewable Energy Law, grid companies shall sign grid connection agreements with renewable energy power generation enterprises that are constructed according to renewable energy development and utilisation plans, have legally obtained administrative permits or filed for record, and purchase all the on-grid electricity generated from grid-connected renewable energy projects within their coverage area that meet the grid-connection technical standards. The Measures for Regulating the Guaranteed Full Purchase of Renewable Electricity (《全額保障性收購可再生能源電量監管辦法》) stipulate that renewable energy power generation projects that meet development and utilisation plans, have legally obtained permits or filed for record, and meet the grid-connection technical standards shall be included in the scope of full guaranteed purchase. Grid companies shall organise relevant members of the power market to ensure the consumption of guaranteed purchase of electricity from renewable energy power generation projects.

According to the above provisions, wind power and photovoltaic power generation projects should have their guaranteed purchased electricity fully consumed. Even in some regions where there are restrictions on power generation due to insufficient power demand and limited grid transmission capacity, the on-grid electricity from photovoltaic power and wind power generation are adjusted separately by the local grid company according to a unified principle and by type of power, and power generation enterprises have no right to interfere. Therefore, wind power and photovoltaic power generation do not constitute a competitive relationship.

(iii) Wind power and photovoltaic power generation do not constitute competition under market-based electricity trading

With the deepening of market-based electricity trading, thermal power, hydropower, nuclear power, wind power, photovoltaic power and biomass power are all participating in market-based trading in accordance with the rules and requirements of the local power grid. Under the current market-based trading system rules, power generation companies quote prices based on their own costs. Since wind and photovoltaic power have zero variable costs, their marginal costs are also zero, these companies generally bid at zero price. According to the trading rules, the grid purchases in order from the lowest to the highest price until the demand for electricity in that period is met. The final transaction price is set at the highest bid price for all electricity in that time slot. Therefore, by participating in market trading with zero bids, wind and photovoltaic power generation companies can maximise electricity sales and achieve maximum profit at the highest transaction price. To ensure market stability and basic revenue for power generation, grid companies will dispatch differently based on the characteristics of the power generation side. Since photovoltaic power only generates during the day and has a large capacity at grid parity, it is prioritised in dispatch. Wind power can generate 24 hours a day, typically with higher wind speeds at night and early morning, creating a time difference with photovoltaic power generation. Therefore, in grid dispatch, wind and photovoltaic power do not compete with each other.

(iv) Partial overlap in customers, but no competitive relationship

There is a partial overlap in customers for wind and photovoltaic power, as both serve local grid companies. This is due to the unique nature of electricity products, which differ from other products. According to the Electricity Law of the PRC and other regulations, power supply enterprises provide electricity to users within their approved service areas. The division of service areas should consider factors such as grid structure and supply rationality. Only one grid company is established within a service area. Electricity dispatch is arranged by regional grid companies, which issue dispatch instructions to power generation enterprises based on the real-time operation and needs of the power system. Common dispatch instructions include phased power rationing, line maintenance shutdowns, and rectification of power quality anomalies. By optimising grid operation strategies and strengthening unified grid dispatch, the grid companies aim to ensure safe grid operation while promoting the integration of more clean energy. The power dispatch strategies of grid companies do not differentiate between different types of new energy, such as wind and photovoltaic power. HECIC cannot influence the grid companies' electricity sales to end users.

Given the small scale of the Company's photovoltaic power generation business, it is not considered to have any material adverse impact on the Company's operations, despite HECIC's involvement in photovoltaic power generation.

(c) Differences between wind power and biomass power generation and pumped-storage hydroelectricity

While all of wind power, biomass power generation and pumped-storage hydroelectricity contribute to renewable energy, their differences in procurement, technology and facility requirements highlight the diverse strategies needed to harness and store energy effectively.

Biomass power generation operates on a business model that leverages organic materials to generate electricity and heat. It shares more similarities with thermal power generation, as both rely on the combustion of fuel to convert energy forms. Biomass facilities require a steady supply of organic materials, specialised combustion technology, and are often located near biomass sources to reduce transportation costs. Unlike wind power generation, which harnesses kinetic energy from the wind, biomass power generation involves significant differences in procurement, suppliers, equipment, technology, personnel, and site selection. Biomass power generation requires the procurement of organic materials such as wood, agricultural residues, or waste, often sourced from local suppliers or agricultural sector, and is therefore, typically located near sources of biomass to minimise transportation costs. Its key involves boilers, gasifiers, and combustion systems to convert organic materials into energy, with the technology focuses on efficient combustion and emissions control. Biomass power generation requires expertise in chemical engineering, combustion technology, and waste management, as well as personnel to handle and process the biomass feedstock. While it is considered more sustainable than fossil fuels, the combustion of biomass releases carbon dioxide and other pollutants into the atmosphere, although if managed sustainably, the carbon released can be offset by the carbon absorbed during the growth of the biomass, potentially making it carbon-neutral. Nonetheless, emissions from biomass combustion still impact air quality.

Pumped-storage hydroelectricity functions as both an energy generation and storage solution, capitalising on the gravitational potential energy of water. Its primary function is peak load regulation. It is currently the most mature and economically viable large-scale energy storage method. It uses water as a storage medium, pumping it to an upper reservoir during low electricity demand and releasing it to generate power during peak demand. This process transforms excess low-value energy into high-value energy during peak periods. This technology focuses on hydraulic engineering and energy storage. It requires specific geographical features, such as suitable elevation differences and water availability, often in mountainous regions. Unlike wind power, which is intermittent and variable, pumped-storage provides rapid and stable frequency and voltage regulation for the grid. Its ability to flexibly adjust and support the integration of variable renewable energy sources like wind and solar makes it an effective tool for alleviating grid balancing pressures. Pumped-storage hydroelectricity involves procuring turbines, pumps, and reservoir construction materials, often from specialised suppliers in the hydroelectric industry. It requires civil engineers, hydrologists, and specialists in hydraulic systems.

As with other power generation businesses, grid operation is subject to unified dispatch and hierarchical management, and no entity or individual may illegally interfere with grid dispatch. Therefore, neither the Group nor any other power generation entity can influence the pricing principles and grid dispatch. Consequently, wind power generation, biomass power generation, and pumped-storage hydroelectricity do not constitute a competitive relationship.

(d) HECIC's Investment in natural gas pipeline after consultation with the Group

HECIC holds a 50% equity interest in National Pipeline Group Hebei Construction Investment Natural Gas Co., Ltd.* (國家網管集團河北建投天然氣有限公司). This company currently operates the Ordos-Anping-Cangzhou Gas Pipeline, which is a national-level natural gas transmission pipeline and a major energy initiative under China's 13th Five-Year Plan, designed to enhance the transportation and distribution of natural gas. The project features one main line and five branch lines, spanning a total length of 2,293 kilometers. It boasts an annual design capacity of 30 billion cubic meters and a maximum daily throughput of 90.9 million cubic meters. Starting in Shenmu, Shaanxi, the pipeline extends east to Cangzhou, Hebei, south to Puyang, Henan, and north to the Xiong'an New Area in Hebei, passing through Inner Mongolia, Shaanxi, Shanxi, Hebei, and Henan.

HECIC does not have the right to decide on the operation of the aforementioned equity project, as the investment is primarily for obtaining investment returns. The Group mainly engages in midstream distribution of natural gas and retail business to end customers within Hebei Province. Therefore, the Company believes that there is no substantial competition between them. Additionally, HECIC consulted the Company about this project opportunity in 2013. Considering the large investment scale and long cycle of the project, which did not align with the Group's development plan, the Company decided to forgo this project opportunity.

1.2.6 Measures to Safeguard the Implementation of the New NCA

To ensure and procure HECIC's compliance with the New NCA, HECIC has further undertaken to the Company in the agreement that:

(a) upon the request by the Company's independent non-executive Directors, HECIC will provide all necessary information for the independent non-executive Directors to review HECIC's compliance with and implementation of the New NCA annually;

(b) HECIC will provide the Company with all necessary information regarding its compliance with and implementation of the New NCA for disclosure by the Company in its annual report or other announcements the decisions made by the independent non-executive Directors; and

(c) HECIC will provide an annual confirmation statement to the Company for the purpose of the Company's disclosure on HECIC's compliance with the New NCA in the annual report.

