

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



CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*
新天綠色能源股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00956)

**CONNECTED AND DISCLOSEABLE TRANSACTION
CAPITAL CONTRIBUTION TO LAOTING WIND ENERGY BY
CONNECTED PERSONS AND DEEMED DISPOSAL**

LAOTING CAPITAL CONTRIBUTION AGREEMENT

The Board of the Company announces that, on 24 March 2016, the Company entered into the Laoting Capital Contribution Agreement with HECIC and JEI, whereby each of the Company, HECIC and JEI agreed to contribute capital into Laoting Wind Energy, which is a wholly-owned subsidiary of the Company. According to the terms of the Laoting Capital Contribution Agreement, the Company, HECIC and JEI shall contribute approximately RMB475 million, RMB40 million and RMB500 million, respectively, into Laoting Wind Energy in phases by the end of 2018. After the completion of the Laoting Capital Contribution, the registered capital of Laoting Wind Energy will increase from RMB96 million to approximately RMB1,111 million. The Company, HECIC and JEI will hold approximately 51.4%, 3.6% and 45% equity interests in Laoting Wind Energy, respectively. Laoting Wind Energy will remain a subsidiary of the Company after the completion of the Laoting Capital Contribution.

IMPLICATION UNDER THE LISTING RULES

After the completion of the Laoting Capital Contribution, the Company's total equity interests in Laoting Wind Energy will be reduced from 100% to approximately 51.4%. As such, according to Rule 14.29 of the Listing Rules, the Laoting Capital Contribution will be deemed as a disposal of the Company's equity interests in Laoting Wind Energy.

* For identification purposes only

HECIC is a controlling shareholder of the Company. JEI is a subsidiary of HECIC, and is also an associate of HECIC. Therefore, according to the requirements of the Listing Rules, HECIC and JEI are connected persons of the Company. The Laoting Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Laoting Capital Contribution exceeds 5% but is less than 25%, the Laoting Capital Contribution is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, as the Laoting Capital Contribution will be deemed as a disposal of the Company's equity interests in Laoting Wind Energy, it will constitute a disclosable transaction under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

Asian Capital (Corporate Finance) Limited has been appointed as the independent financial advisor by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Laoting Capital Contribution Agreement and the transactions thereunder.

The Company shall seek the approval from the Independent Shareholders in relation to the Laoting Capital Contribution Agreement and the transactions thereunder at the annual general meeting. According to the Listing Rules, the Company is required to dispatch the circular to its shareholders within 15 business days after the publication of this announcement, which sets out among other things, (i) details of the Laoting Capital Contribution Agreement and the transactions thereunder; (ii) the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders; and (iii) the letter of advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders.

The Board of the Company announces that, on 24 March 2016, the Company entered into the Laoting Capital Contribution Agreement with HECIC and JEI, whereby each of the Company, HECIC and JEI agreed to contribute capital into Laoting Wind Energy, which is a wholly-owned subsidiary of the Company.

THE LAOTING CAPITAL CONTRIBUTION AGREEMENT

The execution and effective date of the agreement

The Laoting Capital Contribution Agreement was signed and sealed by each party on 24 March 2016, and shall become effective only upon each party obtaining the approval of its shareholders at a general meeting.

Parties

- (1) The Company;
- (2) HECIC; and
- (3) JEI.

Principle terms

Capital contribution and subscription matters

According to the requirements of the Laoting Capital Contribution Agreement, the capital contributions from the Company, HECIC and JEI shall be payable in phases according to the progress of the construction of the Puti Island Offshore Wind Power Farm based on their respective proportion of the subscription, which are approximately RMB475 million, RMB40 million and RMB500 million, respectively. Notwithstanding the capital contributions are payable in phases by the parties, the total capital contributions shall be paid in full by 31 December 2018.

After the completion of the Laoting Capital Contribution, the registered capital of Laoting Wind Energy will increase from RMB96 million to approximately RMB1,111 million. The Company, HECIC and JEI will hold approximately 51.4%, 3.6% and 45% equity interests in Laoting Wind Energy, respectively. Laoting Wind Energy will remain a subsidiary of the Company after the completion of the Laoting Capital Contribution.

With 31 December 2015 as the Valuation Reference Date, according to the assets valuation of Laoting Wind Energy performed by an independent third party valuer using the asset-based approach, the net assets of Laoting Wind Energy is approximately RMB96 million. The shareholding proportion of each party after capital contribution was agreed after making reference to the above assets valuation results and the proposed scale of capital contribution to Laoting Wind Energy.

