
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Suntien Green Energy Corporation Limited, you should at once hand this circular, and, if applicable, the 2021 annual report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

ELECTION OF DIRECTORS AND SUPERVISORS
CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF
INTEREST-BEARING LOANS TO CAOFEIDIAN COMPANY
AND
2021 ANNUAL GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders



Gram Capital Limited
嘉林資本有限公司

China Suntien Green Energy Corporation Limited will convene the 2021 annual general meeting at 9 a.m. on Tuesday, 14 June 2022 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC. The notice of AGM is set out on pages 68 to 73 of this circular. A letter from the Board is set out on pages 5 to 25 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 36 to 37 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 38 to 46 of this circular.

If you intend to appoint a proxy to attend the annual general meeting, you are required to complete and return the accompanying proxy form despatched with the notice of annual general meeting in accordance with the instructions printed thereon. For holders of H shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person or by post not less than 24 hours before the time fixed for holding the annual general meeting (i.e. on or before 9 a.m. on Monday, 13 June 2022 in respect of the annual general meeting) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or at any other adjourned meeting should you so wish.

* For identification purposes only

23 May 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM” or “Annual General Meeting”	means the 2021 annual general meeting of the Company to be held at 9 a.m. on Tuesday, 14 June 2022 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC
“A Shares(s)”	means ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each subscribed for and paid up in RMB, which is listed on the Main Board of the Shanghai Stock Exchange and traded in Renminbi
“A Shares Issuance”	means the non-public issuance of 337,182,677 A Shares by the Company to 22 specific target subscribers completed on 6 January 2022
“Articles of Association”	means the articles of association of the Company, as amended from time to time
“Audit and Valuation Reference Date”	means 31 December 2021
“Board of Directors” or “Board”	means the board of directors of the Company
“Board of Supervisors”	means the board of supervisors of the Company
“Caofeidian Company”	means Caofeidian Suntien Liquefied Natural Gas Co., Ltd.* (曹妃甸新天液化天然氣有限公司), a company incorporated in the PRC with limited liability on 22 March 2018, and a non-wholly owned subsidiary and a connected subsidiary of the Company
“Company”	means China Suntien Green Energy Corporation Limited* (新天綠色能源股份有限公司), a joint stock limited company incorporated on 9 February 2010 in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“connected subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	means directors of the Company

DEFINITIONS

“Domestic Shares”	means ordinary shares in the Company’s capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB, all of which have been converted into A Shares since the listing date of the Company’ A Shares on the Main Board of the Shanghai Stock Exchange
“Funded Projects”	means the Tangshan LNG Project (first phase and second phase), Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) and Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)
“General Mandate”	means the general mandate to be granted to the Board of Directors by the Shareholders to issue A Shares and H Shares representing no more than 20% of the respective total number of A Shares and H Shares of the Company in issue at the date of the passing of the relevant resolution by the Shareholders at the AGM
“Gram Capital” or “Independent Financial Adviser”	means Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, which is the independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the Loan Transaction
“Group”	means the Company and its subsidiaries
“HECIC”	means 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 established in the PRC, being one of the promoters and the controlling Shareholder of the Company
“H Share(s)”	means overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is listed on the SEHK and traded in Hong Kong dollars
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong

DEFINITIONS

“Independent Board Committee”	means the 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 Loan Transaction
“Independent Directors”	means the independent non-executive Directors of the Company
“Independent Shareholders”	means the shareholders of the Company other than HECIC, Dr. Cao Xin, Mr. Mei Chun Xiao and their respective associates (as defined in the Listing Rules)
“Loan(s)”	means a series of interest-bearing loans of not more than RMB3 billion in aggregate that are proposed to be provided to Caofeidian Company by the Company with the Proceeds
“Loan Agreement”	means the loan agreement entered into between the Company and Caofeidian Company on 28 April 2022 in relation to the Loan Transaction
“Loan Transaction”	means the connected transaction as to provision of the Loans to Caofeidian Company by the Company
“Listing Rules”	means the Rules Governing the Listing of Securities on the SEHK, as amended, supplemented or otherwise modified from time to time
“Latest Practicable Date”	means 17 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	means the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region, and Taiwan region
“Proceeds”	means the net proceeds upon completion of the A Shares Issuance (after deduction of issuance expenses) amounting to approximately RMB4.545 billion
“Report of the Board of Directors”	means the Company’s Work Report of the Board of Directors for 2021
“Report of the Board of Supervisors”	means the Company’s Work Report of the Board of Supervisors for 2021

DEFINITIONS

“RMB”	means Renminbi, the lawful currency of the PRC
“SEHK”	means The Stock Exchange of Hong Kong Limited
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	means shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the A Shares and H Shares
“Shareholders”	means holders of the Shares
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisors”	means the supervisors of the Company

LETTER FROM THE BOARD OF DIRECTORS



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)

Board of Directors:

Non-executive Directors:

Dr. Cao Xin (*Chairman*)

Dr. Li Lian Ping

Mr. Qin Gang

Mr. Wu Hui Jiang

Executive Directors:

Mr. Mei Chun Xiao (*President*)

Mr. Wang Hong Jun

Independent Non-executive Directors:

Mr. Guo Ying Jun

Mr. Wan Yim Keung, Daniel

Dr. Lin Tao

Registered Office and

Headquarters:

9th Floor, Block A, Yuyuan Plaza

No. 9 Yuhua West Road

Shijiazhuang City, Hebei Province
the PRC

Principal place of business

in Hong Kong:

Suite 2103, Prudential Tower

The Gateway, Harbour City

Kowloon

Hong Kong

23 May 2022

To the Shareholders

Dear Sirs and Madams

**ELECTION OF DIRECTORS AND SUPERVISORS
CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF
INTEREST-BEARING LOANS TO CAOFEIDIAN COMPANY
AND
2021 ANNUAL GENERAL MEETING**

I. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at 9 a.m. on Tuesday, 14 June 2022 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC.

* *For identification purposes only*

LETTER FROM THE BOARD OF DIRECTORS

The purpose of this circular is to provide you with the notice of AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

II. BUSINESSES TO BE CONSIDERED AT THE AGM

A resolution will be proposed at the AGM as a special resolution to approve the following:

- (1) resolution on the authorization to the Board of Directors to exercise the General Mandate to issue Shares

Resolutions will be proposed at the AGM as ordinary resolutions to approve the following:

- (2) resolution on the 2021 annual report of the Company
- (3) resolution on the report of the Board of Directors of the Company for 2021
- (4) resolution on the report of the Board of Supervisors of the Company for 2021
- (5) resolution on the financial report of the Company for 2021
- (6) resolution on the report of the final accounts of the Company for 2021
- (7) resolution on the 2021 profit distribution proposal of the Company
- (8) resolution on the appointment of the audit institution of the Company for 2022
- (9) resolution on the remuneration package for Directors of the fifth session of the Board of Directors
- (10) resolution on the remuneration package for Supervisors of the fifth session of the Board of Supervisors
- (11) resolution on the change in method of investment of the use of Proceeds
- (12) resolution on the provision of interest-bearing loans to a subsidiary for the implementation of investment in funded projects by using the fund-raising proceeds
- (13) resolution on the election of non-executive Directors and executive Directors of the fifth session of the Board of Directors
- (14) resolution on the election of Independent Directors of the fifth session of the Board of Directors

LETTER FROM THE BOARD OF DIRECTORS

(15) resolution on the election of non-employee representative Supervisors of the fifth session of the Board of Supervisors

III. BUSINESSES OF THE AGM

1. Resolution on the authorization to the Board of Directors to exercise the General Mandate to issue Shares

At the 2020 annual general meeting held on 14 May 2021, the Board of Directors was granted the general mandate to issue new Shares. The authorization, if not exercised before the AGM to be held on 14 June 2022, shall lapse upon the conclusion of the AGM.

In order to ensure flexibility and discretion for the Board of Directors to issue new Shares, the Company proposes to grant a new general mandate to the Board of Directors by way of resolution at the AGM to allot, issue or deal with additional A Shares and H Shares not exceeding 20% of the respective total number of A Shares and H Shares of the Company in issue as at the date of the passing of the resolution at the AGM. As at the Latest Practicable Date, the Shares in issue comprised 2,348,088,677 A Shares and 1,839,004,396 H Shares. Subject to the passing of the resolution to approve the General Mandate and assuming that no additional Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 469,617,735 A Shares and 367,800,879 H Shares in accordance with the General Mandate.

The General Mandate shall be effective from the passing of the resolution until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with the Articles of Association or other relevant laws; or (iii) the revocation or variation of the mandate granted under the above-mentioned resolution by a special resolution passed by the Shareholders of the Company at a general meeting. Any exercise of the power by the Board of Directors under the General Mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association and the relevant laws and regulations of the PRC. At present, the Board of Directors has no plan to issue new Shares pursuant to the General Mandate.

2. Resolution on the 2021 annual report of the Company

In accordance with the relevant requirements of laws and regulations, the Listing Rules and the Articles of Association, the 2021 annual report has been published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the website of the HKEXnews of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.suntien.com>), and despatched to the holders of H Shares of the Company on 19 April 2022.

LETTER FROM THE BOARD OF DIRECTORS

3. Resolution on the report of the Board of Directors of the Company for 2021

The full text of the Report of the Board of Directors is set out in Appendix I of this circular.

4. Resolution on the report of the Board of Supervisors of the Company for 2021

The full text of the Report of the Board of Supervisors is set out in the Appendix II of this circular.

5. Resolution on the financial report of the Company for 2021

The full text of the financial report of the Company for 2021 is set out in the section headed “Financial Report” in the 2021 annual report of the Company.

6. Resolution on the report of the final accounts of the Company for 2021

A summary of the final accounts of the Company for 2021 prepared under the Chinese Accounting Standards for Business Enterprises is as follows:

(1) Completion of production and operation of the Group

In 2021, the Group had wind power consolidated installed capacity of 5,673.85 MW in aggregate, installed capacity under management of 5,869.45 MW, as well as attributable installed capacity of 5,311.60 MW. In 2021, the Group’s electricity volume generated by wind power was 13,469 million kWh with 2,501 utilization hours. The Group had photovoltaic consolidated installed capacity of 118.59 MW, installed capacity under management of 288.59 MW, as well as attributable installed capacity of 195.63 MW; in 2021, its electricity volume generated by photovoltaic power was 165 million kWh with 1,395 utilization hours. In 2021, the Group recorded natural gas transmission volume of 4,157 million cubic meters and sales volume of 3,808 million cubic meters.

(2) Scope of consolidation for the overall financial position (consolidated statements) of the Suntien

Based on the Chinese Accounting Standards for Business Enterprises, as at the end of the year, the Company’s consolidated total assets amounted to RMB71,918 million and total liabilities amounted to RMB48,153 million. The gearing ratio was 66.96% and net asset amounted to RMB23,764 million. Consolidated total liabilities amounted to RMB48,150 million, of which current liabilities amounted to RMB17,060 million and non-current liabilities amounted to RMB31,090 million. Total Shareholders’ equity amounted to RMB23,764 million, of which equity attributable to owners of parent company amounted to RMB19,684 million and minority interests amounted to RMB4,080 million. Comparing the indicators in the Consolidated Income Statement with those of last year, the Company recorded operating revenue of RMB15,985 million,

LETTER FROM THE BOARD OF DIRECTORS

representing an increase of 27.77% as compared with last year; profit before tax of RMB3,128 million, representing an increase of 38.17% as compared with last year; and net profit attributable to Shareholders of the Company of RMB2,160 million, representing an increase of 43.00% as compared with last year.

(3) *Use of proceeds*

(i) *Initial public offering of A Shares in 2020*

In order to expand the financing channels of the Company, optimize its capital structure and further improve the competitiveness and financial performance of the Company, the Company completed the initial public offering and listing of 134,750,000 RMB-denominated ordinary Shares (A Shares) (stock code: 600956) with a par value of RMB1 each on the Shanghai Stock Exchange on 29 June 2020, and the existing Domestic Shares of the Company were simultaneously converted into A Shares. The issue price of A Shares was RMB3.18 per share and A Shares were issued under the General Mandate granted by the Shareholders to the Board of Directors at the 2018 annual general meeting held on 11 June 2019. The total proceeds from the A Share offering were RMB428.505 million and the net proceeds were RMB389.8293 million after deduction of offering expenses of RMB38.6757 million. After the offering, the total number of Shares of the Company was 3,849,910,396, comprising 2,010,906,000 A Shares and 1,839,004,396 H Shares.

As at 30 June 2021, the investment project utilizing the proceeds (Fengning Senjitu wind farm (phase 3) 150MW project) had used a total of RMB389,829,600, representing 100% of the total committed investment amount of RMB389,829,300 and reaching the expected objective. The proceeds from the initial public offering of A Shares were fully utilized as planned, and the investment projects utilizing the proceeds were completed. The relevant designated account for the proceeds was cancelled and the remaining proceeds of RMB201,768.88 (including interest income) was used to permanently replenish the working capital.

(ii) *A Shares Issuance*

In order to enhance the profitability and sustainable development capabilities, lower gearing ratio and enhance risk resistance capacity, on 5 March 2021, the Company made an announcement of the A Shares Issuance with a nominal value of RMB1.00 each to not more than 35 investors including HECIC. The issue price shall be no less than the greater of 80% of the average trading price of A Shares in the 20 trading days prior to the pricing benchmark date (average trading price of A Shares in the 20 trading days before the pricing benchmark date = total trading amount of A Shares in the 20 trading days before the pricing benchmark date ÷ total trading volume of A Shares in the 20 trading days before the pricing benchmark date) or the latest audited net assets per share attributable to holders of

LETTER FROM THE BOARD OF DIRECTORS

ordinary shares of parent company (if the CSRC made adjustments to the pricing method of the non-public issuance prior to the A Shares Issuance, the minimum price under the Issuance shall be adjusted by the Board of Directors, as authorized by the general meeting, pursuant to the requirements of relevant laws and regulations). The net proceeds from the Issuance after deducting the relevant issuance expenses will be used for the construction of Tangshan LNG Project (first phase and second phase), Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) and Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section), and it will also be used to replenish the working capital and repay bank loan of the Company.