In addition, the Company has implemented the following measures:

(a) the independent non-executive Directors shall review HECIC's performance of the New NCA at least once a year;

(b) the Company will disclose the results of the independent non-executive Directors' review on the compliance with and implementation of the New NCA and any decision made by the independent non-executive Directors regarding the new business opportunities and the exercise or non-exercise of the options or the right of first refusal pursuant to the New NCA in the annual reports or announcements of the Company in accordance with applicable laws, rules and regulations (including the Listing Rules); and

(c) any Directors and/or their respective associates who have a material interest in any matter relating to the compliance with and implementation of the New NCA discussed by the Board shall not vote on the resolution of the Board approving such matter and shall not be counted in the quorum for such vote.

1.2.7 Implications under the Listing Rules

HECIC is the controlling shareholder of the Company holding 48.95% equity interest of the Company, and is therefore a connected person of the Company. Entering into the New NCA and the transaction contemplated thereunder constitute a connected transaction of the Group under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Mr. Wang Tao and Mr. Mei Chun Xiao abstained from voting on the resolutions of the Board approving the New NCA and the connected transaction contemplated thereunder. Save for the above, none of the Directors has a material interest in the transaction and, therefore, no other Director is required to abstain from voting on the relevant resolutions of the Board.

1.2.8 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 utilisation 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 Hebei SASAC. It primarily engages in the investment and construction of fundamental industries, infrastructure, and key provincial industries, including energy, transportation, water services, and commercial real estate.

2. RESOLUTION ON THE ELECTION OF MS. ZHANG XU LEI AS A NON-EXECUTIVE DIRECTOR OF THE FIFTH SESSION OF THE BOARD

The Board passed a resolution at the Board meeting convened on 30 October 2024 to nominate Ms. Zhang Xu Lei as a non-executive Director of the fifth session of the Board. The biographical details of Ms. Zhang Xu Lei are set out below:

Ms. Zhang Xu Lei (張旭蕾), aged 45, is currently the general manager of the Financial Management Department of HECIC. She obtained a doctoral degree in financial management from Southwestern University of Finance and Economics (西南財經大學) and is a senior accountant. Ms. Zhang has served as the deputy general manager of the Financial Management Department of HECIC, the chief accountant of HECIC Xiongan Construction Development Co., Ltd.* (河北建投雄安建設開發有限公司) and the deputy general manager of HECIC Investment Fund* (河北建發投資基金).

Subject to the approval by the Shareholders of the Company of her appointment, the Company will enter into a service contract with Ms. Zhang Xu Lei and her term of office shall be effective from the date of the general meeting at which a resolution is passed to approve the election of Ms. Zhang as a non-executive Director, and end on the expiry of the term of the fifth session of the Board. Ms. Zhang Xu Lei is eligible for re-election upon expiry of her term according to the Articles of Association. As a non-executive Director of the Company, Ms. Zhang Xu Lei will not receive any Director's fee or remuneration from the Company.

To the best of knowledge of the Directors of the Company and save as disclosed above, Ms. Zhang Xu Lei did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; nor does she have any relationship with any Director, Supervisor, senior management or substantial or controlling shareholder (as defined in the Listing Rules) of the Company or hold other position in the Company or any of its subsidiaries. As at the Latest Practicable Date, Ms. Zhang Xu Lei does not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointment of Ms. Zhang Xu Lei that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

The Board believes that Ms. Zhang Xu Lei has extensive experience in financial management and her professional knowledge and relevant management experience are conducive to the enhancement of the performance ability of Board members in financial management and other aspects; and also contribute to achieving gender diversity on the Board.

3. THE EGM

The business to be considered at the EGM is described in the notice of EGM. 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 5 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.

4. 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 to demand a poll in relation to the proposed resolutions at the EGM.

In view of HECIC's interests in the transaction under the New NCA and the transaction contemplated thereunder, 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 New NCA and the transaction contemplated thereunder.

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 resolutions to be proposed at EGM which is required to abstain from voting at the EGM.

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.

5. RECOMMENDATIONS

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the New NCA and the transaction contemplated thereunder. 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 New NCA 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 New NCA and the transaction contemplated thereunder.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 39 to 40 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the New NCA and the transaction contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out on pages 41 to 55 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 New NCA and the transaction contemplated thereunder.

The Board also considers that the resolution in relation to the appointment of Ms. Zhang Xu Lei as a non-executive Director is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of this resolution at the EGM.

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

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)

14 November 2024

To the Independent Shareholders:

Dear Sir or Madam,

ADJUSTMENTS TO BUSINESS DEVELOPMENT STRATEGIES AND NON-COMPETITION ARRANGEMENTS

We refer to the circular dated 14 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 New NCA and the transaction contemplated thereunder 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 New NCA and the transaction contemplated thereunder are contained in the letter from the Board set out on pages 5 to 38 in the Circular.

We have also discussed with the management of the Company regarding the terms of the New NCA.

Having considered (i) the terms of the New NCA, (ii) the discussions with the management of the Company about the background and nature of the New NCA, (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 New NCA 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*

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the New NCA and the transaction contemplated thereunder.

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

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 Transaction for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

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

14 November 2024

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

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE AMENDMENT OF THE NON-COMPETITION AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of New NCA and the transactions contemplated thereunder (the "**Transaction**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 14 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, on 19 September 2010, the Company entered into the Existing NCA with HECIC, the controlling shareholder of the Company, pursuant to which, HECIC and its subsidiaries undertook not to participate in any business which is directly or indirectly compete with the principal businesses of the Group. Pursuant to the regulatory requirements for A share listing of the Company, HECIC issued the Controlling Shareholder's Undertakings on 10 March 2020 to confirm the inclusion of both centralized photovoltaic and distributed photovoltaic power generation businesses within the scope of the Company's principal businesses, and to reaffirm that HECIC and its holding companies will not engage in any business within or outside the PRC which constitutes or may constitute competition with the Group's principal businesses, and also restate the arrangements in relation to the grant of new business opportunities and pre-emptive right to the Company.

Pursuant to the adjustments to the Group's development strategies and the latest industry development, and to streamline the relevant instruments related to the non-competition arrangements between the Company and HECIC, the Company and HECIC entered into the New NCA on 30 October 2024 to more reasonably define the rights and obligations of both parties and to replace the Existing NCA and the Controlling Shareholder's Undertakings.

With reference to the Board Letter, the Transaction constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Guo Ying Jun, Mr. Chan Yik Pun and Dr. Lin Tao (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and is 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 Transaction 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 Transaction, Gram Capital was also 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) discloseable and connected transaction, details of which are set out in the Company's announcement dated 30 October 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 Transaction.

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.

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 Transaction. 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 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 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, HECIC or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. 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.

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 Transaction, 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, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas; (ii) investment in the exploration of new energy projects such as wind power and solar power; 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
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
	(unaudited)	*(unaudited)*		*(audited)*	*(audited)*	
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)*
– Wind power generation	*3,169,129*	*3,331,578*	*(4.88)*	*6,064,947*	*6,169,034*	*(1.69)*
– Photovoltaic power generation	*56,254*	*61,820*	*(9.00)*	*116,373*	*125,871*	*(7.55)*
– 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)*
Profit for the period/year attributable to shareholders of the parent	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. Revenue from sales of natural gas accounted for approximately 63.85%, 67.97% and 72.17% of the Group's revenue for FY2022, FY2023 and 1H2024, respectively; and revenue from wind and photovoltaic power generation accounted for approximately 33.92%, 30.48% and 26.57% of the Group's revenue for FY2022, FY2023 and 1H2024, respectively. With reference to the 2023 Annual Report and the 2024 Interim Report, the aforesaid increases in the Group's revenue were mainly attributable to the increase in sales volume of natural gas.

