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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)

**CONTINUING CONNECTED TRANSACTIONS AND
DISCLOSEABLE TRANSACTION
UNDER THE RENEWED FINANCIAL SERVICES FRAMEWORK
AGREEMENT WITH THE GROUP FINANCE COMPANY**

THE RENEWED FINANCIAL SERVICES FRAMEWORK AGREEMENT

References are made to the announcement of the Company dated 2 November 2018 and the circular of the Company dated 7 December 2018 in relation to the provision of various financial services by the Group Finance Company to the Group under the Existing Financial Services Framework Agreement. The Existing Financial Services Framework Agreement will expire on 31 December 2021.

In order to facilitate the Group to continue to utilize the services from the Group Finance Company in the future, on 28 October 2021, the Company and the Group Finance Company entered into the Renewed Financial Services Framework Agreement, pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize various financial services provided by the Group Finance Company, including (i) the Deposit Service, (ii) the Loan Service, (iii) the Bill Discounting Service, (iv) the Miscellaneous Fee-based Financial Services (including guarantee service, acceptance service, entrusted loan service and other fee-based services), and (v) the Other Permitted Financial Services (including but not limited to the finance lease service and settlement service, financial and financing advisory services, credit authentication and relevant consulting and agency services, insurance agency service and corporate bonds underwriting service).

IMPLICATION UNDER THE LISTING RULES

HECIC is the controlling shareholder of the Company holding approximately a 48.73% equity interest in the Company, and is therefore a connected person of the Company. The Group Finance Company is a non-wholly owned subsidiary of HECIC, and is also a connected person of the Company. Accordingly, the provision of various financial services by the Group Finance Company to the Company pursuant to the Renewed Financial Services Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of Listing Rules.

As one or more of the applicable percentage ratios of the Deposit Service exceed 5% but all are below 25%, the Deposit Service is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Deposit Service also constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios of the Bill Discounting Service exceed 0.1% but all are less than 5%, the Bill Discounting Service is subject to the reporting, announcement and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Loan Service constitutes a financial assistance provided by a connected person for the benefit of the Group. As the Loan Service is carried out on normal commercial terms (or on terms which are more favorable than those offered by third parties) and the Group will not provide any security over its assets for the Loan Service, the Loan Service is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. However, pursuant to the A Share Listing Rules, the Loan Service and its caps are still subject to the approval at the general meeting of the Company before carrying out the relevant transaction(s).

In respect of the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services, as the applicable percentage ratios of these two types of services, when aggregated, are less than 0.1%, both of them are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Deposit Service (including the proposed caps of maximum daily deposit balance).

The Company will convene an extraordinary general meeting in order to seek approval from the Independent Shareholders in respect of the Renewed Financial Services Framework Agreement and the transactions contemplated thereunder. The Company will dispatch the meeting notice and a circular to its shareholders according to the Listing Rules within 15 business days after the publication of this announcement, which will set out, among other things, (i) details of the Renewed Financial Services Framework Agreement and the transactions contemplated 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 Adviser to the Independent Board Committee and the Independent Shareholders.

References are made to the announcement of the Company dated 2 November 2018 and the circular of the Company dated 7 December 2018 in relation to the provision of various financial services by the Group Finance Company to the Group under the Existing Financial Services Framework Agreement.

Since 2013, the Company has entered into the relevant financial services framework agreements with the Group Finance Company to utilize various financial services provided by the Group Finance Company. On 2 November 2018, the Company and the Group Finance Company entered into the Existing Financial Services Framework Agreement, pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize various financial services provided by the Group Finance Company. The Existing Financial Services Framework Agreement will expire on 31 December 2021.

In order to facilitate the Group to continue to utilize the services from the Group Finance Company in the future, on 28 October 2021, the Company and the Group Finance Company entered into the Renewed Financial Services Framework Agreement, pursuant to which the Group will, on a voluntary and non-compulsory basis, continue to utilize various financial services provided by the Group Finance Company.