On 8 December 2021, the Company initiated the A Shares Issuance. The pricing benchmark date for the Issuance is the first day of the offering period of the non-public Issuance of Shares, which is the next trading day following the date of despatch of the invitation letter for subscription (i.e. 9 December 2021). On 9 December 2021, the closing price of the A Shares was RMB18.34 per share. Under the Issuance, 337,182,677 Shares, at a par value of RMB1 per Share, were issued to 22 specific investors, including HECIC, the controlling Shareholder of the Company, at the issue price of RMB13.63 per Share, raising total proceeds of RMB4,595,799,887.51. After deducting relevant issuance expenses, the net proceeds was RMB4,545,055,183.47.

On 6 January 2022, the Company completed the Issuance and the registration of the additional Shares with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Upon the completion of the A Shares Issuance, the total number of Shares increased from 3,849,910,396 to 4,187,093,073, and the total number of A Shares increased from 2,010,906,000 to 2,348,088,677.

LETTER FROM THE BOARD OF DIRECTORS

As the net proceeds from the non-public issuance of A Shares are less than the proposed amount of proceeds to be invested, as approved by the Board, the Company had made adjustment to the arrangements for the use of proceeds based on the actual amount of net proceeds and the updates are set out as follows:

No.	Project	Implementing Entity	Total investment for project (in RMB million)	Proposed amount of proceeds to be invested before adjustment	Proposed amount of proceeds to be invested after adjustment	Proceeds used as at 30 April 2022 ^{Note}	Remaining unused proceeds to be invested as at 30 April 2022 ^{Note}
				(in RMB million)	(in RMB million)	(in RMB million)	(in RMB million)
1	Tangshan LNG Project (first phase and second phase)	Caofeidian Company	18,597	2,696	2,398	198	2,200
2	Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	Caofeidian Company	6,417	786	699	106	593
3	Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)	Caofeidian Company	2,954	266	237	8.5	228.5
4	Replenishment of working capital and repayment of bank loans	Company	1,362	1,362	1,211	1,211	0
Total			<u>29,330</u>	<u>5,110</u>	<u>4,545</u>	<u>1,523.5</u>	<u>3,021.5</u>

Note: The amounts stated in this column exclude the accumulative bank interest generated by the Proceeds, which amounted to RMB8.2 million as at 30 April 2022.

7. Resolution on the 2021 profit distribution proposal of the Company

In 2021, the Company's net profit attributable to shareholders of parent company was RMB2,160,133,969.16 and undistributed profits were RMB6,316,513,894.20 as presented in the audited consolidated statements. The Company proposed to distribute a cash dividend of RMB1.67 (tax inclusive) for every 10 Shares, and based on the total number of issued Shares of the Company on the date of the meeting of the Board of Directors at which the 2021 profit distribution proposal was approved, being 4,187,093,073 Shares, the total cash dividend will amount to RMB699,244,543.19. The balance of the undistributed profits of the Company will be carried forward to the next

LETTER FROM THE BOARD OF DIRECTORS

year. The total cash dividend proposed in the plan accounts for 32.37% of the net profit attributable to shareholders of parent company in the Company's consolidated statements for 2021.

The Company will publish further announcement on the dividend distribution arrangement as and when appropriate in accordance with the relevant requirements of the places where the Shares are listed.

8. Resolution on the appointment of the audit institution of the Company for 2022

The Company proposes to re-appoint Ernst & Young Hua Ming LLP as the auditor of the Company for 2022 for a term until the conclusion of the 2022 annual general meeting. The financial statement audit fee for 2022 is RMB2.5 million in total (inclusive of tax).

The Company proposes to appoint Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2022 for a term until the conclusion of the 2022 annual general meeting. The internal control audit fee for 2022 is RMB0.75 million in total (inclusive of tax).

9. Resolution on the remuneration package for Directors of the fifth session of the Board of Directors

The remuneration package for Directors of the fifth session of the Board of Directors of the Company shall be determined according to the following plans:

- (1) Independent Directors receive remuneration from the Company. The Company pays every Independent Director of the fifth session of the Board of Directors HK\$100,000 or the Renminbi equivalent annually (which is tax inclusive and payable on a quarterly basis with the Company being responsible for withholding individual income tax). Travelling expenses incurred by Independent Directors for attending meetings of the Board of Directors, general meetings and relevant activities organized by the Board of Directors will be borne by the Company;
- (2) Non-executive Directors not holding any position in the Company do not receive any remuneration from the Company;
- (3) Executive Directors holding positions in the Company receive remuneration from the Company. Remunerations of all executive Directors shall be determined in accordance with the criteria specified in the measures for remuneration management in relation to the performance appraisal of operators of the Company, which cover the basic salary, performance bonuses and other benefits. The basic salary is determined in accordance with the position of the executive Director in the Company, the performance bonuses are determined with reference to the Company's business performance and other benefits include the statutory pension, medical and housing funds.

LETTER FROM THE BOARD OF DIRECTORS

10. Resolution on the remuneration package for Supervisors of the fifth session of the Board of Supervisors

The remuneration package for Supervisors of the fifth session of the Board of Supervisors of the Company shall be determined according to the following plans:

- (1) Independent Supervisors receive remuneration from the Company. The Company pays every independent Supervisor HK\$50,000 or the Renminbi equivalent annually (which is tax inclusive and payable on a quarterly basis with the Company being responsible for withholding individual income tax). Travelling expenses incurred by independent Supervisors for attending meetings of the Board of Directors and the Board of Supervisors, general meetings and relevant activities organized by the Board of Directors and the Board of Supervisors of the Company will be borne by the Company;
- (2) Non-employee representative Supervisors of the fifth session of the Board of Supervisors not holding any position in the Company (excluding independent Supervisors) do not receive any remuneration from the Company; and
- (3) Remunerations of the employee representative Supervisors holding positions in the Company shall be determined in accordance with the criteria specified in the remuneration management measures of the Company, which cover the basic salary, performance bonuses and other benefits. The basic salary is determined in accordance with the position of the employee representative Supervisor in the Company, the performance bonuses are determined with reference to the Company's business performance and other benefits include the statutory pension, medical and housing funds.

11. Resolution on the change in the method of investment of the use of Proceeds

Reference is made to the announcement of the Company dated 28 April 2022 in relation to, among other things, the proposed change in the method of investment of the use of Proceeds.

LETTER FROM THE BOARD OF DIRECTORS

According to the proposal for the A Shares Issuance of the Company, the Proceeds as to approximately RMB3,334 million and RMB1,211 million will be used for investment in the Funded Projects, and replenishment of working capital and repayment of relevant bank loans of the Company.

As of 30 April 2022, the Company has accumulatively used approximately RMB1,523.5 million of the Proceeds. The balance of the Proceeds in the deposit account was approximately RMB3,021.5 million, all to be used in the Funded Projects. For details of the use of Proceeds, please refer to the section headed “6. Resolution on the report of the final accounts of the Company for 2021 – (3) Use of proceeds – (ii) A Shares Issuance” above.

In order to accelerate the construction of the Funded Projects and improve the efficiency of the use of the Proceeds, the Board has considered and approved the Company’s change in the method of investment of the use of Proceeds in the construction of the Funded Projects from “injection of the Proceeds into the project implementing entity by means of capital increase” to “injection of the Proceeds by means of capital increase and provision of interest-bearing loans for the construction of the Funded Projects”. In particular, up to RMB3 billion interest-bearing Loans in aggregate will be provided to Caofeidian Company, and the available balance of the Proceeds will be injected into Caofeidian Company by means of capital increase.

Except for the above changes, the implementing entity, locations, investment projects and fund amounts as set out in the use of Proceeds plan remain unchanged. The change in the method of investment of the use of Proceeds shall not have any material and adverse effects on the implementation of the Funded Projects.

In accordance with the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association, the resolution in relation to the change in the method of investment of the use of Proceeds is required to be submitted to the AGM for consideration and approval.

12. Resolution on the provision of interest-bearing loans to a subsidiary for the implementation of investment in funded projects by using the fund-raising proceeds

Reference is made to the Company’s announcement dated 28 April 2022 in relation to, among other things, provision of the Loans to Caofeidian Company. On 28 April 2022, the Company entered into the Loan Agreement with Caofeidian Company, pursuant to which, the Company will provide interest-bearing loans to Caofeidian Company in phases according to Caofeidian Company’s capital use plan for the investment and construction of the Funded Projects, conditional upon, among other things, the resolution on the proposed change in the method of investment of use of Proceeds being considered and approved at the AGM.

LETTER FROM THE BOARD OF DIRECTORS

Principal terms of the Loan Agreement

The principal terms of the Loan Agreement are as follows:

Date of agreement and effectiveness : 28 April 2022

The Loan Agreement is subject to the approval by the internal decision-making bodies of both parties, and will become effective upon the following conditions being satisfied:

- (1) the Loan Agreement having been signed and sealed by the legal representatives or authorised representatives of both parties;
- (2) the change in the method of investment of the use of Proceeds of the Company having been considered and approved at the general meeting of the Company; and
- (3) the Loan Transaction having been considered and approved at the general meeting of the Company.

Parties : The Company (as lender) and Caofeidian Company (as borrower)

Source and use of the Loans : The Loans shall be funded by the Proceeds from the A Shares Issuance, which are specifically allocated for the construction of the Funded Projects

Amount and term of the Loans : The amount of the Loans shall be RMB3 billion.

The term of the Loans shall be 36 months from the first drawdown date. Caofeidian Company may make drawdown once or multiple times based on its actual need of funds within 36 months from the date of the first drawdown upon the Loan Agreement taking effect. The repayment date of any drawdown shall not exceed the loan expiry date as set out in the Loan Agreement.

LETTER FROM THE BOARD OF DIRECTORS

- Principle and method of interest rate determination : 1. Principle of Loan interest rate determination: The rate shall be determined with reference to the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions and adjusted simultaneously according to the loan prime rate (LPR) for loans with the same duration. In the event that the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions are adjusted, the interest rate(s) under the Loan Agreement may be revised through the execution of a supplemental agreement upon the provision of supporting documents by Caofeidian Company such as loan contracts or withdrawal slips. The revised interest rate(s) shall only be applicable to the future period, and the final adjustment shall be determined by the Company.
2. The interest rate of each Loan drawdown shall be determined based on the pricing basis and floating points. The pricing basis shall be the one-year LPR as announced by the National Interbank Funding Center on the working day prior to the date of each drawdown (hereinafter referred to as the first rate determination date), and the floating points shall be minus five basis points (one basis point refers to 0.01%, the same applies hereinafter).

LETTER FROM THE BOARD OF DIRECTORS

3. Subsequent to the first rate determination date, interest rate of the Loans shall be applicable for a period of 12 months, and will be reviewed and adjusted every 12 months. The Loan interest for each interest period shall be calculated according to the Loan interest rate as adjusted and applicable to such interest period. The rate determination date of the second and subsequent interest periods shall be the anniversaries of the first rate determination date, and the lender shall adjust the Loan interest rate on each anniversary day based on the loan prime rate for the same term as announced by the National Interbank Funding Center on the last working day prior to that day and the floating points.
4. The Loan interest shall be calculated on a daily basis from the actual drawdown date and accrued quarterly. The interest shall be repaid by matching with the principal upon the expiry date. The daily interest rate = interest rate per annum / 360. If the interest rate fluctuates repeatedly in a single interest accrual period, the interest shall be calculated as the aggregate amount of the interest in each floating period.

For reference purposes, it is expected that Caofeidian Company will pay interest to the Company at the rate of 3.65% per annum, being the one-year LPR at 3.70% as announced by the National Interbank Funding Center minus 5 basis points on the Latest Practicable Date, with the total amount of approximately RMB328.5 million.

LETTER FROM THE BOARD OF DIRECTORS

Drawdown : Caofeidian Company shall submit a drawdown plan to the Company at least 30 days in advance and a drawdown notice in writing to the Company 10 days in advance in the event of any request for the drawdown of the Loans. If Caofeidian Company intends to make any adjustment to the drawdown plan, it shall submit an application to the Company three days in advance and make adjustments to the plan with the consent of the Company.

The drawdown shall only be deposited to the designated account(s) of Caofeidian Company for the relevant Funded Projects which is/are not permitted to retain or transfer other type of funds.

In the event that Caofeidian Company fails to use funds or make drawdown in accordance with the agreed terms, the Company shall be entitled to cancel part or all of the Loans undrawn by Caofeidian Company.

Repayment : Caofeidian Company shall repay the principal of the Loans by the Loan expiry date. In the event that Caofeidian Company fails to repay the principal of the Loans in accordance with the agreed terms, the Company shall charge a default interest at the agreed interest rate plus 50% on the Loan overdue amount from the overdue date until the principal of the Loans and any interest accrued thereon are settled. The Company shall be entitled to impose compound interest on any interest failed to be paid by Caifeidian Company as scheduled (including default interest) at the aforesaid default interest rate for the Loans overdue amount.

LETTER FROM THE BOARD OF DIRECTORS

The Company shall have the right to request for early repayment from Caofeidian Company based on the Company's capital position and Caofeidian Company's business operation, etc., and Caofeidian Company shall raise the capital (such as revenue for the period of project operation or project loans from financial institutions) as soon as practicable to ensure that early repayment will be made within one month upon receipt of the notice from the Company.

In the case that the credit standing of Caofeidian Company deteriorates, the Company shall be entitled to cancel its commitment to Caofeidian Company in relation to all undrawn amounts of the Loans under Loan Agreement without giving any prior notice.

Reasons for and benefits of change in investment method of the use of Proceeds and the Loan Transaction

The Company has intended to use the Proceeds primarily for the Funded Projects, as per its originally plan for use of Proceeds. On the one hand, the change in the investment method of the Proceeds and the Loan Transaction are proposed due to the fact that the Funded Projects are significant construction projects, where the equity and debt funds must be used in proportion to a reasonable ratio. The Company may maintain a reasonable pace in investment in the Funded Projects and expedite the fund injection process through the provision of interest-bearing loans, thereby ensuring smooth progress of the Funded Projects. On the other hand, provision of the Loans to Caofeidian Company will temporarily reduce the overall external financing of the Group for the purposes of the Funded Projects, make no increase to the Group's indebtedness and thereby save the financing costs and enhance the capital management efficiency of the Group. There is no circumstance where the purpose of the Proceeds is changed in any disguised form.