Notwithstanding the aforesaid increase in the Group's revenue, (i) the Group's profit for FY2023 attributable to shareholders of the parents decreased by approximately 3.71% as compared to that for FY2022; and (ii) the Group's profit for 1H2024 attributable to shareholders of the parents 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 decrease in the Group's profit 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 the decrease in revenue from electricity sales, partially offset by the increase in the Group's profit from natural gas business as a result of the increase in revenue from sales of natural gas.

With reference to the 2024 Interim Report, as at 30 June 2024, the Group's wind power consolidated installed capacity and photovoltaic consolidated installed capacity in operation were 6,358.25 MW and 126.12 MW, respectively.

Information on HECIC

With reference to the Board Letter, 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 Hebei SASAC. It is primarily engaged in the investment in and development of projects in the foundation, infrastructures and provincial pillar industries, such as energy, transportation, water supply and commercial real estates.

HECIC is the controlling shareholder of the Company, holding approximately 48.95% equity interest of the Company, and is therefore a connected person of the Company.

Reasons for and benefits of entering into the New NCA

With reference to the Board Letter, the reasons for and benefits of the Transaction include (i) adjustments to the business development strategies and the principal businesses; (ii) adjustment of National Energy Policy; (iii) joint development with the HECIC Group; and (iv) legal basis for HECIC to take over the divested business. Details of the reasons for and benefits of the Transaction are set out under the section headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW NCA" of the Board Letter.

Our analyses

A. No material impact on the Group's continuous operation

According to the financial information as disclosed in the section headed "Information on the Company" above:

– for the two years ended 31 December 2023 and the six months ended 30 June 2024, (a) majority of the Group's revenue (i.e. 60% to 75% to the Group's total revenue) were generated from the sales of natural gas; (b) revenue from wind power generation was the second largest revenue source of the Group and accounted for 25% to 35% to the Group's total revenue; and (c) revenue from photovoltaic power generation accounted for less than 1% of the Group's total revenue; and

– as at 30 June 2024, (a) the Group's total photovoltaic consolidated installed capacity was approximately 172.12 MW, accounted for approximately 2.64% of the Group's new energy consolidated installed capacity; (b) the Group had photovoltaic projects under construction with planned capacity of 266 MW; and (c) the total asset value of the Group's photovoltaic projects was approximately RMB922 million, accounted for approximately 1.13% of the Group's total assets.

The Group's photovoltaic power generation business has been minimal (i.e. less than 1% of the Group's revenue for two years ended 31 December 2023 and six months ended 30 June 2024) to the Group's principal businesses, in particular to its new energy generation business.

B. In line with the Group's business development

As stated in the 2024 Interim Report, the Company will accelerate the registration of new energy projects, and strive for early commencement and approval of the registered projects. For those guarantee– and market-oriented projects that have obtained the quota, the pre-approval formalities should be completed as soon as possible. The Company will accelerate the approval of wind power projects in Tangshan's province-administered sea area, and actively participate in the bidding of targets for wind power projects in state-administered sea area. The Company will actively participate in the construction of energy bases and power channels across and into Hebei, and promote the development of source-grid-load storage projects and multi-energy complementary projects. After discussion with the Directors, we were advised that photovoltaic power projects were not included in the aforesaid development.

Since its establishment, the Group has primarily focused on the development of wind power and has gained considerable operational experience in the wind power sector. In view of the various constraints and taking into account the Group's strengths in its principal businesses, future development plans and strategies, the Company considers that it is more in line with the overall development objectives of the Group and the interests of the Shareholders as a whole to divest the existing photovoltaic business and to focus its major efforts and resources on the Group's advantaged businesses.

As also stated in the Board Letter, the Company has decided to further focus on its core principal businesses in the future and concentrate its resources on wind power generation and natural gas related businesses. Except for the necessary retained equity in certain non-controlling investee companies, the Company will no longer independently invest in or develop photovoltaic power generation projects. Therefore, the Company plans to dispose of or transfer the existing photovoltaic business.

Therefore, the removal of photovoltaic power generation from scope of "principal business" of Existing NCA is in line with the Group's business development.

C. Utilisation hours of photovoltaic projects and wind power projects

As mentioned in the Board Letter, the central government no longer subsidize newly registered centralized photovoltaic power stations, industrial and commercial distributed photovoltaic projects and newly approved onshore wind power projects, and implemented grid parity from 1 August 2021.

Grid parity means the peak-to-peak tariff for grid electricity supply, i.e., when a photovoltaic/wind power station transmits electricity to the grid, the price is the same as that of thermal power and hydroelectricity, and is therefore called grid parity. Under such mechanism, photovoltaic/ wind power stations sell their electricity to grid companies at the local desulfurized coal power price without national subsidies. Market-based trading refers to the trading of power as a commodity in the market according to the supply and demand relationship and pricing mechanism. As noted from the Board Letter, before the implementation of grid parity for new energy, the construction costs and tariffs of photovoltaic projects were relatively higher as compared with those of wind power projects, especially when renewable energy subsidies account for a high proportion of tariffs for photovoltaic projects. With the continuous advancement of technology in the new energy industry in China, improvements in equipment performance, and sustained increases in power generation efficiency, the cost of newly built photovoltaic and wind power projects has been decreasing in recent years, meeting the conditions for grid parity, thus the 2021 New Policy was issued. After the implementation of grid parity for new energy, photovoltaic projects remain at a disadvantage compared to wind power projects in terms of return on investment and earnings stability, etc.

Photovoltaic power generation is concentrated in the midday hours while wind power projects can generate power nearly all day long under suitable wind speed conditions. With the deepening of the market-based electricity trading, the issue of concentrated power generation time of photovoltaic projects is becoming increasingly prominent (concentrated in 3-4 hours at noon), resulting in a drop in the tariffs for this period, and in some areas, zero electricity prices or even negative electricity prices have appeared, significantly reducing the revenue of photovoltaic projects. Wind power projects have more dispersed power generation times, which can better reduce the risk of tariff fluctuation.

Based on the above, we are of the view that the photovoltaic projects are pronged to greater competition due to concentration of utilisation hours, whereas wind power projects can generate power nearly all day long if the wind speed is suitable.

D. Return on investment from photovoltaic projects is not as favourable as those from wind power projects

We obtained and reviewed the historical operating information of the Group's wind power generation business and photovoltaic power generation business (the "**Historical Operating Information**"). We noted from the Historical Operating Information that the profit margins of the Group's photovoltaic power generation business were approximately 21.15%, 20.72% and 21.34% for FY2022, FY2023 and 1H2024, respectively, which were significantly less than the profit margins of the Group's wind power generation business of approximately 37.85%, 34.13% and 44.33% for the respective corresponding period.

As noted from the Company's annual reports for the two years ended 31 December 2022 and 2023, and the 2024 Interim Report, (i) the Group's newly approved (registered) capacities of wind power were approximately 770 MW, 1,441.8 MW and 1,650 MW for FY2022, FY2023 and 1H2024, respectively; and (ii) the Group's newly approved (registered) capacities of photovoltaic power were approximately 320 MW, 42 MW and nil for FY2022, FY2023 and 1H2024, respectively. As there was no newly approved (registered) capacity of photovoltaic power for 1H2024, for our due diligence purpose, we obtained from the Company the construction or investment costs of the newly approved (registered) capacities of wind power and photovoltaic power for FY2022 and FY2023 for comparison. We noted that the average unit costs (in terms of cost per MW, calculated based on the construction or investment costs of the relevant projects divided by their respective installed capacity) of the Group's newly approved (registered) wind power and photovoltaic power generation units were approximately RMB6.3 million per MW (the "**Average Wind Power Unit Costs**") and approximately RMB4.6 million per MW (the "**Average PV Unit Costs**") respectively. The Average Wind Power Unit Costs were approximately 35.89% higher than the Average PV Unit Costs.

