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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)**

#### **RENEWAL OF CONTINUING CONNECTED TRANSACTION NEW MASTER TENANCY AGREEMENT**

On 27 December 2018, the Company and HECIC entered into the New Master Tenancy Agreement, pursuant to which HECIC will continue to lease the office space at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC to the Group and provide the Group with certain ancillary office support services for the three years ending 31 December 2021.

HECIC is the controlling shareholder of the Company, directly holding approximately 50.5% of the issued share capital of the Company, and is therefore a connected person of the Company. The Transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction calculated on an annual basis exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

References are made to the announcements of the Company dated 17 December 2015 and 23 December 2015 in relation to the Existing Master Tenancy Agreement entered into between the Company and HECIC, pursuant to which HECIC Group leases the office space at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC to the Group and provides the Group with certain ancillary office support services.

Given that the Existing Master Tenancy Agreement will expire on 31 December 2018, and that the Group will continue to carry out the relevant transaction under the Existing Master Tenancy Agreement after 31 December 2018, the Company and HECIC entered into the New Master Tenancy Agreement on 27 December 2018 to renew the aforesaid transaction in relation to the leases and provision of ancillary office support services, with a term of three years from 1 January 2019 to 31 December 2021.

## I. MAJOR TERMS OF THE NEW MASTER TENANCY AGREEMENT

### *Date of signing*

27 December 2018

### *Parties*

The Company and HECIC

### *Major Terms of the New Master Tenancy Agreement*

Under the New Master Tenancy Agreement, the Group will lease office space with floor area of up to a total of 8,000 sq.m., 9,000 sq.m. and 10,000 sq.m. at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC, respectively, for the three years ending 31 December 2021, and HECIC Group will also provide the Group with certain ancillary office support services. HECIC and/or its subsidiaries will be responsible for insurance and maintenance of such properties. The Group will be responsible for the utility charges.

Members of the Group will enter into individual agreements for the lease and management of relevant properties with HECIC Group according to the terms set out in the New Master Tenancy Agreement.

The rents and management and office support services fees as set out in all relevant lease agreements shall be determined by both parties through negotiation and after members of the Group make reference to the market price of similar properties in the place where the leased properties are located, and the rents and relevant fees and payment methods shall be set out in the individual leasing and property management contracts. When determining the market price, members of the Group will request independent third party professional agents to provide the rents and the ancillary management and office support services fees of three or more similar comparable properties held and managed by independent third parties in the neighboring area where the leased properties are located. After collecting information about the fees charged by the similar leased properties above, members of the Group will compare such information with the rents and management and office support services fees of the relevant properties charged by HECIC Group to decide whether the quotations of the rents and services fees offered by HECIC Group are no less favorable than those stated in the quotations given by independent third parties and whether the lease terms are fair and reasonable in order to further determine whether to accept the offer made by HECIC Group. The Company believes that the above measures and procedures can ensure that the prices and terms of the relevant properties are no less favorable than the terms of transactions between the Group and independent third parties.

## II. HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

### *Historical Transaction Amounts*

For the two years ended 31 December 2017 and the nine months ended 30 September 2018, the amount of rents and management and office support services fees paid by the Group for renting properties from HECIC Group were as follows:

<b>Period</b>	<b>Transaction Amount</b> <i>RMB(in million)</i>
For the year ended 31 December 2016	4.40
For the year ended 31 December 2017	4.34
For the nine months ended 30 September 2018	6.24

The Company expects that the actual annual transaction amount of the Group for the remaining period of the Existing Master Tenancy Agreement would not exceed the annual cap for the year ending 31 December 2018.

### *Proposed Annual Caps for the Coming Three Years*

It is expected that, for each of the three years ending 31 December 2021, the aggregate amount of rents and management and office support services fees payable by the Group to HECIC Group are as follows:

<b>Period</b>	<b>Annual Cap</b> <i>RMB (in million)</i>
For the year ending 31 December 2019	15.0
For the year ending 31 December 2020	18.0
For the year ending 31 December 2021	21.0

The annual caps are determined after considering all of the following factors: (i) the historical transaction amounts; (ii) the market rental rates of comparable properties in regions adjacent to the properties rented by the Group from HECIC Group and the expected increase in the market rental rates and management and office support services fees at approximately 15% per year; and (iii) the possible increase in leasing area of Yu Yuan Plaza from the existing floor area of approximately 5,900 sq.m. to a maximum of 10,000 sq.m. due to the future business expansion of the Group.

### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION**

The lease under the Existing Master Tenancy Agreement covers the office space at Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC, where the Group's office is currently located. The Group intends to continue the use of this office, and will increase the floor area rented when necessary in accordance with the future business expansion of the Group.

The Directors (including all independent non-executive Directors) are of the view that the Transaction was entered into on normal commercial terms in the ordinary course of business of the Company and the terms of the agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole, and the annual caps are fair and reasonable.

### **IV. IMPLICATIONS UNDER THE LISTING RULES**

HECIC is the controlling shareholder of the Company, directly holding approximately 50.5% of the issued share capital of the Company, and is therefore a connected person of the Company. The Transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction calculated on an annual basis exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that our non-executive Directors, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Huijiang hold positions in HECIC, they are deemed to have material interests under the New Master Tenancy Agreement and the Transaction, and they abstained from voting on the resolution of the Board approving the signing of the New Master Tenancy Agreement and the Transaction pursuant to the articles of association of the Company. Save for the above, none of the Directors has a material interest in the Transaction and hence, no other Director was required to abstain from voting on the relevant resolutions of the Board.

### **V. GENERAL INFORMATION**

#### *Information of the Group*

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, etc.; (ii) investment in the development of new energy projects such as wind power, solar power, nuclear power, etc.; and (iii) development of new energy technology and technical services.

## HECIC

The HECIC is a wholly state-owned enterprise incorporated under the approval of the People's Government of Hebei Province and is under 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.

## VI. DEFINITIONS

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

“Board”	the board of Directors of the Company;
“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, H shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Master Tenancy Agreement”	the Lease Agreement entered into between the Company and HECIC on 17 December 2015, with a valid period from 1 January 2016 to 31 December 2018;
“Group”	the Company and its subsidiaries;
“HECIC”	Hebei Construction & Investment Group Co., Ltd.* (河北建設投資集團有限責任公司), a wholly state-owned enterprise incorporated in the PRC, and one of the promoters and the controlling shareholder of the Company;
“HECIC Group”	HECIC and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Master Tenancy Agreement”	the Lease Framework Agreement entered into between the Company and HECIC on 27 December 2018, with a valid period from 1 January 2019 to 31 December 2021;
“PRC”	the People's Republic of China;

“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
“Transaction”	the transaction in relation to the lease of properties and provision of certain ancillary office support services by HECIC Group to the Group.

By order of the Board of  
**China Suntien Green Energy Corporation Limited**  
**Mei Chun Xiao**  
*Executive Director/President*

Shijiazhuang City, Hebei Province, the PRC, 27 December 2018

*As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Huijiang; the executive Directors of the Company are Mr. Mei Chun Xiao 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 purpose only*