I. PRINCIPAL TERMS OF THE RENEWED FINANCIAL SERVICES FRAMEWORK AGREEMENT

1. Date

28 October 2021

2. Parties

The Company and the Group Finance Company

3. Summary of Financial Services

Under the Renewed Financial Services Framework Agreement, the Group Finance Company will provide the Group with financial services, including (i) the Deposit Service, (ii) the Loan Service, (iii) the Bill Discounting Service, (iv) the Miscellaneous Fee-based Financial Services (including guarantee service, acceptance service, entrusted loan service and other fee-based services), and (v) the Other Permitted Financial Services (including but not limited to the finance lease service and settlement service, financial and financing advisory services, credit authentication and relevant consulting and agency services, insurance agency service and corporate bonds underwriting service).

Under the Renewed Financial Services Framework Agreement, the Group Finance Company has undertaken to the Company that whenever it provides financial services to the Group, the terms thereof shall not be less favorable than those offered by any commercial banks or other financial institutions for comparable financial services.

The Group will utilize the financial services from the Group Finance Company on a voluntary and non-compulsory basis and is not obliged to engage the Group Finance Company for any particular service.

The Group is not required to provide any asset pledge to the Group Finance Company for the Loan Service.

The Group Finance Company may, from time to time, enter into separate individual financial services agreements with the Group for the provision of particular financial services, provided that the principles as agreed in the Renewed Financial Services Framework Agreement will be observed.

4. Pricing Policy

The fees and charges payable by the Group to the Group Finance Company under the Renewed Financial Services Framework Agreement are determined on the following basis:

- (a) Deposit Service: the interest rates shall not be lower than (i) the lower limits of the interest rates promulgated by the PBOC from time to time for the same category of deposits; (ii) the interest rates offered to other Member Companies by the Group Finance Company for the same category of deposits; and (iii) the interest rates individually obtained from commercial banks by the Group member using the Deposit Service for deposits with the same term and of the same stage and category.
- (b) Loan Service: the interest rates shall not be higher than (i) the upper limits of the interest rates promulgated by the PBOC from time to time for the same category of loans; and (ii) the interest rates individually obtained from commercial banks by the Group member using the Loan Service for loans with the same term and of the same stage and category.
- (c) Bill Discounting Service: the discounting rates offered to the Group Finance Company are the same as or more favorable than those offered by any third party financial institutions to the Group for the same period.

- (d) Miscellaneous Fee-based Financial Services: the interest rates or service fees charged for the Miscellaneous Fee-based Financial Services shall (i) comply with the standard rates as promulgated by the PBOC or the CBIRC for comparable financial services from time to time (if applicable); and (ii) not be higher than the interests or service fees charged by commercial banks for comparable financial services to the Group member using such services.
- (e) Subject to the approval by the CBIRC, the Group Finance Company may provide other services to the Group in the future, and the service fees to be charged for such services shall (i) comply with the standard rates as promulgated by the PBOC or the CBIRC for comparable financial services from time to time (if applicable); (ii) not be higher than the service fees charged by commercial banks for comparable financial services; and (iii) not be higher than the service fees charged by the Group Finance Company for the provision of comparable financial services to other members of the HECIC.

5. Term

The Renewed Financial Services Framework Agreement will be for a term of two years and will take effect from 1 January 2022 and expire on 31 December 2023.

The term of any separate individual financial services agreement entered into between the Group and the Group Finance Company under the Renewed Financial Services Framework Agreement shall be in compliance with the Renewed Financial Services Framework Agreement and shall not exceed the term thereof.

II. HISTORICAL TRANSACTION AMOUNTS

1. Deposit Service

In respect of the Deposit Service, the maximum daily deposit balance (including accrued interests) of the deposits placed with the Group Finance Company by the Group for the two years ended 31 December 2019 and 2020 and the nine-month period ended 30 September 2021 was as follows:

Period	Maximum Daily Deposit Balance <i>RMB (in million)</i>	Actual Maximum Daily Deposit Balance <i>RMB (in million)</i>
Year ended 31 December 2019	3,570	1,992
Year ended 31 December 2020	3,570	2,011
Nine months ended 30 September 2021	3,570 (applicable to the year ending 31 December 2021)	2,527

The Company expects that the daily deposit balance of the Group during the remaining term of the Existing Financial Services Framework Agreement will not exceed the maximum daily deposit balance for the year ending 31 December 2021.