Although the Average Wind Power Unit Costs were higher than the Average PV Unit Costs, the Group's return on investments from its wind power projects and photovoltaic power projects are to certain degree dependent on their respective utilisation hours. We noted from the Board Letter that (i) the average utilisation hours of the Group's controlled wind power projects were approximately 2,485 hours, 2,419 hours and 1,212 hours for FY2022, FY2023 and 1H2024, respectively; and (ii) the average utilisation hours of the Group's controlled photovoltaic power projects were approximately 1,404 hours, 1,376 hours and 688 hours for FY2022, FY2023 and 1H2024, respectively. The utilisation hours of the Group's photovoltaic power projects were significantly lower than the Group's wind power projects.

Despite that the Average Wind Power Unit Costs were approximately 35.89% higher than the Average PV Unit Costs, the implementation of grid parity (i.e. the sales of electricity to grid companies at the local desulfurized coal power price without national subsidies regardless of the source of electricity) and the significantly higher utilisation hours of the Group's wind power projects (by at least 70% for FY2022, FY2023 and 1H2024) would put the Group's photovoltaic projects in further disadvantage as compared to its wind power projects in terms of return on investment.

We requested and obtained from the Company a list of the Group's controlled wind power projects and photovoltaic projects that are in operation (consist of 78 wind power projects and 15 photovoltaic projects), showing their respective return on investment (calculated based on their respective profit before tax and investment costs) for each of the three years ended 31 December 2023 (the "**Project List**"). We noted from the Project List that the returns on investment of the Group's wind power projects were approximately 8.36%, 7.97% and 7.13% for the three years ended 31 December 2021, 2022 and 2023, respectively; while the returns on investment of the Group's photovoltaic projects were approximately 6.83%, 6.58% and 5.39% for the three years ended 31 December 2021, 2022 and 2023, respectively. The return on investment of the Group's wind power projects is higher than the return on investment of the Group's photovoltaic projects for each of the three years ended 31 December 2023. Furthermore, we noted from the Project List that the return on investment of the Group's grid parity wind power projects was approximately 5.50% for FY2023. Although the Group currently has no comparable grid parity photovoltaic projects that are in operation, we further enquired into the Directors and obtained the relevant details of the Group's new photovoltaic projects that are under construction. We noted that the expected return on investments of these new photovoltaic projects (which shall operate under grid parity mechanism) shall range from approximately 4.33% to 4.52%.

E. Uncertainties in the land use policy for photovoltaic projects

On 20 March 2023, the Ministry of Natural Resources of the PRC, the National Forestry and Grassland Administration of the PRC and the National Energy Administration of the PRC issued the "Notice on Supporting the Development of Photovoltaic Power Generation Industry and Standardizing Land Management" (《關於支持光伏發電產業發展規範用地管理有關工作的通知》, the "**Land Management Notice**"), which provided a framework for sustainable and regulated land use management in the photovoltaic industry, promoting green energy development while ensuring environmental protection and efficient land utilisation. Although the Land Management Notice was primarily aimed to support and regulate the development of photovoltaic industry in the PRC, there could be potential negative implications on the existing photovoltaic power generation projects, such as (i) existing photovoltaic projects may face constraints if they are located on land that does not meet the criteria as outlined in the Land Management Notice, which could require these photovoltaic projects to undergo reevaluation or relocation; (ii) some existing photovoltaic projects may not meet the environmental protection and sustainability standards as outlined in the Land Management Notice and may face scrutiny or enforcement actions, which could potentially lead to additional costs for environmental mitigation measures; (iii) existing photovoltaic projects that are in the process of expansion or modification would need to adhere to the new approval process and potentially result in delay project timeline; and (iv) existing photovoltaic projects may need to adjust their operations to comply with the new regulations, such as implementing water and soil conservation measures, adhering to land use restriction, or modifying land management practices to meet the sustainability requirements as outlined in the Land Management Notice.

As noted from the Board Letter, other photovoltaic enterprises encountered difficulties in project advancement of many photovoltaic projects that have obtained construction quota or approval due to difficulties in the implementation of land use.

Based on the aforesaid, we concur with the Directors that there are uncertainties in the land use policy for photovoltaic projects.

F. Reallocation of resources and legal basis for HECIC to take over the Divested Business

With reference to the Board Letter, the Group plans to dispose of or transfer the divested business, being the photovoltaic power generation business and assets wholly-owned or controlled by the Group as at the date of the New NCA, but excluding the non-controlling investee companies which are engaged in photovoltaic power generation and their photovoltaic power generation businesses and assets (the "**Divested Business**"), so as to facilitate the adjustment to business development strategies and principal businesses of the Group. The proceeds from the disposal or transfer of the Divested Business could be allocated to better develop the Group's principal businesses.

As mentioned above, the Company has decided to further focus on its core principal businesses in the future and concentrate its resources on wind power generation and natural gas related businesses.

Furthermore, pursuant to the New NCA, if the Group fails to complete the disposal or transfer of all of the Divested Business by 31 December 2029 due to market conditions or reasons beyond the Company's control, HECIC undertakes to acquire or procure its subsidiaries or investee companies to acquire the remaining Divested Business. To assess the fairness and reasonableness of the timeframe for the Group to complete the disposal or transfer of the Divested Business, on a non-exhaustive basis, we searched for non-competition arrangements entered into between PRC-listed companies and their controlling shareholders and reviewed over 10 non-competition arrangements. We noted that these non-competition arrangements had incorporated an initial transitional period ranging from one year to six years (with majority of which being five years) for the listed companies or the controlling shareholders to divest the competing business. We consider the timeframe for the Group to dispose or transfer the Divested Business are in line with market practice and would provide the Group with sufficient time to identify suitable candidate(s) and undergo the relevant transaction processes (such as the relevant due diligence procedures, transaction terms negotiation and change in administrative filing with regulatory bodies).

Given (a) the possibility of HECIC Group becoming a counterparty to the Group's disposal of the Divested Business; and (b) HECIC undertakes to acquire or procure its subsidiaries or investee companies to acquire the remaining Divested Business if the Group fails to complete the disposal or transfer of all of the Divested Business by 31 December 2029, we consider the removal of photovoltaic power generation from scope of "principal business" of Existing NCA is necessary based on the Group's current business development plan.

Our conclusion

Having considered the above factors, in particular:

(i) the Group's photovoltaic power generation business has been minimal to the Group's principal businesses, in particular to its new energy generation business;

(ii) photovoltaic projects are pronged to greater competition due to concentration of utilisation hours, whereas wind power projects can generate power nearly all day long if the wind speed is suitable;

(iii) the removal of photovoltaic power generation from scope of "principal business" of the Existing NCA is in line with the Group's business development;

(iv) photovoltaic projects are at disadvantage comparing to wind power projects in terms of return on investment;

(v) there are uncertainties in the land use policy for photovoltaic projects; and

(vi) the proceeds from the disposal or transfer of the Divested Business could be allocated to better develop the Group's principal businesses and the necessity of removing the restriction under the Existing NCA for HECIC to engage in the business of photovoltaic power development,

we consider that although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction is in the interests of the Company and Shareholders as a whole.

Principal terms of the New NCA

Set out below are key differences between the Existing NCA and the New NCA, details of the terms of Existing NCA and New NCA are set out under the section headed "2.3 Major Adjustments to the Existing NCA under the New NCA" of the Board Letter.

	New NCA	**Existing NCA**
1. Adjustment of definition of "principal business"	The principal businesses refer to the businesses in which the Group is principally engaged or intends to be engaged, including the wind power generation, nuclear power generation and the transmission and sale of natural gas.	The principal businesses refer to the businesses in which the Group is principally engaged or intends to be engaged, including the clean energy-related businesses in relation to the wind power generation, photovoltaic power generation, nuclear power generation and the transmission and sale of natural gas.

