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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)

AMENDMENTS TO ACCOUNTING ESTIMATES IN RELATION TO THE EXPECTED CREDIT LOSS ON RECEIVABLES

I. AMENDMENTS TO ACCOUNTING ESTIMATES

The board of directors (the “**Board**”) of China Suntien Green Energy Corporation Limited (the “**Company**”) hereby announces that based on the preliminary review on the current combined financial information for 2019 and the changes in the operating environment of wind power and natural gas businesses, on a prudent basis, the Board passed a resolution on 31 December 2019 to adjust the accounting estimates of expected credit loss on receivables (“**Amendments to Accounting Estimates**”):

- (1) The expected credit loss rate of renewable energy subsidies and electricity sales receivables from grid companies in the portfolio without risk of recovery is adjusted from 0% to 1%;
- (2) the expected credit loss rate of accounts receivable and other receivables due within 6 months in expected credit loss portfolio assessed based on their aging portfolio is adjusted from 0% to 5%;
and
- (3) the expected credit loss rate of other receivables in the portfolio without risk of recovery is adjusted from 0% to the expected credit loss rate assessed based on aging analysis combination.

The above Amendments to Accounting Estimates have become effective from the date of the Board approval.

II. BASIS OF AMENDMENTS TO ACCOUNTING ESTIMATES

1. The Expected Credit Loss of Renewable Energy Subsidies and Electricity Sales Receivables from Grid Companies

There is no material change in the current renewable energy subsidies policy applicable to the Company, and at the same time, relevant departments of the state are still granting additional subsidies for renewable energy in accordance with the provisions of relevant laws and regulations. Nevertheless, the Company expects that due to the adjustment to the state's industry policy, in 2020, the amount of renewable energy subsidies may decrease, with a longer recovery period and a slower funding process. As such, the Company adjusted the expected credit loss rate of renewable energy subsidies from 0% to 1%.

Besides, as electricity sales receivables from grid companies are recovered in the following month after the amounts are incurred and there has been no overdue unrecoverable amount in the past, the expected credit loss rate is 0%, and no provision for bad debt is required. However, considering the relatively small amount and proportion of electricity sales receivables from grid companies, the expected credit loss rate of which and that of renewable energy subsidies are both adjusted to 1%.

2. The Expected Credit Loss on Accounts Receivable and Other Receivables Due within 6 Months in the Expected Credit Loss Portfolio Assessed Based on Aging Portfolio

For accounts receivable and other receivables due within 6 months in the expected credit loss portfolio assessed based on aging portfolio, as the amounts and their proportions to receivables are relatively small and with a relatively short recovery period of within one month to half a year, the credit risk is low. Nevertheless, on a prudent basis and with reference to the practices of listed companies of the same industry in the provision for bad debts of accounts receivable due within one year with a rate of 5%, the Company adjusted the expected credit loss rate of accounts receivable and other receivables due within 6 months in the expected credit loss portfolio assessed based on aging portfolio from 0% to 5%.

3. Expected Credit Loss of Portfolio without Risk of Recovery in Other Receivables

The Company provides for bad debts for other receivables based on portfolio without risk of recovery, which are mainly security deposits. Security deposits are mainly wind power projects' construction security deposits, performance security deposits, vegetation recovery security deposits, etc., which are paid by the subsidiaries of the Company and required in the contracts entered into with local government departments, and will be refunded upon the fulfillment of certain conditions as set out in the contracts. In view of the downward pressure on the state's macro economy and the pressure on achieving financial balance of the government in 2019, on a prudent basis and with reference to the practices of listed companies of the same industry, the Company adjusted the expected credit loss rate of other receivables in its portfolios without risk of recovery from 0% to the expected credit loss rate assessed based on aging analysis and made provision for bad debts. Such adjustment is in conformity with the prudent basis and the requirements of accounting standards for business enterprises, and is in line with the practices of listed companies of the same industry.

III. IMPACT OF THE AMENDMENTS TO ACCOUNTING ESTIMATES ON THE COMPANY'S FINANCIAL PERFORMANCE

According to the preliminary estimation by the Company based on the consolidated accounts for the six months ended 30 June 2019, the Amendments to Accounting Estimates will result in a decrease in the Company's net profit of approximately RMB63.86 million for this year. The Company expects that the Amendments to Accounting Estimates will not have significant adverse impact on the Company's net profit for 2019, and the specific amount representing the impact of the Amendments to Accounting Estimates on the Company's 2019 net profit will be determined based on the Company's 2019 audited financial data and will be disclosed in the 2019 annual results announcement and 2019 annual report to be published by the Company in due course.

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

Shijiazhuang City, Hebei Province, the PRC, 31 December 2019

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 and Mr. Wu Hui Jiang; 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. Xie Wei Xian, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* *For identification purposes only*