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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)

PROPOSED ISSUANCE OF NEW H SHARES

In order to further develop the clean energy business of the Company which mainly comprises of the wind power generation and natural gas businesses and to strengthen the Company's leading industry position, the Company proposes to issue the Placing Shares. No more than 476,725,396 Placing Shares are proposed to be issued, representing no more than 35.0% of the total issued 1,362,279,000 H Shares as at 16 August 2013. The issuance of the Placing Shares and related matters will be subject to approvals by relevant authorities, including the CSRC and the SASAC, as well as the approval of the Shareholders at the Shareholders Class Meetings and the EGM by way of special resolutions.

1. PROPOSAL TO ISSUE THE PLACING SHARES

In order to further develop the clean energy business of the Company which mainly comprises of the wind power generation and natural gas businesses and to strengthen the Company's leading industry position, the Company proposes to issue the Placing Shares. The Company considers that the Proposed Placing represents an opportunity to raise capital for the Company while broadening its shareholder base and optimizing its capital structure. Accordingly, the Directors are of the view that the Proposed Placing is in the interests of the Company and its Shareholders as a whole, and the Board has approved the Proposed Placing on 16 August 2013 (subject to all necessary regulatory and Shareholders' approvals).

The Proposed Placing will be subject to the approvals by the relevant PRC authorities, including the CSRC and the SASAC, as well as the approvals of the Shareholders at the Shareholders Class Meetings and the EGM by way of special resolutions.

Details of the Proposed Placing are as follows:

1.1 Class of Shares

The Placing Shares are new H Shares and shall rank pari passu with the existing H Shares and, save as otherwise provided for in applicable laws, rules and regulations and the articles of association of the Company, will rank pari passu with the existing Domestic Shares in all respects.

1.2 Nominal value of each placing share

The nominal value of each Placing Share is RMB1.00.

1.3 Size of issuance

As at the date of this announcement, the existing general mandate granted by the Shareholders at the last annual general meeting of the Company held on 6 June 2013 has not been utilised.

As the maximum number of the Placing Shares under the Proposed Placing exceeds the number of H Shares which may be further allotted and issued under the existing general mandate, the Board has resolved to convene the Shareholders Class Meetings and the EGM to seek a special mandate from the Shareholders to issue no more than 476,725,396 new H Shares, representing no more than 35.0% of the total issued 1,362,279,000 H Shares and no more than 14.7% of the total issued 3,238,435,000 Shares, including Domestic Shares and H Shares, in each case as at 16 August 2013. The size of issuance will be determined based on the issue price at the time of the issuance of the Placing Shares.

If there were any change to the share capital of the Company as a result of any dividend of Shares or capitalisation before the issuance, the maximum number of the Placing Shares to be issued will not be more than 35.0% of the total number of issued H Shares after the latest change.

1.4 Issuance method

Private placement to no less than six (6) and no more than ten (10) target investors.

1.5 Target investors

Target investors of the issuance of the Placing Shares shall be qualified institutional buyers outside the PRC as such term is defined under Rule 144A under the U.S. Securities Act of 1933, as amended and other qualified investors outside the PRC who are not U.S. persons as such term is defined under Regulation S under the U.S. Securities Act of 1933, as amended. Such qualified institutional buyers and other qualified investors shall be independent from the Company and its connected persons and shall not be a connected person (as defined under the Listing Rules) of the Company.

1.6 Pricing

- 1.6.1 The issue price of the Placing Shares will be determined by fully taking the interests of the Company and its existing Shareholders into account and in accordance with the international practice, regulatory requirements as well as international capital market conditions and shall not be issued at a discount of more than 20% to:
- (a) the closing price of H Shares on the date of the relevant placing agreement or other agreement involving the Proposed Placing; and
 - (b) the average of the closing prices of H Shares during the five trading days immediately prior to the earliest of:
 - (i) the date of announcement to be published upon signing of the placing agreement or any other agreement involving the Proposed Placing;
 - (ii) the date of the placing agreement or any other agreement involving the Proposed Placing; and
 - (ii) the date on which the issue price is fixed.
- 1.6.2 Issue price per share shall not be less than the latest audited net asset value per share of the Company attributable to the equity shareholder.
- 1.6.3 The issue price should also be referenced to the trend of the market price of the H Shares prior to the issuance of the Placing Shares and the trading performance and trading multiples of comparable listed companies engaged in similar businesses before the issuance.

The proposed pricing mechanism of the Proposed Placing has been determined after due and careful consideration by the Directors, which is in line with market practice, and will taking into account the trading price of the H Shares, the performance and trading multiples of comparable listed companies in the same industry, as well as the international capital market conditions prior to the issuance. The Directors are of the view that the proposed pricing mechanism is fair and reasonable and in the interests of the Shareholders as a whole.

1.7 Use of proceeds

The net proceeds raised from the Proposed Placing will be used to fund the investment in our wind farms and the development of our natural gas businesses in the PRC, as well as to replenish the Company's working capital, to ensure the Company's continuous growth. In light of the Company's net gearing ratio (i.e. net liabilities divided by the sum of net liabilities and equity) which stood at 53.6% as of 30 June 2013, the Proposed Placing is expected to further optimise the Company's capital structure and reduce financing costs.

It is intended that the net proceeds from the Proposed Placing will be applied in the following manner:

- (a) approximately 70% to be used for investing in wind power generation projects in the PRC;
- (b) approximately 20% to be used for developing our natural gas businesses in the PRC, including but not limited to natural gas pipelines, city gas projects, liquefied natural gas project and compressed natural gas filling stations; and
- (c) approximately 10% to be used for replenishing the Company's working capital.