2. Loan Service

In respect of the Loan Service, the actual amounts of the loans granted by the Group Finance Company to the Group for the two years ended 31 December 2019 and 2020 and the nine-month period ended 30 September 2021 were RMB2,244.20 million, RMB2,488.28 million and RMB1,899.27 million, respectively.

3. Bill Discounting Service

In respect of the Bill Discounting Service, the Bill Discounting Service provided by the Group Finance Company to the Group for the two years ended 31 December 2019 and 2020 and the nine-month period ended 30 September 2021 was the Bill Discounting Service with recourse, and the maximum daily discounting fund balance (including discounted interests) for each of the periods was RMB16.09 million, RMB115.36 million and RMB43.72 million, respectively.

4. Miscellaneous Fee-based Financial Services

For the two years ended 31 December 2019 and 2020 and the nine-month period ended 30 September 2021, the services provided by the Group Finance Company to the Group included guarantee service, acceptance service and entrusted loan service, and the handling fees charged by the Group Finance Company to the Group were RMB0.29 million, RMB0.27 million and RMB0.63 million, respectively.

Save as the services described above, the Group did not utilize any other financial services provided by the Group Finance Company historically.

III. ANNUAL CAPS AND THE BASIS OF DETERMINATION

1. Deposit Service

In respect of the Deposit Service, the Company estimates that the maximum daily deposit balance (including accrued interests) of the deposits placed with the Group Finance Company by the Group for each of the two years ending 31 December 2023 will be as follows:

Period	Maximum Daily Deposit Balance * <i>RMB (in million)</i>
Year ending 31 December 2022	3,570
Year ending 31 December 2023	3,570

* *The daily balance of the Group's aggregate deposits (including accrued interests thereon) with the Group Finance Company under the Deposit Service.*

The Directors determined the above caps based on the following major factors:

- as part of the Group's fund management strategy to benefit from the enlarged scale economy by centralizing its funds with higher liquidity in certain selected financial institutions with better interest rates, the Group plans to deposit part of its cash balance in the Group Finance Company, and the Group Finance Company has undertaken to the Group that its deposit interest rates shall not be lower than the interest rates obtained from commercial banks by the Group member using the Deposit Service for deposits with the same term and of the same stage and category. Taking into account the consistent quality services that the Group Finance Company provided to the Group in the past eight years, the Company has adequate confidence in the Group Finance Company's capability and decided to deepen the cooperation with the Group Finance Company for the benefit of the Company and its shareholders as a whole.
- according to the Group's current wind power and natural gas business expansion plan, the Group plans to increase its wind power capacity and the sales volume of natural gas between 2022 and 2023. Such increases will generate positive cash flow for the Group, thereby increasing the monetary fund balance.
- the increase in the Group's projects under construction will lead to an additional demand for project construction loans, which will cause the Group to increase its scale in debt financing as well as its cash balance.
- the receipt of trade receivables will significantly increase the amount of cash in hand within a short period of time, which will result in an increase in deposits.
- the accrued interests arising from the opening deposit balance (being the cash balance of the Company at the beginning of a financial year on a consolidated basis) between 2022 and 2023.

2. Loan Service

In respect of the Loan Service, the Company estimates that the maximum daily loan balance (including accrued interests) of the loans granted by the Group Finance Company to the Group for each of the two years ending 31 December 2023 will be as follows:

Period	Maximum Daily Loan Balance # RMB (in million)
Year ending 31 December 2022	4,000
Year ending 31 December 2023	4,000

The daily balance of the Group's loans (including interests) granted by the Group Finance Company.

The Directors determined the above caps based on the following major factors:

- the balance of the Group's loans granted by the Group Finance Company.
- the accrued interests arising from the opening loan balance (being the cash balance of the Company at the beginning of a financial year on a consolidated basis) between 2022 and 2023.
- according to the Group's current wind power and natural gas business expansion plan, the capital requirement of the Group for its projects.