	New NCA	**Existing NCA**
2. Deletion of retained business	No relevant provision.	The retained business refers to waste-to-energy and biomass power generation businesses and Yanshan Guyuan.
3. Divested business arrangement	If the Group fails to complete the disposal or transfer of all of the divested business by 31 December 2029 due to market conditions or reasons beyond the Company's control, HECIC undertakes to acquire or procure its subsidiaries or those HECIC's Investee Companies to acquire the remaining divested business.	No relevant provision.
4. Adjust the description and scope of "subsidiary(ies)"	Including JEI in but excluding the Group from the scope of "subsidiary(ies)".	Excluding the Group, JEI and Datang International Power Generation Co., Ltd. (991 and SH601991, "**Datang International**") from the scope of "subsidiary(ies)".
5. Effectiveness	The New NCA shall be concluded upon signing by both parties and shall become effective upon approval by the Board, the independent non-executive Directors and Independent Shareholders of the Company. At that time, the Existing NCA and the Controlling Shareholder's Undertakings shall be automatically invalidated.	The Existing NCA shall become effective upon signing by both parties.

In relation to 1. Adjustment of definition of "principal business" and 3. Divested business arrangement, please refer to the reasons for and benefit of the Transaction as mentioned in section headed "Reasons for and benefits of entering into the New NCA" above.

In relation to 2. Deletion of retained business, we understood that (i) the completion of sale and transfer of the Group's waste-to-energy and biomass power generation business took place in 2015 and the Company does not have any plan to enter into the relevant industry sectors in the future; and (ii) the Company and HECIC owned 94.43% and 5.57% equity interests in Yanshan Guyuan (a holding subsidiary of the Company) respectively as at the Latest Practicable Date (note: the following circumstance is not restricted: HECIC and its subsidiaries (other than the Group) for the purposes of investment, acquiring or holding interests of not more than 10% in aggregate in a listed company which competes or is likely to compete with the Group in the principal businesses).

With reference to the Board Letter, as at the Latest Practicable Date, the Company has invested in Chengde Dayuan, a joint venture established by the Company and Fengning Manchu Autonomous Region Dayuan State-owned Holding Group Co., Ltd., an independent third party. The Company holds 49% equity interests in Chengde Dayuan without the right of control. Chengde Dayuan operates two photovoltaic projects, the Fengning Luanbei Parity Photovoltaic Project and Fengning Ximaqun Parity Photovoltaic Project, with a total installed capacity of 170 MW. In addition to the photovoltaic projects, Chengde Dayuan also operates a 112.5 MW wind power project. Fengning County is an important base for the Group's wind power projects, with the Group holding and operating wind power installations with a capacity of 841.95 MW in this area. The Company will retain its shares in Chengde Dayuan to maintain a good cooperative relationship with the local government, which may facilitate help the Company in securing more wind power business investment opportunities in Fengning region. As HECIC Group does not have any power generation business or new energy business in Fengning region, the Company does not envisage any competition between the Group and HECIC Group arising due to the maintenance of these projects in Fengning region. Accordingly, Chengde Dayuan does not constitute a "divested business" pursuant to divested business arrangement under the New NCA.

In relation to 4. Adjust the description and scope of "subsidiary(ies)", we understood that (i) JEI was not excluded from HECIC Group according to the Controlling Shareholder's Undertaking; and (ii) HECIC was interested in 6.93% equity interests in Datang International as at 31 December 2023 according to Datang International's annual report for FY2023 (Note: HECIC was interested in approximately 10.6% equity interests in Datang International as at 21 September 2010 according to the Company's prospectus dated 30 September 2010. Datang International falls within the carve-out situation as disclosed in sub-section 2.2(b)(i) of the Board Letter).

In relation to 5. Effectiveness, we understood that such amendments were made with reference to relevant requirements of the Listing Rules and to invalidate the Existing NCA and the Controlling Shareholder's Undertakings once the New NCA becomes effective.

We also noted that HECIC has undertaken to (i) grant options for new business opportunities to the Group (the "**New Business Opportunities Option**"); and (ii) grant the right of first refusal to the Group (the "**Right of First Refusal**"), pursuant to the New NCA (details of which are set out under the section headed "2.2 The New NCA" of the Board Letter). Save for the amendments to reflect the deletion of retained business, the aforesaid provisions are basically the same as those in the Existing NCA.

Having reviewed and considered (i) the principal revised terms of the Transaction as set out above; (ii) other than the terms listed above, the principal terms of the Existing NCA (which was entered into by the Company and HECIC in 2010) and the New NCA are basically the same; and (iii) the New NCA contained certain provisions, such as scope of non-competition, options for new business opportunities, right of first refusal, termination, which are in line with non-competition arrangements between listed issuers in the Stock Exchange and their controlling shareholders, we are of the view that the terms of the Transaction are on normal commercial terms, in line with normal market practice of non-competition undertaking and are fair and reasonable.

MEASURES TO SAFEGUARD THE IMPLEMENTATION OF THE NEW NCA

To ensure and procure HECIC's compliance with the New NCA, HECIC has further undertaken to the Company in the agreement that:

a) upon the request by the Company's independent non-executive Directors, HECIC will provide all necessary information for the independent non-executive Directors to review HECIC's compliance with and implementation of the New NCA annually;

b) HECIC will provide the Company with all necessary information regarding its compliance with and implementation of the New NCA for disclosure on the independent non-executive Directors' review results by the Company in its annual report or other announcements; and

c) HECIC will provide an annual confirmation statement to the Company for the purpose of the Company's disclosure on HECIC's compliance with the New NCA in the annual report.

In addition, the Company has implemented the following measures:

a) the independent non-executive Directors shall review HECIC's compliance with the New NCA at least once a year;

b) the Company will disclose the results of the independent non-executive Directors' review on the compliance with and implementation of the New NCA and any decision made by the independent non-executive Directors regarding the new business opportunities and the exercise or non-exercise of the options or the right of first refusal pursuant to the New NCA in the annual reports or announcements of the Company in accordance with the applicable laws, rules and regulations (including the Listing Rules); and

c) any Directors and/or their respective associates who have a material interest in any matter relating to the compliance with and implementation of the New NCA discussed by the Board shall not vote on the resolution of the Board approving such matter and shall not be counted in the quorum for such vote.

We are of the view that the measures above will monitor the implementation and compliance of the New NCA at the operational level in terms of the delineation of energy business with the HECIC Group; and ensure any new business opportunity referral options and the first of rights refusal arrangement under the New NCA. These corporate governance measures can facilitate the Company to mitigate any competitions between the Group and the HECIC Group.

In addition, the review to be performed by the independent non-executive Directors at least once a year is to assess the compliance status of the New NCA, identify any breach of the terms and requirements of the New NCA by the HECIC Group and safeguard the interests of the Company and its Shareholders. The disclosure requirements of the review results of the independent non-executive Directors in relation to the exercise of the New Business Opportunities Option or the Right of First Refusal pursuant to the New NCA will enable the Shareholders to understand the basis and rationale of such business decision and increase the transparency in corporate governance.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms, in line with normal market practice of non-competition undertaking and are fair and reasonable; and (ii) although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction 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 Transaction, and we recommend the Independent Shareholders to vote in favour of the resolutions 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 over 25 years of experience in investment banking industry.

Terms Before Amendments	Terms After Amendments
Clause 1 Subject of the Agreement 1.1 Where applicable or unless the context otherwise requires, Party A *(Note: meaning HECIC, the same hereinafter)* referred to in this Agreement shall be Party A and/or its subsidiaries, but excluding Party B *(Note: meaning the Company, the same hereinafter)* and/or its subsidiaries ~~and the A-share Listed Company and/or its subsidiaries~~.	Clause 1 Subject of the Agreement 1.1 Where applicable or unless the context otherwise requires, Party A *(Note: meaning HECIC, the same hereinafter)* referred to in this Agreement shall be Party A and/or its subsidiaries, but excluding Party B *(Note: meaning the Company, the same hereinafter)* and/or its subsidiaries.
Clause 2 Definitions subsidiary(ies): means, in relation to any party to this agreement, any other company, enterprise, unit or any other entity, whether or not having legal personality, which is owned or controlled by the party through (1) holding or controlling more than 50% of the issued share capital or enjoying more than 50% of the voting rights (if applicable), or (2) the right to enjoy more than 50% of the profit after tax, or (3) the right to control the composition of more than half of the members of the board of directors, or otherwise any other form of control, and subsidiaries ~~of such other company, enterprise, unit or entity~~. For subsidiaries of Party A, Party B and subsidiaries of Party B ~~and the A-share Listed Companies and/or its subsidiaries~~ are not included.	Clause 2 Definitions subsidiary(ies): means, in relation to any party to this agreement, any other company, enterprise, unit or any other entity, whether or not having legal personality, which is owned or controlled by the party through (1) holding or controlling more than 50% of the issued share capital or enjoying more than 50% of the voting rights (if applicable), or (2) the right to enjoy more than 50% of the profit after tax, or (3) the right to control the composition of more than half of the members of the board of directors, or otherwise any other form of control, **thereby recognized as a subsidiary of the party according to applicable laws and regulations or requirements of accounting standards,** and subsidiaries of the **party**. **For the purpose of the provisions of this agreement,** subsidiaries of Party A do not include Party B and subsidiaries of Party B.