1.8 Accumulated undistributed profit

The accumulated undistributed profit of the Company prior to the issuance of the Placing Shares shall be shared by all the Shareholders, including holders of the Placing Shares.

1.9 Validity period of the resolutions of Shareholders' meetings

The Proposed Placing will be subject to certain approvals from the relevant PRC regulatory authorities, including the CSRC and the SASAC. The resolutions of Shareholders' meetings in respect of the issuance of the Placing Shares will be valid for 12 months from the date on which the resolutions are passed at the Shareholders Class Meetings and the EGM, or any adjournment thereof.

1.10 Matters relating to authorisation in connection with the issuance of the Placing Shares

To ensure the smooth implementation of the Proposed Placing, a special resolution will be proposed at the Shareholders Class Meetings and the EGM to authorise the Board, and the Board will then delegate its authority to the executive Directors Dr. Cao Xin, Mr. Gao Qing Yu and Mr. Zhao Hui to exercise full power, individually or jointly, to handle matters relating to the issuance of the Placing Shares under the framework and principles as approved by the Shareholders at the Shareholders Class Meetings and the EGM, or any adjournment thereof, and within the validity period of the Shareholders' resolutions in respect of the issuance of the Placing Shares, including but not limited to those set out below:

- 1.10.1 submit all the applications, reports and other documents in relation to the issuance of the Placing Shares to the relevant PRC and overseas authorities and deal with all the procedures to obtain and/or procure all the relevant approvals and registration;
- 1.10.2 engage professional intermediaries and sign relevant engagement letters;
- 1.10.3 pursuant to the terms and principles as approved by the Shareholders at the Shareholders Class Meetings and the EGM, determine the timing of the issuance, number of Placing Shares to be issued, target investors and issue price as well as other specific arrangements for the purpose of implementation of the issuance of the Placing Shares;

1.10.4 appropriately amend the articles in relation to registered capital and share structure in the articles of association of the Company according to the result of the issuance of Placing Shares and deal with the registration procedure for the change of registered capital and the amendments to the articles of association of the Company;

1.10.5 do any and all acts as they think necessary, fit or appropriate for the purpose of the issuance of Placing Shares, or carry out or authorize to carry out any and all matters as they think necessary, fit or appropriate for the purpose of the issuance of Placing Shares (including affixing company seal on relevant documents or agreements), or make any relevant arrangement; and

1.10.6 for the purpose of any of the above matters, propose to the general meeting to confirm, approve and authorize the Board and the authorized persons of the Board (Dr. Cao Xin, Mr. Gao Qing Yu and Mr. Zhao Hui) to authorize other persons in writing to implement the specified work within the scope of authorization aforementioned.

The Proposed Placing will be submitted to the Shareholders Class Meetings and the EGM for consideration and approval. The application of the issuance of the Placing Shares shall be made to the Stock Exchange for the listing of, and permission to deal in, such H Shares on the Stock Exchange.

The Shareholders and potential investors should be aware that the Proposed Placing is subject to the obtaining of various approvals as set out above, as well as various factors including market conditions, and therefore the Proposed Placing may or may not proceed. Accordingly, you are advised to exercise caution when dealing in the Shares.

2. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities by way of issue of equity securities in the past twelve months before the date of this announcement.

3. SHAREHOLDERS CLASS MEETINGS AND THE EGM

The proposed issuance of the Placing Shares is subject to approvals by the Shareholders at the EGM as special resolutions, and by the Domestic Shareholders and the H Shareholders at the Domestic Shareholders class meeting and the H Shareholders class meeting, respectively, each as special resolutions.

The notices to convene the Shareholders Class Meetings and the EGM as well as a circular containing, among other things, the details of the Proposed Placing are expected to be dispatched to the Shareholders in due course.

4. DEFINITIONS

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

“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, and its H Shares are listed on the Main Board of the Stock Exchange
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB by PRC citizens and/or PRC incorporated entities
“Domestic Shareholder(s)”	registered holder(s) of the Domestic Shares
“EGM”	the first extraordinary general meeting for the year 2013 to be held by the Company at the Jixian Hall, 5th Floor, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC on or around Tuesday, 8 October 2013 in relation to, among others, matters referred to in this announcement
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Shareholder(s)”	registered holder(s) of the H Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Placing Share(s)”	H Share(s) to be issued in the share capital of the Company under the Proposed Placing
“PRC”	the People’s Republic of China and, for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Proposed Placing”	the proposed placing(s) of no more than 476,725,396 new H Shares (based on the total number of H Shares issued as at 16 August 2013) to public overseas institutional investor(s) and other qualified investor(s) which are to be listed on the Stock Exchange

“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province (河北省人民政府國有資產監督管理委員會)
“Shareholders Class Meetings”	the respective class meetings of the H Shareholders and the Domestic Shareholders to be held by the Company at the Jixian Hall, 5th Floor, Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC on or around Tuesday, 8 October 2013 in relation to matters referred to in this announcement
“Shareholder(s)”	registered holder(s) of Share(s)
“Shares”	Domestic Share(s) and H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.”	the United States of America
“%”	percentage

By order of the Board of
China Suntien Green Energy Corporation Limited
Zhao Hui
Executive Director/Joint Company Secretary

Kunming, Yunnan Province, the PRC, 16 August 2013

As at the date of this announcement, the non-executive Directors of the Company are Mr. Zhao Hui Ning, Mr. Xiao Gang and Mr. Ma Guo Qing; the executive Directors of the Company are Dr. Cao Xin, Mr. Gao Qing Yu, Mr. Wang Hong Jun and Mr. Zhao Hui; 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.*