3. Bill Discounting Service

In respect of the Bill Discounting Service, the Company estimates that the maximum daily discounting fund balance (including discounted interests) of the bill discounting provided by the Group Finance Company to the Group for each of the two years ending 31 December 2023 will be as follows:

Period	Maximum Daily Discounting Fund Balance [^] RMB (in million)
Year ending 31 December 2022	500
Year ending 31 December 2023	500

[^] *The daily balance of the Bill Discounting Service (including discounted interests) provided by the Group Finance Company to the Group.*

The Directors determined the above caps based on the following major factors:

- the amount of unexpired bank acceptance bills expected to be received by the Group in its ordinary course of business in each year and its needs for financing activities contemplated through bill discounting.
- as the adoption of electronic bill discounting facilitates the Group Finance Company to obtain a lower interest rate for re-discounting or forward-discounting of the electronic bills under the policies of the PBOC, the Group Finance Company can reduce its financing cost and provide the Bill Discounting Service to the Group in a more cost-effective manner. Therefore, the Company expects that the Group's bill discounting transactions with the Group Finance Company will gradually increase in the next two years.
- the anticipated demand for the Bill Discounting Service and the expected balance available for utilizing the Bill Discounting Service provided by the Group Finance Company to the Group for the two years ending 31 December 2023 in the event that the Group fully implements the business plan of utilizing the electronic bill discounting system of the Group Finance Company.

4. Miscellaneous Fee-based Financial Services

In respect of the Miscellaneous Fee-based Financial Services, the Company estimates that the caps on the handling fees charged by the Group Finance Company in respect of its services provided to the Group for each of the two years ending 31 December 2023 will be as follows:

Period	Annual caps on the handling fees of the Miscellaneous Fee-based Financial Services <i>RMB (in million)</i>
Year ending 31 December 2022	5
Year ending 31 December 2023	5

The Directors determined the above caps based on the Group's demand for the category and number of services expected to be provided by the Group Finance Company in its ordinary course of business in each year.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED FINANCIAL SERVICES FRAMEWORK AGREEMENT

The Company entered into the Renewed Financial Services Framework Agreement with the Group Finance Company for the following reasons:

- While the maximum daily deposit balance of the Deposit Service is set, the Company can withdraw deposit from its accounts with the Group Finance Company and use services provided by other financial institutions according to the Company's business needs, which is not subject to any restrictions imposed by the Group Finance Company. Apart from the Group Finance Company, the Group has business cooperation with a number of financial institutions, which can provide timely financial services to the Group as and when needed.
- The deposits placed with the Group Finance Company by the Group are agreement deposits with an initial minimum deposit amount of RMB0.01, and are repayable to the Group on demand. The interests accrued from the Deposit Service will be paid to the Group on a quarterly basis, which the Company believes is in line with the banking practice in the PRC. Based on the current practice, the deposit interest rates offered to the Group by the Group Finance Company are benchmarked against the interest rate for agreement deposit as announced by the PBOC from time to time with upward adjustment. The deposit interest rates will be reviewed and, if necessary, adjusted quarterly by the Group Finance Company. The prevailing interest rate for agreement deposit as announced by the PBOC is 1.15% per annum, and the deposit interest rates offered to the Group by the Group Finance Company range from 1.15% to 1.2075% per annum. As a result, the total interest income of the Group may increase.

- The interest rates of the Deposit Service, the Loan Service and the Bill Discounting Service and relevant handling fees of the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services offered by the Group Finance Company to the Group will be the same as or more favorable than (as the case may be) those interest rates or handling fees individually offered by any third party to the Group member using such services.
- The PRC laws prohibit direct intercompany loans among group companies (including subsidiaries and associated companies) other than legitimate financial institutions. Loans must be provided through a legitimate financial institution or agency. The Group Finance Company, which is regulated by the PBOC and the CBIRC, is a non-banking financial institution authorized to provide various types of financial services, including deposit, loan and bill discounting services.
- The Group may utilize the Group Finance Company as a medium to allocate the funds between members of the Group more effectively, thereby improving the level of liquidity of the Group and enhancing the overall solvency of the Group.
- The Group will continue to utilize various services from the Group Finance Company, including the Deposit Service, the Loan Service, the Bill Discounting service, the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services according to the Renewed Financial Services Framework Agreement. Such arrangement will enhance the bargaining power of the Group when negotiating with third party commercial banks for the same or similar services, which may lower the financing costs of the Group.
- The Group Finance Company is limited to serving the needs and requests of the Member Companies and it is familiar with the Group's operation. Therefore, the Group Finance Company can provide services on a prioritized and more efficient manner than commercial banks in the PRC, from which the Group is expected to benefit.
- As the Company holds a 10% equity interest in the Group Finance Company, it is expected that the Company may benefit from the profits generated by the Group Finance Company.