Terms Before Amendments	Terms After Amendments
Control for the purpose of this definition means the power of an enterprise to determine the financial and operating policies of another enterprise and thereby the power to derive benefits from the operating activities of another enterprise. This definition of subsidiary also includes the definition of "subsidiary" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in force from time to time. *(Note: Pursuant to the Letter of Undertaking, HECIC confirms that the "A-share Listed Company" in the Existing NCA is included in the scope of "subsidiaries" of HECIC and are subject to the provisions of this agreement)* …	Control for the purpose of this definition means the power of an enterprise to determine the financial and operating policies of another enterprise and thereby the power to derive benefits from the operating activities of another enterprise. This definition of subsidiary also includes the definition of "subsidiary" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in force from time to time. …

Terms Before Amendments		Terms After Amendments	
Principal Business(es):	means the business(es) in which Party B and/or ~~certain~~ subsidiaries are principally engaged in or intends to be engaged in, including the clean energy related businesses in relation to wind power generation, ~~photovoltaic generation,~~ nuclear power generation and natural gas transmission and sale.	Principal Business(es):	means the business(es) in which Party B and/or **its** subsidiaries are principally engaged in or intends to be engaged in, including the clean energy related businesses in relation to wind power generation, nuclear power generation and natural gas transmission and sale.
Competing Business(es):	means any business which Party A and its subsidiaries (~~as at the date~~ of this agreement, excluding Party B and its subsidiaries) are or may be engaged in at present or in future which competes or may compete, directly or indirectly, with the aforesaid Principal Businesses ~~both inside and outside the PRC~~.	Competing Business(es):	means any business which Party A and its subsidiaries (**for the purpose** of this agreement, excluding Party B and its subsidiaries) are or may be engaged in at present or in future **both inside and outside the PRC** which competes or may compete, directly or indirectly, with the aforesaid Principal Businesses.
		Divested Business:	**means the photovoltaic power generation business and assets wholly-owned or controlled by Party B and its subsidiaries as at the date of this agreement, but excluding non-controlling photovoltaic power generation enterprises and the photovoltaic power generation businesses and assets held by them.**

Terms Before Amendments		Terms After Amendments
~~Retained Business(es):~~	~~means the clean energy businesses similar to or competing directly or indirectly with the principal businesses of Party B, which are retained by Party A for the purpose of reorganisation and listing, including: waste-to-energy and biomass power generation business and the 25% equity interest in HECIC Yanshan (Guyuan) Wind Power Co., Ltd., a subsidiary of Party B which is indirectly held by HECIC.~~	Deleted …
~~A-share Listed Company:~~ …	~~means Jointo Energy Investment Co., Ltd. Hebei, a subsidiary of Party A, and its shares were issued and are listed on the Shenzhen Stock Exchange, and Datang International Power Generation Co., Ltd. [Note], an investee company whose shares were issued and are listed on the Shanghai Stock Exchange. Both companies are principally engaged in thermal power generation business.~~	

Note: HECIC is a shareholder of Datang International Power Generation Co., Ltd. ("**Datang International**"), a PRC company with its A shares listed on the Shanghai Stock Exchange and H shares listed on the Hong Kong Stock Exchange. It is controlled by China Datang Corporation Ltd. (中國大唐集團有限公司), a third party independent from the Company and its connected person which is ultimately controlled by the State-owned Assets Supervision and Administration of China. At the time of signing of the Existing NCA, HECIC held approximately 10.6% of the issued shares of Datang International. The shareholding of HECIC had subsequently reduced to below 10%. According to Datang International's H-share interim report for 2024, as at 30 June 2024, HECIC held 1,281,872,927 A shares in Datang International, representing 6.93% of the total issued share capital of Datang International.

Terms Before Amendments	Terms After Amendments
Clause 3 Scope of Non-competition … 3.2 Any changes to the scope of non-competition as defined in this agreement and to Party B's scope of Principal Businesses shall be made in accordance with an agreement to be separately entered into by both parties. …	Clause 3 Scope of Non-competition … 3.2 Any changes to the scope of non-competition as defined in this agreement and to Party B's scope of Principal Businesses shall be made in accordance with an agreement to be separately entered into by both parties**, and shall only become effective upon approval by the independent shareholders of Party B at a general meeting convened for such changes**. …
Clause 4 Party A's Undertakings 4.1 Save as provided in Clauses 5 and 6, Party A shall provide the following irrevocable undertakings and warranties to Party B that during the term of this agreement: 4.1.1 ~~Other than the Retained Business,~~ Party A confirms that neither it nor its subsidiaries are currently engaged or participate in Competing Businesses by any means. 4.1.2 ~~Other than the Retained Business,~~ Party A undertakes that it will not, and will also procure its subsidiaries not to: (i) be engaged or participate or assist in engaging or participating in any Competing Business, either solely or jointly, in any form (including but not limited to investment, merger and acquisition, associate, joint venture, cooperation, partnership, contracting or leasing of operations, purchase of shares of a listed company or equity participation), either directly or indirectly, inside or outside the PRC, including but not limited to: (a) acquire, hold, develop, transfer, dispose of or otherwise deal in (whether directly or indirectly) investments in connection with Competing Businesses;	Clause 4 Party A's Undertakings 4.1 Save as provided in Clauses 5 and 6, Party A shall provide the following irrevocable undertakings and warranties to Party B that during the term of this agreement: 4.1.1 Party A confirms that neither it nor its subsidiaries are currently engaged or involved in Competing Businesses by any means. 4.1.2 Party A undertakes that it will not, and will also procure its subsidiaries not to: (i) be engaged or participate or assist in engaging or participating in any Competing Business, either solely or jointly, in any form (including but not limited to investment, merger and acquisition, associate, joint venture, cooperation, partnership, contracting or leasing of operations, purchase of shares of a listed company or equity participation), either directly or indirectly, inside or outside the PRC, including but not limited to: (a) acquire, hold, develop, transfer, dispose of or otherwise deal in (whether directly or indirectly) investments in connection with Competing Businesses;