The Board is of the view that the Loan Transaction is entered into on normal commercial terms. Although the Loans are not provided in the ordinary and usual course of business of the Company, the relevant terms are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang hold positions in HECIC, and Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, they have abstained from voting on the resolution of the Board approving the Loan Transaction. Save for the above, none of the Directors has any material interest in the Loan Transaction and no other Director is therefore required to abstain from voting on the relevant resolution of the Board.

LETTER FROM THE BOARD OF DIRECTORS

Implications under the Listing Rules

HECIC, the controlling Shareholder of the Company, holds 10% or more equity interest in Caofeidian Company, and Caofeidian Company is therefore a connected subsidiary of the Company. As such, the Loan Transaction constitutes a connected transaction involving the provision of financial assistance to a connected person by the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Loan Transaction are 5% or above, the Loan Transaction is subject to 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 Loan Transaction. Please refer to the Letter from the Independent Financial Adviser as set out in Appendix IIIB to this circular for the recommendations by Gram Capital.

General information

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-made natural gas, etc.; (ii) investment in the development of new energy projects such as wind power and solar power projects; 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 and construction of energy, transportation, water business, commercial real estates and other infrastructure industries, infrastructures and pillar industries of Hebei Province.

Caofeidian Company

Caofeidian Company was incorporated under the laws of the PRC on 22 March 2018, and is held by the Company and HECIC as to 51% and 49%, respectively. It is primarily engaged in investment in the development of the Tangshan LNG Project (three phrases), the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) and the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section).

LETTER FROM THE BOARD OF DIRECTORS

13. Resolution on the election of non-executive Directors and executive Directors of the fifth session of the Board of Directors

In view of the imminent expiry of the term of office of the fourth session of the Board of Directors, the Board of Directors passed a resolution proposing the nomination of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang as non-executive Directors of the fifth session of the Board of Directors, and Mr. Mei Chun Xiao and Mr. Wang Hong Jun as executive Directors of the fifth session of the Board of Directors. The biographical details of each of the proposed Directors are set out in Appendix IV to this circular.

In accordance with the requirements of the Articles of Association, the cumulative voting system will be adopted for the voting of this resolution. Until the completion of the election of the fifth session of the Board of Directors, all members of the fourth session of the Board of Directors will continue to perform their obligations and duties as Directors in accordance with the laws, administrative regulations and the Articles of Association.

14. Resolution on the election of Independent Directors of the fifth session of the Board of Directors

(1) Proposed election of Independent Directors of the fifth session of the Board of Directors

In view of the imminent expiry of the term of office of the fourth session of the Board of Directors, the Board of Directors passed a resolution proposing the nomination of Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao as independent non-executive Directors of the fifth session of the Board of Directors. The biographical details of each of the proposed Directors are set out in Appendix IV to this circular.

In accordance with the requirements of the Articles of Association, the cumulative voting system will be adopted for the voting of this resolution. Until the completion of the election of the fifth session of the Board of Directors, all members of the fourth session of the Board of Directors will continue to perform their obligations and duties as Directors in accordance with the laws, administrative regulations and the Articles of Association.

LETTER FROM THE BOARD OF DIRECTORS

(2) Policy and procedures for the nomination of independent non-executive Directors

The Company's Board of Directors and its committees, in accordance with the policy for nomination of Directors, consider the diversity of the Board of Directors from various perspectives, including but not limited to culture, educational background, professional experience, skills and knowledge, when reviewing the structure of the Board of Directors. Members of the Board of Directors are appointed based on the principle of meritocracy and candidates are selected with reference to the level of competence, skills and experience required for the overall operation of the Board of Directors as far as possible, in order to maintain an appropriate balance of members of the Board of Directors. When identifying and considering candidates for independent non-executive Directors, the nomination committee and the Board of Directors take into account the past performance and experience of the three existing independent non-executive Directors and their contributions to the Company, to determine the candidates for the fifth session of independent non-executive Directors.

In respect of the background and experience of the three candidates proposed for election as independent non-executive Directors of the fifth session of the Board of Directors: (1) Mr. Guo has expertise and knowledge in electrical engineering and wind power/photovoltaic business and can contribute unique insights to the future reform of production technologies of the Company; (2) Mr. Wan Yim Keung, Daniel obtained master's degrees in business administration from The Chinese University of Hong Kong and the University of Wales, and is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He served as the senior management member of several large-scaled financial enterprises and was also actively involved in public service of the Hong Kong Government and industry associations. He has in-depth study on financial and accounting as well as social and industry policies in Hong Kong; and (3) Dr. Lin Tao is a professor of the Department of Internet of Things Engineering of the School of Artificial Intelligence and Data Science, and a supervisor of postgraduates for master degree at the Department of Computer Science and Technology, Control Theory and Control Engineering of Hebei University of Technology. He has leading academic skills in advanced technologies, such as artificial intelligence, and can contribute unique insights to the future reform of production technologies of the Company.

In addition, the three independent non-executive Directors have, in their previous work, actively participated and engaged in the Company's general meetings, the meetings of the Board of Directors and the meetings of committees of the Board of Directors, demonstrating that they have provided independent, impartial and objective views on the Company's affairs. The Board of Directors considers that each of the independent non-executive Directors possesses basic knowledge of the operation of listed companies and is familiar with relevant laws, administrative regulations, rules and other regulatory constitutions, as well as has at least five years of experience in finance, management or other work experience

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necessary to perform the duties of an independent non-executive Director, such that they can bring valuable insights to the governance of the Company and their extensive experience and expertise can bring diversity and make valuable contributions to the Board of Directors. Moreover, each of the independent non-executive Directors has provided the Company with a confirmation of independence as required under Rule 3.13 of the Listing Rules on an annual basis. The Board of Directors also considers that each of the candidates for election as an independent non-executive Director meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

15. Resolution on the election of non-employee representative Supervisors of the fifth session of the Board of Supervisors

In view of the imminent expiry of the term of office of the fourth session of the Board of Supervisors, the Board of Supervisors passed a resolution proposing the nomination of Ms. Gao Jun as an external Supervisor of the fifth session of the Board of Supervisors, and Mr. Zhang Dong Sheng as an independent Supervisor of the fifth session of the Board of Supervisors. In accordance with the requirements of the Articles of Association, the cumulative voting system will be adopted for the voting of this resolution. The biographical details of the proposed non-employee representative Supervisors are set out in Appendix V to this circular.

Apart from the aforesaid resolution, the employee representatives meeting of the Company will elect one employee representative Supervisor in accordance with the Articles of Association. The Company will make an announcement on the election result in due course.

Until the completion of the election of the fifth session of the Board of Supervisors, all members of the fourth session of the Board of Supervisors will continue to perform their obligations and duties as Supervisors in accordance with the laws, administrative regulations and the Articles of Association.

16. Report of Independent Directors

According to the Articles of Association, Independent Directors are required to issue a report on their work at the annual general meeting of the Company. The report will be submitted to the Shareholders for consideration, but no Shareholders' approval is required. The report of Independent Directors of the Company is set out in Appendix VI to this circular for the Shareholders' information.

LETTER FROM THE BOARD OF DIRECTORS

IV. AGM

The Company will convene the AGM on Tuesday, 14 June 2022 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC. The notice of AGM is set out on pages 68 to 73 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the form of proxy in accordance with the instructions printed thereon. Holders of H Shares shall return the form of proxy to Computershare Hong Kong Investor Services Limited in person or by post not less than 24 hours before the time fixed for holding the AGM (i.e. on or before 9 a.m. on Monday, 13 June 2022) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

Arrangements for holders of A Shares to attend the AGM will be separately announced by the Company on the website of the Shanghai Stock Exchange as and when appropriate.

V. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

In view of their respective interests in the Loan Transaction, the following Shareholders are required to abstain and shall abstain from voting on the ordinary resolution on the Loan Transaction putting forward to the AGM:

- (i) HECIC, the controlling Shareholder, holding 2,058,841,253 A Shares or 49.17% of the total issued Shares of the Company as at the Latest Practicable Date;
- (ii) Dr. Cao Xin, a Director and Shareholder, holding 50,000 H Shares or 0.0012% of the total issued Shares of the Company as at the Latest Practicable Date; and
- (iii) Mr. Mei Chun Xiao, a Director and Shareholder, holding 50,000 H Shares, representing 0.0012% of the total issued Shares of the Company as at the Latest Practicable Date.

In accordance with the requirements of the Articles of Association of the Company, the cumulative voting system will be adopted for the voting of resolution No. 13 (resolution on the election of non-executive Directors and executive Directors of the fifth session of the Board of Directors), resolution No. 14 (resolution on the election of Independent Directors of the fifth session of the Board of Directors) and resolution No. 15 (resolution on the election of non-employee representative Supervisors of the fifth session of the Board of Supervisors), and the one-share-one-vote system will be adopted for the voting of each of the other resolutions.

LETTER FROM THE BOARD OF DIRECTORS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, there are no Shareholders or their respective associates with a material interest in the resolutions to be proposed at AGM who are required to abstain from voting at the AGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the AGM.

VI. RECOMMENDATIONS

The Independent Board Committee comprising all Independent Directors has been established to advise the Independent Shareholders in respect of provision of the Loan Transaction. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect to provision of the Loan Transaction.

The Directors (including the Independent Directors) are of the view that, although the Loan Transaction is not entered into in the ordinary and usual course of business of the Company, it is entered into on normal commercial terms, and its terms are fair and reasonable so far as the Independent Shareholders are concerned, and it is in the interests of the Company and its Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the AGM to approve the Loan Transaction.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 36 to 37 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Loan Transaction; and (ii) the letter from the Independent Financial Adviser set out on pages 38 to 46 of this circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as well as the principal factors and reasons considered in respect of the Loan Transaction.

The Board of Directors considers that all other resolutions proposed at the AGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board of Directors recommends Shareholders to vote in favour of those resolutions to be proposed at the AGM.

Yours faithfully,
Cao Xin
Chairman

China Suntien Green Energy Corporation Limited*Work Report of the Board of Directors for 2021*

In 2021, in accordance with the requirements of the Company Law, the Securities Law and other laws and regulations, regulatory documents, the Articles of Association and other rules of China Suntien Green Energy Corporation Limited (the “Company”), we earnestly performed the duties of the Board of Directors conferred by the general meeting, effectively facilitated the implementation of the resolutions passed at general meetings, promoted the standardized operation of the Company to ensure its scientific decision-making and promote the improvement in its corporate governance standard and the carrying out of various businesses. The work of the Board of Directors during the year is hereby reported as follows:

I. OPERATIONAL PERFORMANCE OF THE COMPANY IN 2021

In 2021, the Company continued to implement measures in accordance with the laws and regulations and attained new achievements in epidemic prevention and control; it also overcame difficult business situation, with its comprehensive indicators reaching new levels; and it stressed on action and improved its production and operation.

In 2021, the Company realized profit before tax of RMB3,128 million, representing an increase of 38.17% as compared with last year; net profit of RMB2,712 million, representing an increase of 40.30%, of which net profit attributable to Shareholders of the Company amounted to RMB2,160 million, representing an increase of 43.00% as compared with last year. As at the end of 2021, the Company’s consolidated total assets amounted to RMB71,918 million.

II. BASIC INFORMATION AND WORK OF THE BOARD OF DIRECTORS**(i) Composition and changes of the Board of Directors**

The Board of Directors comprises 9 Directors, including 4 non-executive Directors, 2 executive Directors and 3 independent non-executive Directors. During the reporting period, there was no change in the Board of Directors of the Company.

(ii) Standardized operation

In 2021, the Board of Directors of the Company held 11 meetings, 1 annual general meeting and 4 extraordinary general meetings, at which a number of resolutions on the proposal for non-public issuance of A Shares, the amendments to the Articles of Association, regular reports, final accounts for the year, profit distribution, connected transactions and external guarantee were considered.

The procedures for convening and holding of all meetings, the qualifications of attendants, the qualifications of conveners and the voting procedures have complied with the requirements of the laws, regulations and the Articles of Association, and the resolutions passed were legal and valid. During the reporting period, the Board of

Directors strictly followed the requirements of the Company Law and the Articles of Association and earnestly implemented the resolutions passed at general meetings and meetings of the Board of Directors.

(iii) Performance of duties

All directors of the Company conscientiously and diligently performed their duties by attending all the meetings in person, understanding and reviewing the resolutions and relevant materials for the meetings, gave advice and suggestions on the operation and development of the Company, and carefully voted on the resolutions at the meetings. The decisions made by them took into full consideration the interests and demands of minority shareholders and effectively enhanced the scientific decision-making of the Board of Directors. In addition, they earnestly implemented the resolutions passed by the Board of Directors and general meetings to promote the Company to carry out work in a smooth and orderly manner.

Independent directors of the Company independently performed their duties and actively participated in the decision-making of major issues of the Company in compliance with the requirements of laws and regulations including the Company Law, the Securities Law, the Articles of Association and the Independent Directors Working System. During the reporting period, all independent directors attended meetings on time, strictly reviewed the resolutions and made independent, objective and fair determination for the resolutions, and issued written opinions on the material issues requiring prior consents or independent opinions from independent directors, which gave full play to the important role of independent directors, provided effective support for the scientific decision-making of the Board of Directors, and effectively safeguarded the legitimate interests of the Company and its shareholders.

During the reporting period, no objections were raised by any director of the Company to the resolutions and other relevant matters considered by the Board of Directors.

(iv) Performance of duties of dedicated committees under the Board of Directors

In 2021, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and Investment Committee under the Board of Directors conscientiously performed their duties and convened meetings of various committees according to their respective duties and authorities and the relevant requirements of the rules of the Company, gave professional opinions and suggestions on the scientific decision-making of the Board of Directors, and played a positive role in promoting the development of the Company. During the reporting period, the Audit Committee held eight meetings; the Remuneration and Appraisal Committee held three meetings; the Nomination Committee held zero meeting; and the Strategy and Investment Committee held one meeting.