The Directors also believe that the risk profile of the Group Finance Company, as a financial service provider to the Company, will not be greater than those of independent commercial banks in the PRC. The Directors have considered the following factors when assessing relevant financial risks:

- The Group Finance Company is regulated by the PBOC and the CBIRC and it is required to comply with the relevant rules and operational requirements of the above regulatory authorities, including capital risks guidelines and requisite capital adequacy ratios.
- To the best of the Directors' knowledge, information and belief, the Group Finance Company has established a sound system of internal control and risk management in compliance with the regulatory requirements, and has also made requisite deposit reserves with the PBOC.

- The Group Finance Company has expanded its businesses rapidly since its establishment. As disclosed in “General Information” in this announcement below, the Group Finance Company is permitted to provide a wide range of services to the Member Companies. As at 30 September 2021, 244 Member Companies are customers of the Group Finance Company. As at 31 December 2020, the balance of loans granted by the Group Finance Company to the Member Companies amounted to approximately RMB5,570 million, and the balance of corporate deposits taken from the Member Companies amounted to approximately RMB9,160 million. The fund stability of the Group Finance Company has been enhanced as a result of its increased deposit amount, while its business capability has been strengthened by its enhanced lending capability.
- To the best of the Directors’ knowledge, information and belief, the Group Finance Company has not defaulted on any of its credit obligation or breached any material rule or operational requirement of the PBOC and the CBIRC, and has implemented stringent internal control and risk management measures.
- The Group Finance Company upholds the principle of prudent operation, and has developed fund settlement policies and mechanism to secure the safety of the funds of the Member Companies.
- There are no direct regulatory restrictions on the deposit amount of the Group Finance Company.
- The Group Finance Company has a specific fund settlement and auditing system which covers all types of business with the Member Companies.
- The Group Finance Company has entered into cooperation agreements with a number of third party commercial banks in the PRC, which facilitates its ability to make timely transfer of cash to the designated bank accounts of the Member Companies when such Member Companies withdraw deposits or receive loans, or to any payees as instructed by the Member Companies for other financial services.
- Under the relevant rules of the PBOC and the CBIRC, the clients of the Group Finance Company are limited to the Member Companies. The Group Finance Company is hence exposed to a lower level of potential risk than the entities soliciting external clients.
- To ensure the capital liquidity, HECIC, the controlling shareholder of the Company and the Group Finance Company, has undertaken in the articles of association of the Group Finance Company that HECIC will provide funding to the Group Finance Company to satisfy its capital needs in the event that the Group Finance Company encounters any urgent payment difficulties.

HECIC is a state-owned enterprise established and approved by the People's Government of Hebei Province, which is primarily engaged in the investment in and development of projects in the infrastructures and pillar industries in Hebei Province, including energy, transportation, water supply and commercial real estate. To the best of the Directors' knowledge, information and belief, as at 30 June 2021, HECIC had net asset of approximately RMB98,371 million and cash and cash equivalent of approximately RMB8,738 million. The Directors believe that HECIC is able to provide funding to the Group Finance Company in the event that the Group Finance Company encounters any urgent payment difficulties.

To the best of the Directors' knowledge, information and belief, the Group Finance Company had not encountered any payment difficulties since its incorporation. HECIC had not provided any funding to satisfy the Group Finance Company's urgent capital needs as at the date of this announcement.