THE GOVERNANCE OF LAOTING WIND ENERGY

During the transition period which started from the Valuation Reference Date to the completion date of the registration of change in shareholding in Laoting Wind Energy:

1. the Company shall maintain a stable senior management in Laoting Wind Energy and shall not make any arrangements to the management without the consents of HECIC and JEI; and
2. the Company shall perform its best management obligations to manage the business of Laoting Wind Energy and shall not carry out any acts which may damage the interests of Laoting Wind Energy.

After the completion of the Laoting Capital Contribution, the board of directors of Laoting Wind Energy will consist of five directors, with each of the Company and JEI having the right to appoint two directors and one director will be elected at the employee representative congress. The board of directors of Laoting Wind Energy will consist of one chairman and one vice chairman, which will be appointed by the Company and JEI, respectively.

All parties will exercise their voting rights in the general meeting of Laoting Wind Energy in accordance with their respective proportion of the capital contribution.

The articles of association of Laoting Wind Energy shall be amended by all parties according to the Laoting Capital Contribution Agreement and shall be passed at the general meeting of Laoting Wind Energy as required by law.

Information of Laoting Wind Energy

Laoting Wind Energy was established on 19 February 2011 according to the laws of the PRC and is currently a wholly-owned subsidiary of the Company which is principally engaged in the development and construction of wind farm projects. Laoting Wind Energy is currently engaged in the investment and construction of the Puti Island Offshore Wind Power Farm, which is the Company's first approved 300MW offshore wind power project and the first offshore wind power project approved by the government of Hebei Province.

According to the audited financial statements of Laoting Wind Energy prepared under the Generally Accepted Accounting Principles of the PRC, the audited net asset value of Laoting Wind Energy as at 31 December 2015 was approximately RMB96 million. As the Puti Island Offshore Wind Power Farm is still under construction, the financials of Laoting Wind Energy during the two financial years before the date of this announcement were related to the above construction and there was no profit or loss incurred before or after tax reduction and non-recurring items for the same financial years.

After the completion of the Laoting Capital Contribution, Laoting Wind Energy will continue to be a subsidiary of the Company and its accounts will remain consolidated into the consolidated financial statements of the Group. As the Laoting Capital Contribution will not result in the loss of control of Laoting Wind Energy by the Group, the deemed disposal constituted by the Laoting Capital Contribution will be accounted for as an equity transaction that will not result in the recognition of any profit or loss.

The Company expects to use its internal resources to finance its capital contributions to Laoting Wind Energy in cash. The proceeds from the Laoting Capital Contribution will be used by Laoting Wind Energy for the development and construction of the Puti Island Offshore Wind Power Farm.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LAOTING CAPITAL CONTRIBUTION AGREEMENT

According to the “Approval to 2015 State-owned Capital Operation Budget (《關於2015年國有資本經營預算的批覆》)” (Ji Guo Zi Zi [2015] No.17) issued by the State-owned Assets Supervision and Administration Commission of Hebei Province, HECIC obtained RMB40 million from the 2015 State-owned Capital Operation Budget for capital contributions to the Puti Island Offshore Wind Power Farm. HECIC must use the relevant budget for the capital contribution to Laoting Wind Energy in its capacity as a shareholder.

The Puti Island Offshore Wind Power Farm is the first approved offshore wind power demonstration project in Hebei Province. In comparison with its onshore wind power projects, as the Puti Island Offshore Wind Power Farm is still at the stage of investment and construction which needs significant investment amount, the Company will need to inject a significant amount of capital into the Puti Island Offshore Wind Power Farm if the Company is the sole investor. Furthermore, the Puti Island Offshore Wind Power Farm has a low investment yield with a long payback period, which is generally less attractive to external enterprises. In order to improve its business structure, JEI intends to jointly develop clean energy projects with the Company. As such, JEI’s investment in such project will accelerate the development of the project and reduce the capital pressure on the Company, which will enable the Company to retain more capital in developing and constructing other projects.

Having considered the above, the Board (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial advisor) considers that the Laoting Capital Contribution Agreement and the transactions thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GENERAL

Information of the Company

The Company is one of the leading clean energy companies in Northern China. Its scope of business includes: (i) investment in exploration and utilization projects of natural gas, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas; (ii) investment in the development of new energy projects such as wind power, solar power and nuclear energy; and (iii) development of new energy technology and technical services.