Terms Before Amendments	Terms After Amendments
(b) be engaged in promotions relating to, or have any rights or economic interests in, Competitive Businesses; (c) acquire, invest in, hold, transfer, dispose of or otherwise deal in any option, right or interests in the matters set out in paragraph (a) or (b) above; or (d) acquire, invest in, hold, transfer, dispose of or otherwise deal in (whether directly or indirectly) the shares of any company, joint venture, body corporate or entity (whether incorporated or unincorporated) of any nature who are interested in the matters set out in paragraphs (a) to (c) above. (ii) to support in any way parties other than Party B or the subsidiaries of Party B to be engaged in Competing Businesses, both inside and outside the PRC; and (iii) otherwise intervene (whether directly or indirectly) in Competing Businesses. …	(b) be engaged in promotions relating to, or have any rights or economic interests in, Competitive Businesses; (c) acquire, invest in, hold, transfer, dispose of or otherwise deal in any option, right or interests in the matters set out in paragraph (a) or (b) above; or (d) acquire, invest in, hold, transfer, dispose of or otherwise deal in (whether directly or indirectly) the shares of any company, joint venture, body corporate or entity (whether incorporated or unincorporated) of any nature who are interested in the matters set out in paragraphs (a) to (c) above. (ii) to support in any way parties other than Party B or the subsidiaries of Party B to be engaged in Competing Businesses, both inside and outside the PRC; and (iii) otherwise intervene (whether directly or indirectly) in Competing Businesses. …
Clause 5 New Business Opportunities and Options 5.1 Party A undertakes that, during the term of this agreement, if Party A or its subsidiaries become aware of any new business opportunity which constitutes or may constitute direct or indirect competition with the Principal Businesses of Party B, it shall immediately notify Party B in writing (the "Notice of Offer"), ~~including to~~ provide Party B with all information relating to the new business opportunity and use its best endeavors to procure that the new business opportunity is first made available to Party B or its subsidiaries on reasonable and fair terms and conditions. …	Clause 5 New Business Opportunities and Options 5.1 Party A undertakes that, during the term of this agreement, if Party A or its subsidiaries become aware of any new business opportunity which constitutes or may constitute direct or indirect competition with the Principal Businesses of Party B, it shall immediately notify Party B in writing (the "Notice of Offer"), provide Party B with all information relating to the new business opportunity and use its best endeavors to procure that the new business opportunity is first made available to Party B or its subsidiaries on reasonable and fair terms and conditions. …

<table>
<tr><th>Terms Before Amendments</th><th>Terms After Amendments</th></tr>
<tr><td>5.3 In respect of Party A, in relation to ~~the Retained Business and~~ any new business opportunity which may be available to Party A or its subsidiaries in accordance with the provisions of Clause 5.2 of this agreement and which competes or may compete directly or indirectly with the Principal Businesses of Party B:

5.3.1 Party A undertakes to, during the term of this agreement, grant options to Party B, i.e. as permitted by applicable laws, Party B shall have the right to acquire from Party A or its subsidiaries at any time, on a one-off basis or on a number of occasions, any equity, assets and other interests in the aforesaid ~~Retained Businesses and/or~~ Competing Businesses in accordance with the procedures set out in Clause 5.4 of this agreement, or Party B may (including but not limited to) entrust the management, leasing or contracting of the assets or businesses of Party A or its subsidiaries in the aforesaid ~~Retained Business and/or~~ Competing Businesses at its option in a manner permitted by the laws and regulations of the PRC.

…

5.4 The acquisition or transfer price referred to in Clause 5.3 of this agreement shall be determined by mutual agreement between Party A and Party B on the basis of an appraised value made by a third party professional appraiser jointly appointed by Party A and Party B after valuation, in accordance with the manner and procedures stipulated in the then applicable laws.

…</td><td>5.3 In respect of Party A, in relation to any new business opportunity which may be available to Party A or its subsidiaries in accordance with the provisions of Clause 5.2 of this agreement and which competes or may compete directly or indirectly with the Principal Businesses of Party B:

5.3.1 Party A undertakes to, during the term of this agreement, grant options to Party B, i.e. as permitted by applicable laws, Party B shall have the right to acquire from Party A or its subsidiaries at any time, on a one-off basis or on a number of occasions, any equity, assets and other interests in the aforesaid Competing Businesses in accordance with the procedures set out in Clause 5.4 of this agreement, or Party B may (including but not limited to) entrust the management, leasing or contracting of the assets or businesses of Party A or its subsidiaries in the aforesaid Competing Businesses at its option in a manner permitted by the laws and regulations of the PRC.

…

5.4 The acquisition or transfer price referred to in Clause 5.3 of this agreement shall be determined by mutual agreement between Party A and Party B on the basis of an appraised value made by a third party professional appraiser jointly appointed by Party A and Party B after valuation, in accordance with the manner and procedures stipulated in the then applicable laws, regulations and the listing rules and relevant regulatory requirements of the place where the shares of Party B are listed.

…</td></tr>
</table>

Terms Before Amendments	Terms After Amendments
Clause 6 6.1 Party A undertakes that, during the term of this Agreement, if Party A intends to transfer, dispose of, lease, licence or otherwise assign or permit the use of Party A's ~~existing Retained Business and/or~~ new businesses that may be acquired in accordance with the provisions in Clause 5.2 of this agreement and which compete or may compete directly or indirectly with the Principal Businesses of Party B to a third party: 6.1.1 Party A or its subsidiaries shall give prior written notice to Party B (hereunder "Transfer Notice"). The Transfer Notice shall be accompanied by the conditions under which Party A or its subsidiaries intend to transfer, dispose of, lease or licence the business to a third party and such relevant information as is reasonably necessary for Party B to make investment judgement. Upon Party B's receipt of the above notice from Party A or ~~certain~~ subsidiaries, the independent non-executive directors of Party B shall determine whether Party B is willing to acquire the Competing Businesses or interests and make a written reply to Party A or its subsidiaries within 30 days upon receipt of the Transfer Notice. Party A or its ~~certain~~ subsidiaries undertake not to give any Transfer Notice of the intention to transfer, dispose of, lease or licence the Competing Businesses or interests to a third party before receipt of the aforesaid reply from Party B. If Party B refuses to acquire the Competing Businesses or do not make a reply to Party A or its subsidiaries in relation to the Transfer Notice within the required period of time, Party A or its subsidiaries may transfer, dispose of, lease, licence the Competing Businesses or interests to a third party on terms no less favourable than those set out in the Transfer Notice.	Clause 6 6.1 Party A undertakes that, during the term of this Agreement, if Party A intends to transfer, dispose of, lease, licence or otherwise assign or permit the use of Party A's new businesses that may be acquired in accordance with the provisions in Clause 5.2 of this agreement and which compete or may compete directly or indirectly with the Principal Businesses of Party B to a third party: 6.1.1 Party A or its subsidiaries shall give prior written notice to Party B (hereunder "Transfer Notice"). The Transfer Notice shall be accompanied by the conditions under which Party A or its subsidiaries intend to transfer, dispose of, lease or licence the business to a third party and such relevant information as is reasonably necessary for Party B to make investment judgement. Upon Party B's receipt of the above notice from Party A or **its** subsidiaries, the independent non-executive directors of Party B shall determine whether Party B is willing to acquire the Competing Businesses or interests and make a written reply to Party A or its subsidiaries within 30 days upon receipt of the Transfer Notice. Party A or its subsidiaries undertake not to give any Transfer Notice of the intention to transfer, dispose of, lease or licence the Competing Businesses or interests to a third party before receipt of the aforesaid reply from Party B. If Party B refuses to acquire the Competing Businesses or do not make a reply to Party A or its subsidiaries in relation to the Transfer Notice within the required period of time, Party A or its subsidiaries may transfer, dispose of, lease, licence the Competing Businesses or interests to a third party on terms no less favourable than those set out in the Transfer Notice.