(v) Risk management and internal controls

In 2021, the Company continued to focus on its strategic deployment and adhered to its established objectives and principles for operation to steadily and orderly implement various risk management initiatives. The Company mainly carried out the annual risk assessment, the material risk warning and the response to material risks for its risk management. During the reporting period, based on the actual risk management, the preparation of the 2021 Risk Assessment Report was completed. The material risk warning indicators for the systems of the Company were improved and the Material Risk Warning Indicators Control Report was completed on a quarterly basis.

Based on the risk response strategy formulated at the beginning of the year and taking into account the risk warnings this year, practical and feasible risk response measures were stipulated, and corresponding risk prevention work was carried out on a quarterly basis, to implement the established mitigation measures for risks and hidden dangers to reduce the risk exposure, thereby keeping the risks and hidden dangers which may have an impact on the operation of the Company under control.

During the year, the Company continued to improve and optimize the establishment of its management system, and promoted the improvement and iteration of its internal control system and internal control processes, thereby ensuring that various businesses of the Company are carried out in reliance of applicable basis and in line with relevant systems. The Company completed the upgrade and iteration of various management systems. As at 31 December 2021, the Company created 18 separate business segment data banks such as the Administrative Informatization Data Bank and Financial Accounting Data Bank according to the types of business operations of the Company, for the incorporation of 315 currently effective systems. Meanwhile, each department updated the Job Responsibilities and Departmental System Comparison Table according to the requirements of the job setting and responsibilities under the system of the respective department, thereby effectively implementing all the systems administered by the departments to the corresponding jobs, and providing a strong support to the effective implementation of the systems.

(vi) Investor relations management

The Company is dedicated to maintaining a higher degree of transparency, timely providing investors with comprehensive and accurate information in compliance with the Listing Rules, and continuously performing its obligation of information disclosure as a listed company. Through multiple methods including annual and semi-annual performance roadshows, the Shanghai Stock Exchange E interaction platform, hotline and independent information disclosure, the Company strengthened the communication with investors, enabled investors to understand the corporate strategies and business operation of the Company, and effectively maintained the confidentiality of undisclosed information. Through the methods above, the Company conveyed its investment value to the capital market in an objective and fair manner, improved its image in the market, and strengthened investors' confidence in investing in the Company.

III. MAIN WORK PLANS FOR FUTURE DEVELOPMENT**(i) New energy business**

1. Continuously focus on “Big channel, big base” projects, actively planning with proactive layout, starting from the source. Taking the resource reserve around the big channel as the key in development, strive for development in scale by a combination of hydrogen production from wind power, wind-solar hybrid solutions, agriculture (forestry, fishery etc.) infrastructure with photovoltaic power installations and renewable DC microgrid construction, etc.
2. Closely monitor integrated energy base projects, do a good job of project planning, properly finalise project boundaries and choose a good timing for implementation.
3. Leveraging the Company’s operating offshore wind power project at Puti Island in Leting, actively promote the development of offshore wind power projects in Hebei Province; actively strengthen connection with other coastal provinces, explore various cooperation models and make effort in exploring new offshore resources.
4. Focus on policies and technologies related to power storage and peak load adjustment to create a new growth pole for business expansion of the Company in the future. With the aim of enhancing the power generation capacity of the Company’s old wind farms, actively respond to the national policy of technological reform and upgrading of old units, promote the technical reform work of “Closing down smaller generation units and replacing with bigger ones” to improve the spatial efficiency of the current wind resources of the Company.
5. For new projects of the Company such as roof top distributed photovoltaic project for a whole county, earnestly and properly carry out investment estimation and risk control justification to provide scientific and effective guidance for future investment decision of similar projects.

(ii) Natural gas business

1. Ensure the successful completion and commissioning of key natural gas projects of the Company, with the terminal and receiving station projects of the Tangshan LNG Project phase I putting into operation as scheduled, the outbound pipelines project meeting production conditions in the first half of the year, and the Jingshihan Dual Track Gas Pipeline Project (京石邯輸氣管道複線工程) meeting production conditions.
2. In 2021, the Company signed its first long-term LNG sale and purchase agreement, with a contract amount of 1 million tons per year and a supplying period of 15 years, signifying its successful opening of long-term

upstream natural gas purchase channel. In the future, the Company will continue to actively develop LNG international trade and strive to obtain overseas prime upstream gas sources.

3. Stick to its market-oriented development strategy by leveraging its advantages of existing provincial natural gas trunk pipelines to actively expand urban natural gas projects and take various measures such as acquisitions and mergers to continuously explore new downstream markets in order to steadily expand the scale of its end-user market.

(iii) Leveraging the advantage of industrial synergy

By leveraging the advantage of the internal complementary synergy between the two principal business segments of the Company, namely the new energy business segment and natural gas business segment, the Company plans to develop multi-energy complementary and integrated projects for wind power + photovoltaic + energy (gas and electricity) storage, thereby creating an integrated intelligent energy system to further promote a high proportion of new energy consumption and ensure the safe and steady supply of electricity.

(iv) Constantly diversifying financing methods

In 2022, the Company will continue to explore channels for financing and innovative financing means and to obtain capital at low cost for project construction in order to ensure the stability and security of the Company's capital chain.

1. The Group will timely review its existing loans for reasonable replacement of original high-cost loans to further optimize financing structure and reduce financing cost. It will closely monitor the adjustment of relevant fiscal, taxation and financial policies of the state and local governments, communicate with major financial institutions on a regular basis, and actively draw facilities.
2. The Group will timely study and make full use of national and industry financial preferential policies, analyze the company's financing costs taking into account of market changes, coordinate the overall arrangement of funds, reasonably plan the undertaking of matured debts, seriously carry out various risk control work for bank loans, and issue debt financing products such as corporate bonds, medium term notes and super short-term commercial papers in a timely manner to meet the Company's future capital needs.

(v) Consolidate production safety

1. In 2022, the Company's safety management will take "building system and strengthening responsibility" as the key and comprehensively initiate the building of HSE (health, safety and environment) management system.

2. The Group will continue to carry out in-depth two major thematic activities of “Three-year Action for Special Remediation of Work Safety” and “Three-year Action for Enhancement of Safety Quality”. In particular, the Group will organize and carry out emergency drill for major hazards before commissioning of key projects such as the Tangshan LNG Project, concretely carry out forest fire prevention and natural gas pipeline safety work to ensure safe and stable operation of the Company’s systems.

This report is subject to consideration and approval at the general meeting of the Company.

The Board of Directors of
China Suntien Green Energy Corporation Limited

23 March 2022

China Suntien Green Energy Corporation Limited*Work Report of the Board of Supervisors for 2021*

In 2021, the Board of Supervisors of China Suntien Green Energy Corporation Limited (the “Company”) conscientiously performed its duties in strict accordance with the relevant provisions and requirements of the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors of the Company. It comprehensively supervised various work of the Company including standardized operation, financial position, major decision-making, the procedures for convening general meetings and the performance of duties by the directors and senior management, actively safeguarded the interests of the Company and shareholders and promoted the healthy and sustainable development of the Company. The work of the Board of Supervisors during the year is hereby reported as follows:

I. BASIC INFORMATION OF THE BOARD OF SUPERVISORS AND THE CONVENING OF MEETINGS

The Board of Supervisors comprises three members. Ms. Gao Jun, Mr. Zhang Dong Sheng and Mr. Qiao Guo Jie serve as an external Supervisor (the chairman of the Board of Supervisors), an independent Supervisor and an employee representative Supervisor of the Company, respectively.

During the year, five meetings were held by the Company, details of which are as follows:

- (i) On 5 March 2021, the Company held the ninth extraordinary meeting of the fourth session of the Board of Supervisors, at which the “Resolution on the Company Satisfying the Conditions for Non-public Issuance of A Shares”, “Resolution on the Issuance Plan for the Non-public Issuance of A Shares by the Company”, “Resolution on the Proposed Non-public Issuance of A Shares of the Company”, “Resolution on the Entering into of the Conditional Subscription Agreement and the Related Party Transaction between the Company and Hebei Construction & Investment Group Co., Ltd.”, “Resolution on the Feasibility Analysis Report on the Use of Proceeds from the Non-public Issuance of A Shares of the Company”, “Resolution on the Report on the Use of the Previously-Raised Proceeds of the Company”, “Resolution on the Dilution of Current Returns, Adoption of Remedial Measures and Related Subject Undertakings of the Non-public Issuance of A Shares”, “Resolution on the Shareholders’ Return Plan for the Next Three Years (2021-2023) Upon the Non-public Issuance”, and “Resolution on Establishing the Special Account for Proceeds Raised from the Non-public Issuance of A Shares” were considered and approved.
- (ii) On 19 March 2021, the Company held the fourth meeting of the fourth session of the Board of Supervisors, at which the “Resolution on the 2020 Work Report of the Board of Supervisors of the Company”, “Resolution on the 2020 Work Report of the President of the Company”, “Resolution on the 2020 Financial Report of the Company”, “Resolution on the Report on the 2020 Final Accounts of the Company”, “Resolution on the Provision for Impairment Loss in 2020”,

“Resolution on the 2020 Profit Distribution Proposal of the Company”, “Resolution on the Placement and Actual Use of the Proceeds of the Company for 2020”, “Resolution on the Report on the Use of the Previously-Raised Proceeds of the Company”, and “Resolution on the 2020 Annual Report Summary and Report and Result Announcement” were considered and approved.

- (iii) On 29 April 2021, the Company held the tenth extraordinary meeting of the fourth session of the Board of Supervisors, at which the “Resolution on the 2021 First Quarterly Report of the Company” was considered and approved.
- (iv) On 25 August 2021, the Company held the fifth meeting of the fourth session of the Board of Supervisors, at which the “2021 President Interim Work Report”, “Resolution on the Placement and Actual Use of the Proceeds for First Half of 2021”, and “Resolution on Reviewing the Interim Results Announcement and Report as at 30 June 2021 and Summary and Report of 2021 Interim Report” were considered and approved.
- (v) On 28 October 2021, the Company held the eleventh extraordinary meeting of the fourth session of the Board of Supervisors, at which the “Resolution on Reviewing the 2021 Third Quarterly Report of the Company” was considered and approved.

II. OPINIONS OF THE BOARD OF SUPERVISORS ON THE RELATED MATTERS OF THE COMPANY

(i) Monitoring the Company’s operation

Members of the Board of Supervisors of the Company attended all meetings of the Board of Directors and shareholders’ general meetings without voting rights to review each resolution submitted to those meetings and supervised the business activities of the Company. The Board of Supervisors is of the opinion that the Company has strictly complied with all laws and regulations and the Articles of Association of the Company when conducting its business activities, and that the Company has not involved in business activities which violate laws and regulations or fall beyond its legally approved scope of business.

(ii) Monitoring the performance of the Company’s Directors and senior management

Members of the Board of Supervisors of the Company attended meetings of the Board of Directors without voting rights to review each resolution of the Board of Directors and supervised the performance of the Company’s Directors and senior management by inspecting the Company’s routine management of operations. The Board of Supervisors is of the opinion that the Company’s Directors and senior management have diligently and dutifully fulfilled their duties, and no illegal, non-compliant behavior or behavior which harms the interests of the Company and its shareholders in the course of discharging their duties has been found.

(iii) Monitoring the Company's financial condition

The Board of Supervisors carefully reviewed the relevant financial information and auditors' report of the Company. The Board of Supervisors is of the opinion that the preparation of the financial statements has been in conformity with the financial reporting standards, and the report was consistent with past practice, thus accurately, completely, truthfully and fairly reflecting the Company's financial condition and operating results.

(iv) Monitoring the Company's related (connected) transactions

The Board of Supervisors reviewed the information of the related (connected) transactions between the Company and the controlling Shareholder. The Board of Supervisors is of the opinion that such related (connected) transactions are conducted on normal commercial terms, are fair, justified and reasonable and have not caused any harm to the interests of the Company and other shareholders of the Company.

(v) Monitoring the Company's disclosure of information

The Board of Supervisors reviewed the relevant documents publicly disclosed by the Company. The Board of Supervisors is of the opinion that the Company has conducted information disclosure strictly in accordance with laws and regulations including the Hong Kong Listing Rules, and the information publicly disclosed is true, accurate and complete without false or misleading statements.

III. WORK PLAN OF THE BOARD OF SUPERVISORS FOR 2022

In 2022, the Board of Supervisors will continue to perform supervisory duties faithfully and diligently in strict accordance with the rules and regulations including the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors. We will standardize the work of the Board of Supervisors, further improve the corporate governance structure of the Company, standardize the operation and management of the Company, and safeguard the interests of the Company and its shareholders.

(i) Conscientiously perform duties and do a good job in daily supervision

We will be present at the meetings of the Board of Directors and general meetings, supervise and inspect the production and operation management, financial position and conducts of directors and senior management of the Company, convene meetings of the Board of Supervisors in accordance with the relevant rules, consider material matters of the Company and issue opinions of the Board of Supervisors to prevent unfair transactions from encroaching on the interests of investors and the Company.

(ii) Actively participate in trainings to improve duty performance standard

Members of the Board of Supervisors will actively participate in relevant trainings and earnestly study the relevant laws, regulations and rules, have an in-depth understanding of the operation and management of the Company, and supervise various aspects of the operation of the Company. We will continue to promote the self-construction of the Board of Supervisors, give full play to our due functions, actively supervise the construction and effective operation of the Company's internal control system, effectively improve our duty performance standard, so as to promote the sustainable, stable and healthy development of the Company.

This report is subject to consideration and approval at the general meeting of the Company.

The Board of Supervisors of
China Suntien Green Energy Corporation Limited

23 March 2022



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)

23 May 2022

To the Independent Shareholders:

Dear Sir or Madam,

**CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF
INTEREST-BEARING LOANS TO CAOFEIDIAN COMPANY**

We refer to the circular dated 23 May 2022 (the “**Circular**”) despatched to the Shareholders by the Company, of which this letter forms part. Capitalized terms used in this letter shall have the same meaning as those defined in the Circular unless specified otherwise.