- Each Member Company will provide a detailed monthly fund utilization plan to the Group Finance Company for its financial arrangements and settlements through the Group Finance Company in the forthcoming calendar month. The Group Finance Company will make fund allocations and settlement arrangements according to the aforesaid plan so as to satisfy the capital needs of each Member Company.
- Under the articles of association of the Group Finance Company, the board of directors of the Group Finance Company comprises seven directors. As at the date of this announcement, its board of directors comprises (i) three directors nominated by HECIC, (ii) one director nominated by the Company, (iii) one director nominated by Jointo Energy Investment Co., Ltd. Hebei, a subsidiary of HECIC, (iv) one director nominated by HECIC Communications Investment Co., Ltd., a subsidiary of HECIC, and (v) one employee representative director elected by the employees of the Group Finance Company. Ms. Fan Weihong (范維紅) is the director nominated by the Company to the board of directors of the Group Finance Company and participates in the decision-making process for important business development strategies and other matters to be approved by the board of directors of the Group Finance Company in accordance with the articles of association of the Group Finance Company. In addition, the risk management committee of the board of directors of the Group Finance Company has been established to examine and approve loans extended to the Member Companies with a single loan amount of over RMB80 million. The risk management committee comprises three members, who are nominated by the chairman of the board of directors, or over one third of the directors, of the Group Finance Company, and elected by the board of directors of the Group Finance Company. Ms. Fan Weihong is currently a member of the risk management committee.
- Pursuant to the Renewed Financial Services Framework Agreement, if the Group is unable to collect any deposits and accrued interests placed with the Group Finance Company under the Renewed Financial Services Framework Agreement, the Group is entitled to offset the same against any unpaid loans and accrued interests payable to the Group Finance Company.

- The Group Finance Company shall promptly notify the Company when any matter that may affect its ordinary operation occurs, including material structural change, credit ratings, equity transaction or operational risk, and the Company is entitled to suspend or terminate the services provided by the Group Finance Company.
- Pursuant to the Renewed Financial Services Framework Agreement, the Group Finance Company shall (i) provide the Company with the copies of each regulatory report submitted to the CBIRC by the Group Finance Company; (ii) provide the Company with the financial statements of the Group Finance Company for the previous month on the tenth day of each month; and (iii) provide the Company with a monthly statement containing the balance of deposits placed with the Group Finance Company by the Group on the third day of each month.
- As a risk management strategy, the Company will not deposit all of its cash and cash equivalent in the Group Finance Company. In addition, certain cash and cash equivalent of the Group are proceeds from various fundraising activities (such as share offering, issuance of corporate bonds, issuance of short-term or mid-term financial instruments) which must be kept in a specific bank account with a commercial bank under the PRC laws and regulatory requirements and shall not be deposited in the Group Finance Company.

To secure the interests of shareholders, the Company will adopt the following internal control procedures and corporate governance measures for utilizing the financial services provided by the Group Finance Company:

- Before the Company or any of its subsidiaries places deposits with the Group Finance Company or enter into any agreement in relation to the Deposit Service, the Loan Service, the Bill Discounting Service, the Miscellaneous Fee-based Financial Services or the Other Permitted Financial Services with the Group Finance Company, the Company will obtain quotations from independent financial institutions for similar deposit/loan services with the same term or any other service of the same nature (as the case may be). The Company will compare such quotations with those offered by the Group Finance Company and decide whether to take up the offer of the Group Finance Company.
- The finance department of the Company will record details of every deposit placed with the Group Finance Company and compare its records with those of the Group Finance Company at least once a month, and if there is any inconsistency between these records, the finance department will request the Group Finance Company to conduct investigation and rectify the errors, if any.
- All borrowings from the Group Finance Company will be granted in accordance with the terms approved by the president of the Company or the Board (if applicable) on a case-by-case basis.

- For the Deposit Service, the Group Finance Company usually reviews the interest rates offered to all of the Member Companies on a quarterly basis. If there is any change in the deposit interest rates offered to the Group, the finance department of the Company will examine such rates to ensure that the updated interest rates are in compliance with the pricing policy under the Renewed Financial Services Framework Agreement, and determine whether the Group will continue to utilize the Deposit Service. For the Loan Service, the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services, if there is any change in the fees, or there is any proposed transaction between the Group and the Group Finance Company, the Group Finance Company will provide the Company with the pricing information in relation to the comparable services it provides to other Member Companies, and the finance department of the Company will verify or examine the updated pricing information. For the Bill Discounting Service, the Group Finance Company will also pay close attention to the real-time market price of bill discounting in the Hebei market to ensure the reasonableness of the discounting rates quoted by it.
- The finance department of the Company will closely monitor the transactions under the Renewed Financial Services Framework Agreement, and review the above-mentioned regulatory report, monthly financial statements and monthly deposit statement provided by the Group Finance Company immediately after receiving the same. It will also review the balance of the Group's overall deposits placed with the Group Finance Company at least once a month. Any problems identified such as any material non-compliance by the Group Finance Company with the regulatory requirements, irregularity of the financials and management of the Group Finance Company, or breach of the Renewed Financial Services Framework Agreement or the fund management policy, will be immediately reported to the management of the Company (including the manager of the finance department, chief accountant and president) and the Board.
- The finance department of the Company will, on a quarterly basis, report to the independent non-executive Directors the following items:
 - (i) the relevant transactions under the Renewed Financial Services Framework Agreement together with information on the comparable quotations obtained from independent commercial banks in each quarter; and
 - (ii) any changes in the credit ratings of the Group Finance Company in each quarter.
- The Company will appoint an external auditor to examine the internal controls, risk management, completeness and impartiality of the operational system of the Group Finance Company in respect of the transactions under the Renewed Financial Services Framework Agreement, and the auditor shall provide relevant risk management report to the Company on an annual basis.
- The audit and regulatory department of the Company will review the appropriateness of the internal control system and report the results of the review to the management on an annual basis.