Terms Before Amendments	Terms After Amendments
6.1.2 If Party B refuses to acquire the Competing Businesses or interests on the conditions set out in the Transfer Notice, but Party B gives written notice to Party A within the prescribed period of time and sets out the conditions of the transfer acceptable to Party B, if Party A or its subsidiaries do not accept the conditions of transfer proposed by Party B, Party A or its subsidiaries may transfer, dispose of, lease or licence the use of the Competing Businesses or interests to a third party, provided that they do so on conditions no less favourable than those set out in the Transfer Notice to a third party. Party A undertakes to make reasonable use of the rights provided for in this clause.	6.1.2 If Party B refuses to acquire the Competing Businesses or interests on the conditions set out in the Transfer Notice, but **after** Party B gives written notice to Party A within the prescribed period of time and sets out the conditions of the transfer acceptable to Party B, if Party A or its subsidiaries do not accept the conditions of transfer proposed by Party B, Party A or its subsidiaries may transfer, dispose of, lease or licence the use of the Competing Businesses or interests to a third party, provided that they do so on conditions no less favourable than those set out in the Transfer Notice to a third party. Party A undertakes to make reasonable use of the rights provided for in this clause.
—	**Clause 7 Divested Business** **7.1 In order to further focus on its core principal businesses, to concentrate its resources on wind power and natural gas related businesses and to enhance its corporate strength and core competitiveness, Party B plans to dispose of or transfer the Divested Business. In principle, Party B will endeavor to dispose of or transfer the Divested Business to independent third parties. However, if Party B fails to complete the disposal or transfer of all of the Divested Business by 31 December 2029 due to market conditions or reasons beyond Party B's control, Party A undertakes that it shall acquire or procure its subsidiaries or investee companies to acquire the remaining Divested Business, and the transfer price shall be based on the appraised value made by a third party professional appraiser jointly appointed by Party A and Party B after valuation, in accordance with the manner and procedures stipulated in the then applicable laws and regulations and the listing rules and relevant regulatory requirements of the place where the shares of Party B are listed, through negotiation between Party A and Party B.**

Terms Before Amendments	Terms After Amendments
	7.2 For the avoidance of doubt, Party B and its subsidiaries may continue to hold shareholding in the non-controlling investee company if it is necessary to continue to operate such non-controlling investee company which is engaged in photovoltaic power generation and its related project assets for any reason which Party B considers reasonable.
Clause ~~7~~ – Party A's Undertakings ~~7.1 Party A undertakes to Party B to actively improve, restructure and properly operate its Retained Business and any competitive new business that may be acquired in the future in accordance with Clause 5.2 of this agreement in the principle that the Retained Business and/or Competitive Businesses operated by Party A will eventually be transferred to Party B by way of a preferential transaction and options and/or the right of first refusal and/or the pre-emptive right.~~ … 7.2 Party A hereby unconditionally and irrevocably makes the following statements, undertakings and warranties to Party B: ~~7.2.4~~ Party A undertakes to provide Party B with, and use its reasonable endeavors to procure the provision of, such information as is necessary for Party B in a timely and accurate manner to give due consideration to the exercise of any rights under this agreement.	Clause **8** – Party A's Undertakings (Clause 7.1 deleted) Party A hereby unconditionally and irrevocably makes the following statements, undertakings and warranties to Party B: … **8.4** Party A undertakes to provide Party B with, and use its reasonable endeavors to procure the provision of, such information as is necessary for Party B in a timely and accurate manner to give due consideration to the exercise of any rights under this agreement.

Terms Before Amendments	Terms After Amendments
Party A further undertakes that, during the period of non-competition: (i) at the request of Party B's independent directors, Party A will provide all information necessary for the annual review by Party B's independent directors of the implementation of the undertakings under the Non-competition Agreement and Party A's compliance therewith; (ii) Party A will provide all information necessary for Party B to disclose in its annual reports or announcements the review decisions of the independent directors in respect of the implementation of and compliance with the Non-competition Agreement and agree to such disclosure; (iii) Party A will make an annual statement of compliance with the undertakings under the Non-competition Agreement to enable Party B to disclose such statement in its annual report.	Party A further undertakes that, during the period of non-competition: (i) at the request of Party B **and its** independent directors, Party A will provide all information necessary for the annual review by Party B **and its** independent directors of the implementation of the undertakings under the Non-competition Agreement and Party A's compliance therewith; (ii) Party A will provide all information necessary for Party B to disclose in its annual reports or announcements the review decisions of the independent directors in respect of the implementation of and compliance with the Non-competition Agreement and agree to such disclosure; (iii) Party A will make an annual **written** statement of compliance with the undertakings under the Non-competition Agreement to enable Party B to disclose such statement in its annual report.
Clause ~~10~~ Continuation of the Agreement This agreement shall become effective upon signing by both parties~~,~~ The effectiveness shall terminate on the earlier of the followings: ~~10.1~~ Party A and any of its subsidiaries directly and/or indirectly holding less than 30% of the shares of Party B (on a consolidated basis); or ~~10.2~~ the listing of Party B's shares on the Hong Kong Stock Exchange or other internationally recognized stock exchange ceases (except where trading in Party B's shares is temporarily suspended for any reason).	Clause **11** Continuation of the Agreement **11.1** This agreement shall be **come into existence** upon signing by both parties and shall become effective **upon the fulfilment of the following conditions**: **(i) the approval of this agreement by the board of directors and the independent non-executive directors of Party B; and** **(ii) the approval by the independent shareholders of Party B at a general meeting convened for the purpose of entering into this agreement.**

Terms Before Amendments	Terms After Amendments
	<u>11.2</u> The effectiveness **<u>of this agreement</u>** shall terminate on the earlier of the followings: <u>(i)</u> Party A and any of its subsidiaries directly and/or indirectly holding less than 30% of the shares of Party B (on a consolidated basis); or <u>(ii)</u> the listing of Party B's shares on **<u>the Shanghai Stock Exchange,</u>** the Hong Kong Stock Exchange or other internationally recognized stock exchange ceases (except where trading in Party B's shares is temporarily suspended for any reason). **<u>11.3 Subject to the provisions of Clause 11.1 above, from the time when this agreement becomes effective, this agreement constitutes the complete and sole agreement document between Party A and Party B on matters relating to non-competition and supersedes all agreements, undertakings, etc. previously entered into by Party A and Party B in relation to non-competition. The Non-competition Agreement entered into between Party A and Party B in 2010 and the Letter of Explanation and Undertakings on Non-Competition issued to Party B by Party A in 2020 shall automatically become null and void, and the provisions of this agreement shall prevail.</u>**

Terms Before Amendments	Terms After Amendments
Clause ~~13~~ Others ~~13.1~~ Neither party shall, without the prior written consent of the other party, make any announcements relating to the matters in this agreement, except for announcements made in accordance with the laws of the PRC or the requirements of the China Securities Regulatory Commission, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong or any other relevant requirements. ~~13.6~~ The annexes ~~(if any)~~ to this agreement shall form an integral part of this agreement and shall be equally binding as this agreement. ~~13.8~~ The original of this agreement shall be in ~~ten~~ copies, ~~three~~ copies to be held by each of the parties and the remaining copies to be reported to the relevant authorities for approval and filing, each copy of which shall have the same legal effect.	Clause **14** Others **14.1** Neither party shall, without the prior written consent of the other party, make any announcements relating to the matters in this agreement, except for announcements made in accordance with the laws of the PRC or the requirements of the China Securities Regulatory Commission, **the Shanghai Stock Exchange,** the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong or any other relevant requirements. **14.6** The annexes to this agreement shall form an integral part of this agreement and shall be equally binding as this agreement. **14.8** The original of this agreement shall be in **six** copies, **two** copies to be held by each of the parties and the remaining copies to be reported to the relevant authorities for approval and filing, each copy of which shall have the same legal effect.

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 Dr. 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 and/or receive payment of salary from HECIC, they are deemed to have material interests in the New NCA and the transaction contemplated thereunder. Accordingly, they have abstained from the voting on the Board resolution in relation to the approval for the New NCA and the transaction contemplated thereunder.

3. POSITIONS HELD BY THE DIRECTORS IN THE CONTROLLING SHAREHOLDER

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

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

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 14 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 Ze Feng 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 Suite 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 New NCA 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.

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 SECOND EXTRAORDINARY GENERAL MEETING IN 2024

NOTICE IS HEREBY GIVEN that the Second 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, 6 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 resolutions:

Ordinary Resolutions

1. Resolution on the signing of the new Non-competition Agreement (the "**New NCA**") with the controlling shareholder and the undertakings on non-competition:

   "THAT:

   (a) the New NCA 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 New NCA; 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 New NCA, and agree to make any amendments to any terms of the New NCA as he/she may consider being immaterial in nature and being in the interests of the Company."

2. Resolution on the election of Ms. Zhang Xu Lei as a non-executive director of the fifth session of the board of directors of the Company.

* *For identification purpose only*

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, 14 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, 3 December 2024 to Friday, 6 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, 2 December 2024. Holders of H shares whose names appear on the register of members of the Company at the close of business on Monday, 2 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 resolutions 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, 5 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.

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.