In accordance with the requirements of the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether the provision of Loans to Caofeidian Company under the Loan Agreement is conducted by the Company in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and fair and reasonable so far as the Independent Shareholders are concerned. For such purpose, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of, and the reasons for, the Loan Transaction under the Loan Agreement are contained in the letter from the Board set out on pages 5 to 25 in the Circular.

Having considered (i) the terms of the Loan Agreement, (ii) the discussions with the management of the Company about the background and nature of the Loans, (iii) reasons for the provision of Loans to Caofeidian Company and the basis upon which the principal amount and the interest rate(s) are determined, and (iv) the advice of Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, we consider that although the Loan Transaction is not conducted in the ordinary and usual course of business of the Company, it is entered into on normal commercial terms, and its terms are fair and reasonable so far as the Independent Shareholders are concerned, and it is in the interests of the Company and its Shareholders as a whole.

* *For identification purposes only*

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the AGM to approve the Loan Transaction.

Yours faithfully,
Independent Board Committee of
China Suntien Green Energy Corporation Limited
Mr. Guo Ying Jun
Mr. Wan Yim Keung, Daniel
Dr. Lin Tao
Independent Non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

23 May 2022

*To: The independent board committee and the independent shareholders
of China Suntien Green Energy Corporation Limited*

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF INTEREST-BEARING LOANS TO CAOFEIDIAN COMPANY

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Loan Transaction, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 23 May 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 28 April 2022, the Company entered into the Loan Agreement with Caofeidian Company, pursuant to which, the Company will provide interest-bearing loans to Caofeidian Company in phases according to Caofeidian Company’s capital use plan for the investment and construction of the Funded Projects, conditional upon, among other things, the resolution on the proposed change in the method of investment of use of Proceeds being considered and approved at a general meeting of the Company.

With reference to the Board Letter, the Loan Transaction constitutes a connected transaction, and is subject to the reporting and announcement and independent shareholders’ approval requirements under the Listing Rules.

The Independent Board Committee comprising Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Loan Transaction is on normal commercial terms and is fair and reasonable; (ii) whether the Loan Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Loan Transaction at the AGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

Gram Capital was engaged as the independent financial adviser in respect of (i) the subscription of A Shares by HECIC (details of which are set out in the Company's circulars dated 15 January 2021 and 1 April 2021); and (ii) deposit services under financial services agreement dated 28 October 2021 (details of which are set out in the Company's circular dated 23 November 2021). Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Transaction.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements will not affect our independence to act as the Independent Financial Adviser due to the fact that (a) we were appointed as independent financial adviser to advise the independent board committee and the then independent Shareholders and the past engagements did not fall into any circumstances as set out under the Rule 13.84 of the Listing Rules, therefore we maintained our independence from the Company during the aforesaid past engagements; and (b) the advisory fee of the aforesaid past engagements paid by the Company to us accounted for an insignificant portion of our revenue for the relevant period, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/ arrangements or implied understanding with anyone concerning the Loan Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Caoheidian Company, and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Company or the Shareholders as a result of the entering into the Loan Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Loan Transaction, we have taken into consideration the following principal factors and reasons:

Information on the Company

With reference to the Board Letter, 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-made natural gas; (ii) investment in the development of new energy projects such as wind power and solar power projects; and (iii) development of new energy technology and technical services.

On 6 January 2022, the Company completed the non-public issuance of A Shares and the registration for the new A Shares at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. 337,182,677 A Shares were issued by the Company to 22 specific target subscribers. The actual amount of net Proceeds raised from the A Shares Issuance, after deduction of issuance expenses, amounted to approximately RMB4,545 million.

As the net proceeds from the non-public Issuance of A Shares were less than the proposed amount of proceeds to be invested, as approved by the Board, the Company had made adjustment to the arrangements for the use of proceeds based on the actual amount of net proceeds. The Proceeds as to approximately RMB3,334 million and RMB1,211 million will be used for investment in the Funded Projects; and replenishment of working capital and repayment of relevant bank loans of the Company respectively, details of which are as follows:

Project name	Implementing entity	Total investment (approximate RMB million)	Proposed injection of Proceeds (approximate RMB million)	Proceeds used as at 30 April 2022 (Note) (approximate RMB million)	Remaining unused proceeds to be invested as at 30 April 2022 (Note) (approximate RMB million)
Tangshan LNG Project (first phase and second phase)	Caofeidian Company	18,597	2,398	198	2,200
Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section)	Caofeidian Company	6,417	699	106	593
Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section)	Caofeidian Company	2,954	237	8.5	228.5
Replenishment of working capital and repayment of bank loans	Company	1,362	1,211	1,211	Nil
Total		29,330	4,545	1,523.5	3,021.5

Note: The amounts stated exclude the accumulative bank interest generated by the Proceeds, which amounted to RMB8.2 million as at 30 April 2022.

As at 30 April 2022, the Company has accumulatively used approximately RMB1,523.5 million of the Proceeds. The balance of the Proceeds in the deposit account was approximately RMB3,021.5 million, all of which will be used for the Funded Projects.

Information on Caofeidian Company

With reference to the Board Letter, Caofeidian Company was incorporated under the laws of the PRC on 22 March 2018, and is held by the Company and HECIC (being the Company's controlling Shareholder) as to 51% and 49%, respectively. It is primarily engaged in investment in the development of the Tangshan LNG Project (three phrases), the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section) and the Hebei Suntien Tangshan LNG Terminal Outbound Pipelines Project (Baodi-Yongqing section).

Reasons for and benefit of the Loan Transaction

Certain reasons for and benefit of the Loan Transaction are set out in the section headed “Reasons for and benefits of change in investment method of the use of Proceeds and the Loan Transaction” of the Board Letter.

As confirmed by the Directors, the original method of investment of the use of Proceeds in the construction of the Funded Projects was the injection of the Proceeds into the project implementing entity by means of capital increase. If relevant Proceeds were injected into Caofeidian Company, such funds will be placed in a designated bank account and will be only used in relevant projects.

With reference to the Board Letter, in order to accelerate the construction of the Funded Projects and improve the efficiency of the use of the Proceeds, the Board has considered and approved the Company’s change in the method of investment of the use of Proceeds in the construction of the Funded Projects from “injection of the Proceeds into the project implementing entity by means of capital increase” to “injection of the Proceeds by means of capital increase and provision of interest-bearing loans for the construction of the Funded Projects”. In particular, up to RMB3 billion interest-bearing loans in aggregate will be provided to Caofeidian Company, and the available balance of the Proceeds will be injected into Caofeidian Company by means of capital increase.

Pursuant to the Loan Agreement, the term of the Loans shall be 36 months from the first drawdown date. Caofeidian Company may make drawdown once or multiple times based on its actual need of funds within 36 months from the date of the first drawdown upon the Loan Agreement taking effect. The repayment date of any drawdown shall not exceed the loans expiry date as set out in the Loan Agreement.

We noted from the Company’s announcements dated 20 April 2022 that, the Company intended to utilise idle Proceeds of not more than RMB1 billion to supplement working capital temporarily. Such idle Proceeds, if utilises as aforesaid plan, will (i) be returned in advance in a timely manner by the Company’s own funds or bank loans should the use of such idle Proceeds is accelerated as the results of the need of the projects (which the Proceeds will be invested to) in advance to its original plan; or (ii) be returned by the Company before the maturity date of the supplemented working capital. In addition, we also noted that the Company intended to proceed cash management for idle Proceeds of not more than RMB2 billion by way of purchasing capital guaranteed investment products with high liquidity and safety, including but not limited to, structured deposits, guaranteed wealth management products, time deposits, etc..

Therefore, injection of the Proceeds by the combination of capital increase and the Loans can also utilise the idle Proceeds more effectively.

Having considered that (i) save for the means of injection of the Proceeds, the implementing entity, locations, investment projects and fund amounts as set out in the use of Proceeds plan remain unchanged; (ii) injection of the Proceeds by the combination of capital increase and the Loans can utilise the idle Proceeds more effectively, we are of the view that

although the Loan Transaction is not conducted in the ordinary and usual course of business of the Group, the Loan Transaction is in the interests of the Company and Shareholders as a whole.

Principal terms of the Loan Transaction

Set out below is the summary of the Loan Transaction, details of which are set out under section headed “Principal terms of the Loan Agreement” of the Board Letter.

Date: 28 April 2022

Parties: The Company (as lender) and Caofeidian Company (as borrower)

Amount and term of the Loans:

The amount of the Loans shall be RMB3 billion.

The term of the Loans shall be 36 months from the first drawdown date. Caofeidian Company may make drawdown once or multiple times based on its actual need of funds within 36 months from the date of the first drawdown upon the Loan Agreement taking effect. The repayment date of any drawdown shall not exceed the loans expiry date as set out in the Loan Agreement.

Having considered that (i) the Loans shall be funded by the Proceeds from the A Shares Issuance, which are specifically allocated for the construction of the Funded Projects; and (ii) the unutilised amounts of Proceeds as at 30 April 2022 (all of which were intended to be used for Funded Projects) were approximately RMB3.0215 billion, we are of the view that the amount of the Loans of RMB3 billion are justifiable.

Principle and method of interest rate determination:

Principle of Loan interest rate determination: The rate shall be determined with reference to the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions and adjusted simultaneously according to the loan prime rate (LPR) for loans with the same duration. In the event that the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions are adjusted, the interest rate(s) under the Loan Agreement may be revised through the execution of a supplemental agreement upon the provision of supporting documents by Caofeidian Company such as loan contracts or withdrawal slips. The revised interest rate(s) shall only be applicable to the future period, and the final adjustment shall be determined by the Company.

The interest rate of each Loan drawdown shall be determined based on the pricing basis and floating points. The pricing basis shall be the one-year LPR as announced by the National Interbank Funding Center on the working day prior to the date of each drawdown (hereinafter referred to as the first rate determination date), and the floating points shall be minus five basis points (one basis point refers to 0.01%, the same applies hereinafter). For Shareholders' easy reference the interest rate = one-year LPR – 0.05%.

Subsequent to the first rate determination date, interest rate of the Loans shall be applicable for a period of 12 months, and will be reviewed and adjusted every 12 months. The Loan interest for each interest period shall be calculated according to the Loan interest rate as adjusted and applicable to such interest period. The rate determination date of the second and subsequent interest periods shall be the anniversaries of the first rate determination date, and the lender shall adjust the Loan interest rate on each anniversary day based on the loan prime rate for the same term as announced by the National Interbank Funding Center on the last working day prior to that day and the floating points.

The loan interest shall be calculated on a daily basis from the actual drawdown date and accrued quarterly. The interest shall be repaid by matching with the principal upon the expiry date. The daily interest rate = interest rate per annum / 360. If the interest rate fluctuates repeatedly in a single interest accrual period, the interest shall be calculated as the aggregate amount of the interest in each floating period.

Upon our request, we obtained two copies of loan agreements entered into between Caofeidan Company and an independent commercial bank (i) in April 2020 (and as supplemented by an supplemental agreement in June 2020); and (ii) in March 2022. According to the aforesaid agreements, (i) the duration of the loans provided by the independent commercial bank (the “**Bank Loans**”) were 36 months; (ii) interest rates on the loans were calculated by one-year LPR – 0.05% and one-year LPR – 0.16% respectively; and (iii) the lender shall adjust the loan interest rates on each anniversary day based on the LPR for the same term as announced by the National Interbank Funding Center on the last working day prior to that day and the floating points.

Having considered that the interest rate of the Loan is not more favourable than the interest rates of the Bank Loans, we are of the view that the interest rate of the Loan is fair and reasonable.

In addition, we also noted that the interest rate of the Loan may be adjusted (i.e. in the event that the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions are adjusted, the interest rate under the Loan Agreement may be revised through the execution of a supplemental agreement upon the provision of supporting documents by Caofeidian Company such as loan contracts or withdrawal slips). As (i) the rate shall be determined with reference to the interest rates for bank loans of Caofeidian Company with the same duration from financial institutions; and (ii) the revised interest rate shall only be applicable to the future period, and the final adjustment right shall be determined by the Company, we consider the adjustment mechanism of interest rate to be justifiable.

Repayment

Caofeidian Company shall repay the principal of the Loans by the loan expiry date. In the event that Caofeidian Company fails to repay the principal of the Loans in accordance with the agreed terms, the Company shall charge a default interest at the agreed interest rate plus 50% on the Loan overdue amount from the overdue date until the principal of the Loans and any interest accrued thereon are settled. The Company shall be entitled to impose compound interest on any interest failed to be paid by Caifeidian Company as scheduled (including default interest) at the aforesaid default interest rate for the Loans overdue amount.

The Company shall have the right to request for early repayment from Caofeidian Company based on the Company's capital position and Caofeidian Company's business operation, etc., and Caofeidian Company shall raise the capital (such as revenue for the period of project operation or project loans from financial institutions) as soon as practicable to ensure that early repayment will be made within one month upon receipt of the notice from the Company.

In the case that the credit standing of Caofeidian Company deteriorates, the Company shall be entitled to cancel its commitment to Caofeidian Company in relation to all undrawn amounts of the Loans under Loan Agreement without giving any prior notice.

As mentioned above, Caofeidian Company is a non-wholly owned subsidiary of the Company. Upon our request, we obtained articles of association of Caofeidian Company and noted that board of directors of Caofeidian Company comprised six directors, three of which are nominated by the Company, two of which are nominated by HECIC, and one of which are nominated by staff of Caofeidian Company. In addition, the Directors also advised that all senior managements of Caofeidian Company were nominated by the Company. As such, the Group is able to access the details of financial positions of Caofeidian Company, and can obtain sufficient information in advance.