HECIC

HECIC is a wholly state-owned enterprise incorporated under the approval of the People’s Government of Hebei Province and is under the direct supervision of the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province. It is primarily engaged in the investment in and construction of infrastructure industries and pillar industries of Hebei Province, such as energy and transportation.

JEI

JEI is a company listed on the Shenzhen Stock Exchange (stock code: 000600), in which HECIC has a controlling interest. The principal business of JEI is investment in the construction, operation and management of energy projects mainly in the power generation industry.

IMPLICATION UNDER THE LISTING RULES

After the completion of the Laoting Capital Contribution, the Company's total equity interests in Laoting Wind Energy will be reduced from 100% to approximately 51.4%. As such, according to Rule 14.29 of the Listing Rules, the Laoting Capital Contribution will be deemed as a disposal of the Company's equity interests in Laoting Wind Energy.

HECIC is the controlling and substantial shareholder of the Company. JEI is a subsidiary of HECIC, and is also an associate of the HECIC. Therefore, according to the requirements of the Listing Rules, HECIC and JEI are connected persons of the Company. The Laoting Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of Listing Rules.

As the highest applicable percentage ratio of the Laoting Capital Contribution exceeds 5% but is less than 25%, the Laoting Capital Contribution is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the Laoting Capital Contribution constitutes a disclosable transaction under Chapter 14 of the Listing Rules, it is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

As four of our Directors, namely Dr. Cao Xin, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Huijiang, hold management positions in HECIC, they have abstained from voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution according to the requirements of the articles of association of the Company. Furthermore, as our non-executive Director, Dr. Liu Zheng, was nominated to the Board by HECIC, he has also abstained from the voting on the Board resolutions in relation to the approval for the execution of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution. Save for the above, no other Directors have a material interest in the transactions contemplated under the Laoting Capital Contribution Agreement and hence no other Directors are required to abstain from voting on such Board resolutions.

Asian Capital (Corporate Finance) Limited has been appointed as the independent financial advisor by the Company to advise the Independent Board Committee and Independent Shareholders in relation to the Laoting Capital Contribution Agreement and the transactions thereunder.

The Company shall seek the approval from the Independent Shareholders in relation to the Laoting Capital Contribution Agreement and the Laoting Capital Contribution at the AGM. According to the Listing Rules, the Company is required to dispatch the circular to its shareholders within 15 business days after the publication of this announcement, which sets out among other things, (i) details of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution; (ii) the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders; and (iii) the letter of advice from the independent financial advisor to the Independent Board Committee and Independent Shareholders.

DEFINITIONS

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

“AGM”	the annual general meeting for 2015 to be held by the Company at the Conference Room, 5/F, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC on Monday, 13 June 2016 at 9:00 a.m.;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	China Suntien Green Energy Corporation Limited (新天綠色能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 9 February 2010, whose H shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HECIC”	Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司), a wholly state-owned enterprise incorporated in the PRC. It is one of the promoters and the controlling shareholder of the Company and a connected person of the Company;

“Independent Board Committee”	an independent board committee of the Company, comprising all of the independent non-executive Directors, namely Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew, which is formed to advise the Independent Shareholders in respect of the Laoting Capital Contribution Agreement and the Laoting Capital Contribution;
“Independent Shareholders”	shareholders of the Company other than HECIC and its associates;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“JEI”	Jointo Energy Investment Co., Ltd. (河北建投能源投資股份有限公司) (formerly known as Shijiazhuang International Building (Group) Co., Ltd. (石家莊國際大廈(集團)股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000600), which is controlled by HECIC and a connected person of the Company
“Laoting Capital Contribution”	the capital contributions to Laoting Wind Energy by the Company, HECIC and JEI pursuant to the Capital Contribution Agreement;
“Laoting Capital Contribution Agreement”	the capital contribution and subscription agreement dated 24 March 2016 entered into by the Company, HECIC and JEI in relation to the increase in the registered capital of Laoting Wind Energy;
“Laoting Wind Energy”	Laoting CIC Wind Energy Co., Ltd. (樂亭建投風能有限公司), a company incorporated in Tangshan City, Hebei Province, the PRC with limited liability, and a subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	megawatt;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Puti Island Offshore Wind Power Farm”	the Company’s 300MW offshore wind power demonstration project on Puti Island, Laoting, Tangshan, Hebei Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“subsidiaries” has the meaning ascribed to it in the Listing Rules; and

“Valuation Reference Date” 31 December 2015.

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

Shijiazhuang, Hebei Province, the PRC
24 March 2016

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

* *For identification purposes only*