- In the event of any changes in the credit ratings of the Group Finance Company during the term of the Renewed Financial Services Framework Agreement, such changes shall be forthwith reported by the Group Finance Company to the Company.
- The Group Finance Company has undertaken to the Company that it will strictly comply with the risk control and monitoring indicators for the operational compliance of finance companies issued by the CBIRC, and the major monitoring indicators (such as the gearing ratio, interbank credit ratio and liquidity ratio) will also comply with the requirements of the CBIRC.
- The Group will withdraw all of its deposits placed with the Group Finance Company if the Group Finance Company fails to comply with any PRC regulatory requirement which may have material adverse impact on the financial and/or operational positions of the Group Finance Company.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Renewed Financial Services Framework Agreement was entered into on an arm's length basis and on normal commercial terms, and the terms of the transactions under the Renewed Financial Services Framework Agreement and the annual caps for various types of services are fair and reasonable and in the interests of the Company and its shareholders as a whole.

V. IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, HECIC is the controlling shareholder of the Company holding approximately a 48.73% equity interest in the Company, and is therefore a connected person of the Company. The Group Finance Company is a non-wholly owned subsidiary of HECIC, and is also a connected person of the Company. Accordingly, the provision of various financial services by the Group Finance Company to the Company pursuant to the Renewed Financial Services Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of Listing Rules.

As one or more of the applicable percentage ratios of the Deposit Service exceed 5% but all are below 25%, the Deposit Service is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Deposit Service also constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios of the Bill Discounting Service exceed 0.1% but all are less than 5%, the Bill Discounting Service is subject to the reporting, announcement and annual review requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Loan Service constitutes a financial assistance provided by a connected person for the benefit of the Group. As the Loan Service is carried out on normal commercial terms (or on terms which are more favorable than those offered by third parties) and the Group will not provide any security over its assets for the Loan Service, the Loan Service is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. However, pursuant to the A Share Listing Rules, the Loan Service and its caps are still subject to the approval at the general meeting of the Company before carrying out the relevant transaction(s).

In respect of the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services, as the applicable percentage ratios of these two types of services, when aggregated, are less than 0.1%, both of them are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang hold positions in HECIC, the controlling shareholder of the Company, they are deemed to have material interests in the Renewed Financial Services Framework Agreement and the transactions contemplated thereunder. Therefore, they have abstained from voting on the Board resolution approving the Renewed Financial Services Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has been or is deemed to have material interests in the transactions under the Renewed Financial Services Framework Agreement.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Deposit Service (including the proposed caps of maximum daily deposit balance).

The Company will convene an extraordinary general meeting in order to seek approval from the Independent Shareholders in respect of the Renewed Financial Services Framework Agreement and the transactions contemplated thereunder. The Company will dispatch the meeting notice and a circular to its shareholders according to the Listing Rules within 15 business days after the publication of this announcement, which will set out, among other things, (i) details of the Renewed Financial Services Framework Agreement and the transactions contemplated 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 Adviser to the Independent Board Committee and the Independent Shareholders.

VI. GENERAL INFORMATION

1. 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, coalbed methane and coal-based natural gas; (ii) investment in the development of new energy projects such as wind power and solar power; and (iii) development of new energy technology and technical services.