Having considered that (i) the Company have the right to request for prepayment and such amount will be prepaid within one month upon receipt of the notice from the Company; (ii) the Company shall be entitled to cancel its commitment to Caofeidian Company in relation to all undrawn amounts of the Loans without giving any prior notice if the credit standing of Caofeidian Company deteriorates; and (iii) Caofeidian Company is a subsidiary of the Company and half of directors and all senior management of Caofeidian Company were nominated by the Company, we are of the view that the credit risk of the Loans is mitigated.

Having reviewed and considered the terms of the Loan Agreement in particular the key terms as listed above (including the interest rate being fair and reasonable; the adjustment mechanism of interest rate being justifiable; and no abnormal term observed), we are of the view that the terms of the Loan Transaction are on normal commercial terms and are fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Loan Transaction are on normal commercial terms and are fair and reasonable; and (ii) although the Loan Transaction is not conducted in the ordinary and usual business of the Group, the Loan Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the AGM to approve the Loan Transaction and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. NON-EXECUTIVE DIRECTORS

Dr. Cao Xin (曹欣), aged 50, joined the Group in June 2006, is a non-executive Director and the chairman of the Board of Directors of the Company. He obtained a doctorate in economics from Renmin University of China (中國人民大學) and is a chief senior economist. Currently, Dr. Cao also serves as a non-executive director of Datang International Power Generation Co., Ltd (stock code for A Share: 601991; stock code for H Share: 00991). He is currently a deputy general manager and member of the Standing Committee of the Party Committee of Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司, “HECIC”), the chairman of Mao Tian Capital Limited, and the deputy chairman of Huihai Financial Leasing Co., Ltd. He successively served as the executive Director, chairman and president of the Company; general manager of HECIC New Energy Co., Ltd. (河北建投新能源有限公司); and assistant to the general manager of HECIC; and manager of the Public Utilities Department II of Hebei Construction & Investment Company (the predecessor of HECIC).

Dr. Li Lian Ping (李連平), aged 59, served the Group from February 2010 to March 2013, resigned the directorship in March 2013 due to job transfer and rejoined the Group in June 2016. He is the chairman and secretary of the Party Committee of HECIC. He obtained a doctorate in materials processing engineering from the University of Science and Technology Beijing (北京科技大學) and is a chief senior engineer. Currently, Dr. Li serves as a director of Jointo Energy Investment Co., Ltd. Hebei (河北建投能源投資股份有限公司, “JEI”) (stock code for A Share: 000600), a director of HECIC Group Finance Company Limited, and the chairman of Yanshan Development (Yanshan International Investment) Company Limited (燕山發展(燕山國際投資)有限公司). He successively served as the deputy secretary of the Party Committee, deputy officer (departmental level) of the State-owned Assets Supervision & Administration Commission of the People’s Government of Hebei Province, chairman and secretary of the Party committee of HECIC, chairman of Yanshan Development Company Limited, director, deputy general manager and a member of the standing committee of the Party committee of Hebei Iron & Steel Group Co., Ltd. and general manager, deputy chairman and deputy secretary of the Party Committee of Handan Iron & Steel Group Co., Ltd.

Mr. Qin Gang (秦剛), aged 47, joined the Group in October 2014, is currently a non-executive Director of the Company. He obtained a master’s degree in corporate management from Nankai University (南開大學) and is a senior economist. He has been an assistant to the general manager of HECIC since April 2015. Currently, Mr. Qin also serves as the vice chairman of JEI, and holds various positions such as director in companies including Yanshan Development (Yanshan International Investment) Company Limited (燕山發展(燕山國際投資)有限公司), Mao Tian Capital Limited, HECIC Water Investment Co., Ltd. and HECIC Operations Management Co., Ltd. (河北建投運營管理有限公司). He successively served as the deputy departmental manager of the capital operation department of HECIC and deputy manager of the financial management department of Hebei Construction Investment Company (the predecessor of HECIC).

Mr. Wu Hui Jiang (吳會江), aged 42, joined the Group in June 2015, is currently a non-executive Director of the Company. He has a master's degree in political economy from Zhejiang University (浙江大學) and is a senior economist. He has been the general manager of the investment development department of HECIC since June 2015. Currently, Mr. Wu also serves as director in companies including Yanshan Development (Yanshan International Investment) Company Limited, Mao Tian Capital Limited, Caofeidian Suntien Liquefied Natural Gas Co., Ltd. Prior to this, he was deputy general manager of the investment development department of HECIC, deputy general manager of CIC Huaxin Capital Co., Ltd. (建投華信資本有限公司), manager of the Investment development department of HECIC Water Investment Co., Ltd. and project manager of the Public Utilities Department I of Hebei Construction Investment Company (the predecessor of HECIC).

The Company will enter into a service contract with each of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the fifth session of the Board of Directors. They are eligible for re-election upon expiry of their respective term of office according to the Articles of Association. As non-executive Directors of the Company, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang will not receive any Director's fee or remuneration from the Company. To the best of the knowledge of the Directors and save as disclosed above, Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, Dr. Cao Xin held 50,000 H Shares of the Company, while Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang did not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointment of Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Hui Jiang that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

2. EXECUTIVE DIRECTORS

Mr. Mei Chun Xiao (梅春曉), aged 53, joined the Group in August 2006, is currently an executive Director, president and deputy secretary of the Party Committee of the Company. He obtained a master's degree in electrical engineering from Beijing Jiaotong University (北京交通大學) and is a chief senior engineer. Mr. Mei successively served as vice president of the Company, general manager, deputy general manager and chief engineer, and an assistant to the general manager of HECIC New Energy Co., Ltd. In addition, Mr. Mei is currently serving in a number of subsidiaries and affiliated companies of the Group, including (a) acting as chairman of the companies below: HECIC New Energy Co., Ltd., Hebei Natural Gas Company Ltd., Hebei Fengning CIC New Energy Co., Ltd., Suntien Green Energy (Fengning) Co., Ltd., Suntien Green Energy (Hong Kong) Corporation Limited, Shenzhen Suntien Green Energy Investment Co., Ltd., Ruoqiang Suntien Green

Energy Co., Ltd., Fuping Jixin Suntien Green Energy Co., Ltd., Hejing Suntien Green Energy Co., Ltd, Caofeidian Suntien Liquefied Natural Gas Co.,Ltd. and HECIC New-energy Supply Chain Management Co., Ltd.; (b) acting as vice-chairman of the company below: Hebei Jinjianjia Natural Gas Co., Ltd.; (c) acting as director of the company below: Huihai Financial Leasing Co., Ltd.; and (d) acting as chairman and general manager of the company below: Heibe Gas Co., Ltd.

Mr. Wang Hong Jun (王紅軍), aged 57, joined the Group in March 2013, is an executive Director of the Company. He obtained a master's degree in business administration from Tianjin University (天津大學). Mr. Wang successively served as director of the general office of HECIC, and director of the general manager office of Hebei Construction Investment Company (the predecessor of HECIC). In addition, Mr. Wang Hong Jun is currently serving in a number of subsidiaries and affiliated companies of the Group, including (a) acting as chairman of the companies below: Ruian Xin Yun New Energy Co., Ltd., Junan Suntien Wind Energy Co., Ltd., Fuliang Zhongling Suntien Green Energy Co., Ltd., Suntien Green Energy Xuyi Co., Ltd., Suntien Green Energy Lianyungang Co.,Ltd., Hebei Fengning Construction & Investment New Energy Co., Ltd. and Suntien Green Energy (Fengning) Co., Ltd.; (b) acting as deputy chairman of the companies below: Hebei Fengning Pumped Storage Co., Ltd. and Chengde Dayuan New Energy Co., Ltd.; (c) acting as director of the companies below: Caofeidian Suntien Liquefied Natural Gas Co., Ltd., Heibe Gas Co., Ltd. and HECIC New-energy Supply Chain Management Co., Ltd.

The Company will enter into a service contract with each of Mr. Mei Chun Xiao and Mr. Wang Hong Jun, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the fifth session of the Board of Directors. They are eligible for re-election upon expiry of their respective term of office according to the Articles of Association. As executive Directors of the Company, Mr. Mei Chun Xiao and Mr. Wang Hong Jun will not receive any Director's fee from the Company, and their remuneration will be determined in accordance with the criteria specified in the measures for remuneration management in relation to the performance appraisal of operators of the Company, which includes basic salary, performance bonuses and other benefits. Basic salary will be determined in accordance with their respective positions in the Company, performance bonus will be determined with reference to the Company's business performance, and other benefits will include statutory pension, medical and housing fund. The annual remuneration of Mr. Mei Chun Xiao and Mr. Wang Hong Jun will be determined at the year end and disclosed in the Company's annual report of that year. To the best of the knowledge of the Directors and save as disclosed above, Mr. Mei Chun Xiao and Mr. Wang Hong Jun did not hold any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr. Mei Chun Xiao held 50,000 H Shares of the Company, while Mr. Wang Hong Jun did not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO. Save as disclosed above, there is no other information in relation to the appointment of Mr. Mei Chun Xiao and Mr. Wang Hong Jun that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

3. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Guo Ying Jun (郭英軍), aged 48, joined the Company as an Independent Director in November 2020 and has held this position since then. He is an associate professor and a supervisor of postgraduates for master's degree at the School of Electrical Engineering, Hebei University of Science and Technology, and the director of Hebei Engineering Laboratory for Wind Power/Photovoltaic Coupling Hydrogen Production and Comprehensive Utilization. Mr. Guo worked in the Mechatronics Engineering Technology Center of Hebei University of Science and Technology from July 1996 to August 2001, and studied for a master's degree in control theory and control engineering at Beijing Institute of Technology from September 2001 to March 2004. He has been working at the School of Electrical Engineering, Hebei University of Science and Technology since April 2004 and studying for a doctoral degree in control theory and control engineering at Hebei University of Technology since September 2016. He was a visiting scholar at the University of Manchester from 13 August to 12 September 2011.

Mr. Wan Yim Keung, Daniel (尹焯強), aged 63, joined the Company as an Independent Director in June 2019 and has held the position since then. He is the vice chairman and chief executive officer of Haifu International Finance Holding Group Limited, and obtained master's degrees in business administration from The Chinese University of Hong Kong and the University of Wales. Mr. Wan is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. At present, Mr. Wan is an executive director of Bonjour Holdings Limited (Stock code for H Shares: 00653). Mr. Wan was the managing director and chief financial officer of Shui On Land Limited, the general manager of The Bank of East Asia, Ltd. and the Chief financial officer of the BEA Group, and the chief executive officer of First Pacific Bank Limited. Besides, Mr. Wan also served as a part-time member of the Central Policy Unit of Hong Kong, chairman of the Investment Committee of the Travel Industry Compensation Fund, member of the Advisory Board of CFO Asia Magazine, member of the Travel Industry Compensation Fund Management Board, member of the Board of Review (Inland Revenue), member of the Small and Medium Enterprises Committee, member of the Auditing Standards Committee of the Hong Kong Society of Accountants, member of the Accounting Standards Advisory Panel of the Hong Kong Society of Accountants, member of the Taxation Committee of the Taxation Institute of Hong Kong and newly appointed member of the Tax Liaison Committee.

Dr. Lin Tao (林濤), aged 51, joined the Company as an Independent Director in June 2019 and has held the position since then. He is a professor of the Department of Internet of Things Engineering of the School of Artificial Intelligence and Data Science, and a supervisor of postgraduates for master's degree at the Department of Computer Science and Technology, Control Theory and Control Engineering of Hebei University of Technology (河北工業大廈), and obtained a doctoral degree in control theory and control engineering from Hebei University of Technology. Dr. Lin has been working at the the School of Artificial Intelligence and Data Science of Hebei University of Technology since July 1993. Dr. Lin studied at Tianjin University for a master's degree from September 1996 to October 1999, and at Hebei University of Technology for a doctoral degree from April 2003 to April 2007. From September 2010 to August 2013, he completed his post-doctoral research work at the post-doctoral research station of Hebei University of Technology.

The Company will enter into a service contract with each of Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao, and their respective term of office shall be effective from the date of the AGM and end on the expiry of the term of the fifth session of the Board of Directors. They are eligible for re-election upon expiry of their respective term of office according to the Articles of Association. As independent non-executive Directors of the Company, each of Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao will receive annual Director fees of HK\$100,000 or RMB equivalent (which are tax inclusive and payable on a quarterly basis with the Company being responsible for withholding individual income tax). Travelling expenses incurred by independent non-executive Directors for attending meetings of the Board of Directors, general meetings and relevant activities organized by the Board of Directors of the Company will be borne by the Company.

To the best of the knowledge of the Directors and save as disclosed above, Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, they did not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Guo Ying Jun, Mr. Wan Yim Keung, Daniel and Dr. Lin Tao that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

APPENDIX V BIOGRAPHICAL DETAILS OF THE PROPOSED NON-EMPLOYEE REPRESENTATIVE SUPERVISORS

The biographies of Ms. Gao Jun and Mr. Zhang Dong Sheng are as follows:

Ms. Gao Jun (高軍), aged 51, joined the Company as an external Supervisor in October 2020 and has held this position since then. She is the general manager of the audit management department of HECIC, the controlling Shareholder of the Company. She graduated from Hebei University of Economics and Business majoring in financial accounting. She is a senior economist. Ms. Gao has been serving as the general manager of the audit management department of HECIC since April 2015. She successively served as general manager, deputy director, assistant to director, assistant to manager and other positions of the financial management department of Hebei Construction & Investment Group Co., Ltd.

Mr. Zhang Dong Sheng (張東生), aged 61, joined the Company as an independent Supervisor in October 2020 and has held this position since then. He is the head of the Department of Business Administration, School of Economics and Management, Hebei University of Technology. He obtained a doctorate in management majoring in management science and engineering from Hebei University of Technology, and is a professor and a supervisor of Ph.D. students. Prof. Zhang serves as an external director of Hebei Port Group Co., Ltd. From 1983 to 1984, Prof. Zhang worked in Tangshan Mining & Metallurgical Machinery Plant (唐山冶金礦山機械廠). In July 1984, he studied in Hebei University of Technology for a master's degree. He has been teaching in that university since his graduation in 1987, during which, he studied in Hebei University of Technology for a doctorate. From 2006 to 2007, he was a senior visiting scholar at the University of Manchester, United Kingdom.

The Company will enter into a service contract with each of Ms. Gao Jun and Mr. Zhang Dong Sheng, and their respective term of office shall be effective from the date of formation of the fifth session of the Board of Supervisors, which is expected to be the date of the AGM, and end on the expiry of the term of the fifth session of the Board of Supervisors. They are eligible for reelection upon expiry of their respective term of office according to the Articles of Association.

As an external Supervisor of the Company, Ms. Gao Jun will not receive any Supervisor's remuneration. As an independent Supervisor of the Company, Mr. Zhang Dong Sheng will receive the annual Supervisor's remuneration of HK\$50,000 or equivalent amount in RMB (which is tax inclusive and payable on a quarterly basis with the Company being responsible for withholding individual income tax).

To the best of the knowledge of the Directors and save as disclosed above, Ms. Gao Jun and Mr. Zhang Dong Sheng did not hold any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and they do not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company and they do not hold any other positions in the Company or any of its subsidiaries. As at the Latest Practicable Date, they did not have any interest in the Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

**APPENDIX V BIOGRAPHICAL DETAILS OF THE PROPOSED
NON-EMPLOYEE REPRESENTATIVE SUPERVISORS**

Save as disclosed above, there is no other information in relation to the appointment of Ms. Gao Jun and Mr. Zhang Dong Sheng that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

China Suntien Green Energy Corporation Limited*Duty Report of Independent Directors for 2021*

In accordance with the requirements of the Company Law, Rules for Independent Directors of Listed Companies, the Articles of Association of China Suntien Green Energy Corporation Limited (the “Articles of Association”), the Independent Directors Working System of China Suntien Green Energy Corporation Limited (the “Independent Directors Working System”) and other relevant regulations and requirements, as Independent Directors of China Suntien Green Energy Corporation Limited (“Suntien Green Energy” or the “Company”), we hereby report on our performance of duties in 2021 as follows:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS**(i) Basic personal information of Independent Directors**

1. **Mr. Guo Ying Jun** (郭英軍), aged 48, joined the Company as an Independent Director in November 2020 and has held this position since then. He is an associate professor and a supervisor of postgraduates for master’s degree at the School of Electrical Engineering, Hebei University of Science and Technology, and the director of Hebei Engineering Laboratory for Wind Power/Photovoltaic Coupling Hydrogen Production and Comprehensive Utilization. Mr. Guo worked in the Mechatronics Engineering Technology Center of Hebei University of Science and Technology from July 1996 to August 2001, and studied for a master’s degree in control theory and control engineering at Beijing Institute of Technology from September 2001 to March 2004. He has been working at the School of Electrical Engineering, Hebei University of Science and Technology since April 2004. He was a visiting scholar at the University of Manchester from 13 August to 12 September 2011.
2. **Mr. Wan Yim Keung, Daniel** (尹焯強), aged 63, joined the Company as an Independent Director in June 2019 and has held the position since then. He is the vice chairman and chief executive officer of Haifu International Finance Holding Group Limited, and obtained master’s degrees in business administration from The Chinese University of Hong Kong and the University of Wales. Mr. Wan is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. At present, Mr. Wan is an executive director of Bonjour Holdings Limited (Stock code for H Shares: 00653). Mr. Wan was the managing director and chief financial officer of Shui On Land Limited, the general manager of The Bank of East Asia, Ltd. and the Chief financial officer of the BEA Group, and the chief executive officer of First Pacific Bank Limited. Besides, Mr. Wan also served as a part-time member of the Central Policy Unit of Hong Kong, chairman of the Investment Committee of the Travel Industry Compensation Fund, member of the Advisory Board of CFO Asia Magazine, member of the Travel Industry Compensation Fund Management Board, member of the Board of Review (Inland Revenue),

member of the Small and Medium Enterprises Committee, member of the Auditing Standards Committee of the Hong Kong Society of Accountants, member of the Accounting Standards Advisory Panel of the Hong Kong Society of Accountants, member of the Taxation Committee of the Taxation Institute of Hong Kong and newly appointed member of the Tax Liaison Committee.

3. **Dr. Lin Tao** (林濤), aged 51, joined the Company as an Independent Director in June 2019 and has held the position since then. He is a professor of the Department of Internet of Things Engineering of the School of Artificial Intelligence and Data Science, and a supervisor of postgraduates for master's degree at the Department of Computer Science and Technology, Control Theory and Control Engineering of Hebei University of Technology (河北工業大廈), and obtained a doctoral degree in control theory and control engineering from Hebei University of Technology. Dr. Lin has been working at the the School of Artificial Intelligence and Data Science of Hebei University of Technology since July 1993. Dr. Lin studied at Tianjin University for a master's degree from September 1996 to October 1999, and at Hebei University of Technology for a doctoral degree from April 2003 to April 2007. From September 2010 to August 2013, he completed his post-doctoral research work at the post-doctoral research station of Hebei University of Technology.

(ii) Statement of independence

As Independent Directors of Suntien Green Energy, we do not hold any position in the Company other than Independent Directors or any position in the substantial Shareholders of the Company. We have strictly complied with the relevant requirements of the Guideline for Self-Regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operation (上海證券交易所上市公司自律監管指引第1號—規範運作). The number of listed companies in which we act as independent directors does not exceed five, and there are no matters or circumstances which may affect our independence as Independent Directors of the Company.

II. OVERVIEW OF PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS IN THE YEAR

(i) Attendance at Meetings

During the reporting period, the Company held a total of 11 meetings of the Board of Directors, 5 general meetings, 8 meetings of the Audit Committee, 3 meetings of the Remuneration and Appraisal Committee, and 1 meeting of the Strategy and Investment Committee. Details of the attendance by Independent Directors are as follows:

Name of Independent Director	Required attendance at meetings during the reporting period		Attendance in person		Attendance by proxy		Absence		Attendance at general meetings
	Board of Directors	Dedicated committee	Board of Directors	Dedicated committee	Board of Directors	Dedicated committee	Board of Directors	Dedicated committee	
Guo Ying Jun	11	11	11	11	0	0	0	0	3
Wan Yim Keung, Daniel	11	11	11	11	0	0	0	0	0
Lin Tao	11	3	11	3	0	0	0	0	0

(ii) Resolutions and voting results

During the reporting period, we faithfully performed our duties as Independent Directors, and we are of the view that the convening and holding of the meetings of the Board of Directors and general meetings complied with statutory procedures and that the relevant consideration and review procedures have been performed for all material matters. We have carefully considered and reviewed the resolutions of the Board of Directors and considered that these resolutions were not detrimental to the interests of the Shareholders, especially minority interests, and we voted for all these resolutions.

(iii) Expressing of independent opinions

During the reporting period, we issued independent opinions on the following matters in accordance with the relevant requirements of the Guideline for Self-Regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operation and the Independent Directors Working System of the Company:

No.	Date and session of the meeting	Content of independent opinions
1	5 March 2021 21st extraordinary meeting of the fourth session of the Board of Directors	1. Consent to the matters in relation to the non-public Issuance of the Company
2	19 March 2021 8th meeting of the fourth session of the Board of Directors	1. Consent to the resolution on the 2020 profit distribution proposal of the Company 2. Consent to the appointment of Ernst & Young Hua Ming LLP as the audit institution for the financial report and internal control of the Company for 2021 3. Consent to the resolution on the report on the use of proceeds previously raised by the Company 4. Consent to the resolution on the estimated connected transactions to be conducted in the ordinary course of business of the Company for 2021 5. Consent to the resolution on the purchase of liability insurance for Directors, Supervisors and senior management of the Company 6. Consent to the resolution on the amendments to the Articles of Association of the Company

No.	Date and session of the meeting	Content of independent opinions
3	27 April 2021 22nd extraordinary meeting of the fourth session of the Board of Directors	1. Consent to the resolution on the provision of guarantee of RMB140 million for Hebei Suntien Guohua Gas Co., Ltd. by the Company based on the proportion of shareholding
4	20 August 2021 24th extraordinary meeting of the fourth session of the Board of Directors	1. Consent to the resolution on the tenure system and contractual management plan of the Company's management
5	25 August 2021 10th meeting of the fourth session of the Board of Directors	1. Consent to the resolution on increasing the registered capital of Caofeidian Suntien Liquefied Natural Gas Co., Ltd. by RMB407.49 million by the Company based on the proportion of shareholding 2. Consent to the resolution on the placement and actual use of the proceeds for first half of 2021 3. Consent to the resolution on realizing the 2020 annual remuneration of management of the Company 4. Consent to the resolution on rewarding the Company's management for achieving the strategic goal under the 13th Five-Year Plan
6	27 September 2021 25th extraordinary meeting of the fourth session of the Board of Directors	1. Consent to the resolution on the application for a standby letter of credit from a bank and provision of a joint and several liability guarantee by Hebei Natural Gas Company Limited for S&T International Natural Gas Trading Company Limited

APPENDIX VI DUTY REPORT OF INDEPENDENT DIRECTORS

No.	Date and session of the meeting	Content of independent opinions
7	28 October 2021 26th extraordinary meeting of the fourth session of the Board of Directors	<ol style="list-style-type: none">1. Consent to the resolution on the renewal of the master tenancy agreement between the Company and Hebei Construction & Investment Group Co., Ltd.2. Consent to the resolution on the renewal of the financial services framework agreement between the Company and HECIC Group Finance Company Limited
8	8 December 2021 27th extraordinary meeting of the fourth session of the Board of Directors	<ol style="list-style-type: none">1. Consent to the resolution on realizing the strategic goal deposit for the Company's management under the 13th Five-Year Plan

(iv) The Company's cooperation with our work

During the reporting period, the Company actively cooperated with our work and provided necessary conditions for us to perform our duties as Independent Directors.

III. KEY ISSUES FOR INDEPENDENT DIRECTORS IN THE PERFORMANCE OF DUTIES IN THE YEAR**(i) Connected transactions**

During the reporting period, the Company had obtained our prior consent for all connected transactions. Such transactions met the business development needs of the Company, were on normal commercial terms, in the interests of the Company and its Shareholders as a whole, and were not detrimental to the interests of the Company and its Shareholders, especially minority interests.

(ii) External guarantees and capital occupation

During the reporting period, we carefully verified the external guarantees and capital occupation of the Company. We are of the view that the guarantees are based on the capital needs of the Company for production, operation and investment, determined on the basis of reasonable expectations, in line with the operational conditions and overall development strategies of the Company, and the risk of guarantees is within the control of the Company. The decision-making procedures and voting results for the guarantees are legal and valid, comply with the requirements of the relevant laws, regulations and the Articles of Association, there is no circumstance which is detrimental to the interests of the Company and its shareholders, especially the minority interests.

(iii) Uses of proceeds

During the reporting period, we carefully considered and reviewed the deposit and use of proceeds, and issued our independent opinions. We are of the view that the Company had disclosed the relevant information on proceeds in a timely, truthful, accurate and complete manner, and that there were no false statements, misleading information or material omissions. The deposit and use of proceeds by the Company in 2021 has complied with the Guideline for Regulation of Listed Companies No. 2 – Regulatory Requirements for the Management and Utilization of Proceeds by Listed Companies and the Management Measures for Proceeds by Companies Listed on the Shanghai Stock Exchange. There is no irregular use of proceeds, no disguised change in the purpose of use of proceeds or any circumstance which is detrimental to the legitimate interests of the shareholders, especially the minority interests.

(iv) Remuneration of senior management

During the reporting period, the Company completed the realization of the 2020 annual remuneration of senior management and the realization of rewarding the Company's management for achieving the strategic goal under the 13th Five-Year Plan and relevant deposit.

We have reviewed and expressed independent opinions on the above-mentioned remuneration related matter. The procedures for the consideration of such matter were in compliance with the requirements of the relevant laws, regulations and the relevant rules of the Company, in accordance with the Company's criteria for remuneration management and appraisal and in line with the actual situation of the Company, which were beneficial to the development of the remuneration system of the Company and its sustained and stable development, and there was no circumstance which was detrimental to the interests of the Company and its minority interests.

(v) Performance forecast and preliminary results

In 2021, the Company published the announcement on estimated increase in results for the first half of 2021. We made careful judgement as to whether the disclosure of the preliminary announcement on results should be made, as well as confirmed the accuracy of the relevant financial information and considered that it generally reflected the actual operating and financial position of the Company for the period and could protect the legitimate interests of investors.

(vi) Appointment or change of accounting firm

During the reporting period, the Company appointed Ernst & Young Hua Ming LLP as the audit institution for the financial report and internal control of the Company for 2021, mainly attributable to its qualification for the engagement in securities services related business and its experience and ability to provide audit services to listed companies, which meets the Company's needs for the audit of financial report and internal control, as well as the maintenance of continuity of the Company's audit work. We are of the view that the consideration and voting procedures for the above-mentioned matter complied with the relevant laws, regulations and the Articles of Association, and that there was no circumstance which was detrimental to the interests of the Company and its Shareholders as a whole, especially the minority interests.

(vii) Cash dividends and other returns for investors

During the reporting period, the Company distributed cash dividends of RMB1.36 (tax inclusive) for every 10 Shares to all Shareholders, based on a total of 3,849,910,396 issued Shares. We are of the view that such profit distribution plan had been determined based on reasonable returns for investors and the long-term development of the Company to adopt cash dividends in profit distribution, that the contents and decision-making procedures for the profit distribution plan of the Company complied with the requirements of the Guideline for Regulation of Listed Companies No. 3 – Cash Dividends of Listed Companies, the laws, regulations and other regulatory documents and the Articles of Association of China Suntien Green Energy Corporation Limited, and that there was no obviously unreasonable circumstance or any abuse of rights by any shareholder to interfere in the decision-making of the Company.

(viii) Fulfillment of undertakings by the Company and its Shareholders

During the reporting period, all undertakings made by the Company and its Shareholders had been effectively fulfilled, and there was no breach of any undertaking by the Company or its Shareholders.