2. Information of the Group Finance Company

The Group Finance Company is a non-banking financial institution regulated by the PBOC and the CBIRC. Its scope of business includes: (i) arrangement of financial and financing advisory services, credit authentication and relevant consulting and agency services for the Member Companies; (ii) assistance in collection and payment of transaction money for the Member Companies; (iii) carrying out permitted insurance agency business; (iv) provision of guarantees for the Member Companies; (v) arrangement of entrusted loan service among the Member Companies; (vi) arrangement of bills acceptance and discounting services for the Member Companies; (vii) arrangement of internal money transfer and settlement and design of relevant settlement and clearance structure among the Member Companies; (viii) acceptance of deposits from the Member Companies; (ix) arrangement of lending and finance lease for the Member Companies; (x) carrying out interbank market transactions; (xi) arrangement of entrusted investment service among the Member Companies; (xii) underwriting corporate bonds issued by the Member Companies; and (xiii) investment in negotiable securities.

As at the date of this announcement, the Company, HECIC, HECIC Water Investment Co., Ltd., HECIC Communications Investment Co., Ltd. and Jointo Energy Investment Co., Ltd. Hebei held a 10%, 60%, 10%, 10% and 10% equity interest in the Group Finance Company, respectively. Each of HECIC Water Investment Co., Ltd., HECIC Communications Investment Co., Ltd. and Jointo Energy Investment Co., Ltd. Hebei is a subsidiary of HECIC.

VII. DEFINITIONS

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

“agreement deposit”	a type of deposits in RMB offered by a PRC financial institution to its corporate customer, where a corporate customer deposits an initial minimum amount into its account with the financial institution, the interest rate for such portion will be calculated based on the demand deposit rate as announced by the PBOC from time to time, and the deposits in excess of the initial minimum amount will accrue interests at the interest rate for agreement deposit as announced by the PBOC from time to time
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Bill Discounting Service”	the bill discounting service provided to the Group by the Group Finance Company pursuant to the Renewed Financial Services Framework Agreement

“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“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 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
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Deposit Service”	the deposit service provided to the Group by the Group Finance Company pursuant to the Renewed Financial Services Framework Agreement
“Director(s)”	the director(s) of the Company
“Existing Financial Services Framework Agreement”	the financial services framework agreement dated 2 November 2018 entered into between the Company and the Group Finance Company, which will expire on 31 December 2021
“Group”	the Company and its subsidiaries
“Group Finance Company”	HECIC Group Finance Company Limited (河北建投集團財務有限公司), a limited liability company established in the PRC, which is a non-wholly owned subsidiary of HECIC
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“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. Wan Yim Keung, Daniel and Dr. Lin Tao, for the purpose of advising the Independent Shareholders in respect of the terms of the Deposit Service and the maximum daily deposit balance
“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 terms of the Deposit Service and the proposed caps of the maximum daily deposit balance
“Independent Shareholders”	shareholders of the Company other than HECIC and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Loan Service”	the loan service provided to the Group by the Group Finance Company pursuant to the Renewed Financial Services Framework Agreement
“Member Company(ies)”	the companies and entities controlled by the HECIC and/or the Group, and the affiliates of the HECIC and/or the Group
“Miscellaneous Fee-based Financial Services”	the miscellaneous fee-based financial services provided to the Group by the Group Finance Company pursuant to the Renewed Financial Services Framework Agreement, including guarantee service, acceptance service, entrusted loan service and other fee-based services
“Other Permitted Financial Services”	other services approved by the CBIRC that were provided to the Group by the Group Finance Company pursuant to the Renewed Financial Services Framework Agreement, including but not limited to finance lease service and settlement service, financial and financing advisory services, credit authentication and relevant consulting and agency services, insurance agency service and corporate bonds underwriting service
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Renewed Financial Services Framework Agreement”	the financial services framework agreement dated 28 October 2021 entered into between the Company and the Group Finance Company in respect of the Deposit Service, the Loan Service, the Bill Discounting Service, the Miscellaneous Fee-based Financial Services and the Other Permitted Financial Services
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules

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

Shijiazhuang City, Hebei Province, the PRC, 28 October 2021

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. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao.

* *For identification purpose only*