(ix) Implementation of information disclosure

During the reporting period, the Company had fulfilled its obligation of information disclosure in strict accordance with the Measures for the Administration of Information Disclosure of Listed Companies issued by the CSRC, the Listing Rules, laws, regulations and the Information Disclosure Management Requirements of the Company, had disclosed the relevant information in a truthful, accurate, complete and timely manner, and that no false statements, misleading information or material omissions had been identified.

(x) Implementation of internal control system

During the reporting period, in strict accordance with the regulatory requirements and in light of its business needs, the Company continued to deepen and improve the development of internal control system, established and improved the internal control system, and strengthened the implementation, execution and supervision of the internal control system. The internal control system of the Company complies with relevant laws and regulations and the requirements of the securities regulatory authority, without major defects.

(xi) Operation of the Board of Directors and its dedicated committees

The Board of Directors has established four dedicated committees, being the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and Investment Committee, which diligently and conscientiously performed their duties in accordance with the relevant laws and regulations and the rules of the Company, carefully considered the resolutions and submitted them to the Board of Directors for consideration.

(xii) Other matters

During the reporting period, the Company conducted the non-public issuance of A Shares. After carefully reviewing the documents of the Company relating to the non-public issuance, we are of the view that the matters relating to the non-public issuance complied with the requirements of the Company Law, the Securities Law, the Administrative Measures for the Issuance of Securities by Listed Companies, the Implementation Rules for the Non-public Issuance of Shares by Listed Companies, and other laws, regulations and regulatory documents, that the relevant plan and proposal for non-public issuance were in line with the actual situation of the Company, and that there was no circumstance which was detrimental to the interests of the Company and its minority interests.

IV. OVERALL CONCLUSIONS AND SUGGESTIONS

As Independent Directors of Suntien Green Energy, in 2021, we faithfully, diligently and dutifully performed our duties as Independent Directors in accordance with the provisions and requirements of the relevant laws and regulations, played an independent role, and made due efforts in promoting the improvement and optimization of corporate governance structure as well as safeguarding the interests of the Company as a whole and the legitimate rights and interests of all Shareholders, especially the minority interests.

In 2022, we will continue to conscientiously fulfill our obligations as Independent Directors in the spirit of honesty and diligence. We will further improve our communication, exchange and cooperation with the Board of Directors, the Board of Supervisors and management of the Company, give full play to our role of expertise and independence, promote the standardized operation of the Company and safeguard the interests of the Company.

Report is hereby given.

Independent Directors: Guo Ying Jun, Wan Yim Keung and Lin Tao

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors, Supervisors and Senior Management in the Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests of Directors, supervisors and senior management of the Company in the Shares of the Company are as follows:

Name	Position(s)	Class of Shares	Capacity	Number of Shares held	Percentage in the relevant class of Shares (%)	Percentage of the total Shares in issue (%)
Cao Xin	Chairman and non-executive Director	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%
Mei Chun Xiao	Executive Director and President	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%
Ban Ze Feng	Vice president, Board secretary and joint company secretary	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0013%

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or senior management of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to

have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Competing and Other Interests of Directors

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder).

(c) Material Interests of the Directors in the Loan Transaction

As (1) Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Mr. Wu Huijiang hold positions in HECIC, the controlling Shareholder of the Company, and (2) Mr. Mei Chun Xiao and Mr. Wang Hong Jun hold positions in Caofeidian Company, these aforesaid Directors are deemed to have material interests in the Loan Transaction. Accordingly, they have abstained from the voting on the Board resolution in relation to the approval for the Loan Transaction.

3. POSITIONS HELD BY THE DIRECTORS IN THE CONTROLLING SHAREHOLDER

The following table sets out the positions held by the Directors in HECIC as at the Latest Practicable Date:

Name of Director	Position(s) held in the Company	Position(s) held in HECIC
Dr. Cao Xin	Chairman and Non-executive Director	Deputy general manager of HECIC
Dr. Li Lian Ping	Non-executive Director	Chairman and party secretary of HECIC and a director of JEI
Mr. Qin Gang	Non-executive Director	Assistant to the general manager of HECIC
Mr. Wu Huijiang	Non-executive Director	Department head of the investment development department of HECIC

4. INTERESTS HELD BY THE DIRECTORS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of or leased by any member of the Group, or are proposed to be acquired or disposed of or leased by any member of the Group.

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Group that is relevant to the business of the Group and is still valid as at the Latest Practicable Date.

5. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors had or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

6. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there are no material adverse changes in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited accounts of the Group were made up).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular dated 23 May 2022 with the inclusion of its letter and the reference to its name in the form and context in which it appears;

- (b) as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The joint company secretaries of the Company are Mr. Ban Zefeng and Ms. Lam Yuen Ling, Eva (a fellow of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators).
- (b) The Company's registered office and headquarters in the PRC is situated at 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC, and its principal place of business in Hong Kong is situated at Suite 2103, 21st floor, Prudential Tower, The Gateway, Harbour City, Kowloon, Hong Kong.
- (c) The Company's H Share registrar and transfer office is Computershare Hong Kong Investor Services Limited which is situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

9. DOCUMENTS ON DISPLAY

A copy of the Loan Agreement will be published on the SEHK's website and the Company's own website for a period of 14 days from the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2021 annual general meeting (the “**AGM**”) of China Suntien Green Energy Corporation Limited (the “**Company**”) will be held at 9:00 a.m. on Tuesday, 14 June 2022 at the Conference Room, 5/F, Yun-Ray Ambassador Hotel, Shijiazhuang City, Hebei Province, the PRC, for the consideration and approval of the following matters:

AS A SPECIAL RESOLUTION

1. Resolution on the authorization to the board of directors to exercise the general mandate to issue shares

In respect to the general mandate granted by the Company to the board of directors to allot, issue or deal with additional A shares and H shares not exceeding 20% of the respective total number of A shares and H shares of the Company in issue and to authorize the board of directors to make such amendments to the articles of association of the Company as it thinks fit to reflect the new capital structure following the allotment or issuance of shares pursuant to such mandate:

“THAT:

- A. (a) Subject to paragraph (c) and the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the articles of association of the Company and the relevant laws and regulations of the People's Republic of China (the “**PRC**”), the board of directors be and is hereby generally and unconditionally authorized to exercise all the rights of the Company during the Relevant Period (as defined below) to allot, issue or deal with, either separately or in combination, additional A shares and H shares of the Company, and may make or grant such offers, agreements, options and rights to exchange or convert shares as may be necessary for the exercise of such rights;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

(b) The approval in paragraph (b) shall confer upon the board of directors during the Relevant Period (as defined below) the power to enter into or grant such offers, agreements, options and rights to convert or exchange shares which might require the exercise of such power after the expiry of the Relevant Period;

- i. the number of A shares and H shares which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to share options or otherwise) as approved by the board of directors pursuant to paragraph (a) shall not exceed 20% of the respective total number of A shares and H shares of the Company in issue as at the date of the passing of this resolution;
- ii. the board of directors may exercise such power only in compliance with the Company Law of the PRC and the Listing Rules, as amended from time to time, and subject to the approval of the China Securities Regulatory Commission and/or other relevant government authorities of the PRC; and
- iii. for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

1. the conclusion of the next annual general meeting of the Company; or
2. the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with the articles of association of the Company or other relevant laws; or
3. the date on which the mandate set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company at a general meeting.

B. the board of directors be and is hereby authorized to make such relevant amendments to the articles of association of the Company as may be necessary to reflect the new capital structure following the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

AS ORDINARY RESOLUTIONS

2. Resolution on the 2021 annual report of the Company
3. Resolution on the report of the board of directors of the Company for 2021
4. Resolution on the report of the board of supervisors of the Company for 2021
5. Resolution on the financial report of the Company for 2021
6. Resolution on the report of the final accounts of the Company for 2021
7. Resolution on the 2021 profit distribution proposal of the Company
8. Resolution on the appointment of the audit institution of the Company for 2022
9. Resolution on the remuneration package for directors of the fifth session of the board of directors
10. Resolution on the remuneration package for supervisors of the fifth session of the board of supervisors
11. Resolution on the change in method of investment of the use of fund-raising proceeds
12. Resolution on the provision of interest-bearing loans to a subsidiary for the implementation of investment in funded projects by using the fund-raising proceeds
13. Resolution on the election of non-executive directors and executive directors of the fifth session of the board of directors
 - 13.01 Election of Dr. Cao Xin as a non-executive director of the fifth session of the board of directors
 - 13.02 Election of Dr. Li Lian Ping as a non-executive director of the fifth session of the board of directors
 - 13.03 Election of Mr. Qin Gang as a non-executive director of the fifth session of the board of directors
 - 13.04 Election of Mr. Wu Hui Jiang as a non-executive director of the fifth session of the board of directors
 - 13.05 Election of Mr. Mei Chun Xiao as an executive director of the fifth session of the board of directors

NOTICE OF ANNUAL GENERAL MEETING

- 13.06 Election of Mr. Wang Hong Jun as an executive director of the fifth session of the board of directors
- 14. Resolution on the election of independent directors of the fifth session of the board of directors
 - 14.01 Election of Mr. Guo Ying Jun as an independent director of the fifth session of the board of directors
 - 14.02 Election of Mr. Wan Yim Keung, Daniel as an independent director of the fifth session of the board of directors
 - 14.03 Election of Dr. Lin Tao as an independent director of the fifth session of the board of directors
- 15. Resolution on the election of non-employee representative supervisors of the fifth session of the board of supervisors
 - 15.01 Election of Ms. Gao Jun as a non-employee representative supervisor of the fifth session of the board of supervisors
 - 15.02 Election of Mr. Zhang Dong Sheng as a non-employee representative supervisor of the fifth session of the board of supervisors

THE MATTER TO BE LISTENED TO

- 16. To listen to the duty report of independent non-executive directors for 2021

By order of the board of directors
China Suntien Green Energy Corporation Limited
Mr. Mei Chun Xiao
Executive Director/President

Shijiazhuang City, Hebei Province, the PRC, 23 May 2022

Notes:

- 1. Pursuant to the Listing Rules, any vote taken by shareholders at a general meeting must be taken by poll. Accordingly, voting on the resolutions set out in the notice of the AGM will be conducted by way of poll. The poll results will be posted on the Company's website at www.suntien.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM per the requirements under the Listing Rules.

In accordance with the requirements of the articles of association of the Company, the cumulative voting system will be adopted for the voting of resolutions No. 13, 14 and 15, and the one-share-one-vote system will be adopted for the voting of each of the other resolutions.

NOTICE OF ANNUAL GENERAL MEETING

The “cumulative voting system” means that when electing a director or supervisor at a general meeting, each share has the same number of votes as the number of directors or supervisors to be elected, and the votes owned by the shareholders can be casted centrally or in any combination for different candidates.

Below sets forth an example illustrating how to vote on resolution No. 15 under the cumulative voting system. Please complete your voting preference according to the requirements as follows:

- (i) For the purpose of resolution No. 15, each share you hold has the same voting rights as the number of supervisors to be elected. For example, if you hold 1,000,000 shares of the Company and the number of supervisors to be elected this time is two, your total number of voting shares in respect of resolution No. 15 shall be 2,000,000 shares (i.e. 1,000,000 shares x 2 = 2,000,000 shares).
 - (ii) You may vote for each of the candidates for supervisors with the same voting rights as the number of shares you hold; or you may vote for any one of the candidates for supervisors with all the voting rights represented by each share held by you and as the number of supervisors to be elected. If you intend to vote for each candidate with the number of shares held in an equal manner, please put a “✓” in the appropriate place in the “Cumulative Voting” column. Otherwise, please fill in the number of voting shares you have voted for the two candidates for supervisors in the “Cumulative Voting” column. For example, if you hold 1,000,000 shares of the Company, your total number of voting shares in respect of resolution No. 15 shall be 2,000,000 shares; you may vote for each of the two candidates for supervisors with the 2,000,000 shares in an equal manner, being 1,000,000 shares for each candidate; or you may vote for any one of the candidates for supervisor with all the 2,000,000 shares; or you may vote for candidate A for the supervisor with 1,500,000 shares and for candidate B for the supervisor with 500,000 shares, etc.
 - (iii) If the total voting rights you exercised centrally in respect of any one of the candidates for supervisors exceed the voting rights of all the shares you hold, your vote will be invalid and deemed to be an abstention. If the total voting rights you exercised centrally in respect of any one of the candidates for supervisors are less than the voting rights of all the shares you hold, your vote will be valid and the difference will be deemed to be an abstention. For example, if you hold 1,000,000 shares of the Company, your total number of voting shares in respect of resolution No. 15 shall be 2,000,000 shares: (a) If you fill in “2,000,000 shares” in the “Cumulative Voting” column of sub-resolution No. 15.01, all of your voting rights are used and you no longer have any voting rights in respect of the other candidates for supervisors. If you fill in the number of shares (other than 0) in the appropriate column of sub-resolution No. 15.02, your vote on resolution No. 15 shall be deemed to be void in its entirety; or (b) If you fill in “1,000,000 shares” in the “Cumulative Voting” column of sub-resolution No. 15.01 and “0 share” in the “Cumulative Voting” column of sub-resolution No. 15.02 or do not fill in any number of shares, your vote of 1,000,000 shares shall be valid and the remaining 1,000,000 shares that have not been filled in shall be deemed to be abstentions.
2. Any shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote on behalf of him/her. A proxy need not be a shareholder of the Company.
 3. In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company’s registered office and headquarters in the PRC (for holders of A shares) or the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares), at least 24 hours (i.e. on or before 9 a.m. on Monday, 13 June 2022 in respect of the AGM) before the AGM or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of a proxy form will not preclude a shareholder from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish.

NOTICE OF ANNUAL GENERAL MEETING

4. The H share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H shares to attend the AGM, from Wednesday, 8 June 2022 to Tuesday, 14 June 2022 (both days inclusive), during which period no transfer of H shares will be registered. In order to attend the AGM, all instruments of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 7 June 2022. H-Share holders who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.
5. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The AGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
7. A shareholder or his proxy should produce proof of identity when attending the AGM.
8. The Company's registered office and headquarters in the PRC is 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC.

As at the date of this notice, 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.