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 the Company, you should at once hand this circular and the relevant proxy forms to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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)

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW H SHARES UNDER THE GENERAL MANDATE AND APPLICATION FOR WHITEWASH WAIVER

Joint Financial Advisers to the Company

(in alphabetical order)

國泰君安國際 GUOTAI JUNAN INTERNATIONAL

华泰国际 HUATAI INTERNATIONAL

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

Gram Capital Limited 嘉林資本有限公司

The Company will convene the third extraordinary general meeting in 2025 (the "**EGM**") at 9:30 a.m. on Friday, 24 October 2025 at the Conference Room, 4/F, International Hotel Hebei, No. 301 Zhongshan East Road, Changan District, Shijiazhuang City, Hebei Province, the PRC. The notice of EGM is set out on pages EGM-1 to EGM-3 of this circular. A letter from the Board is set out on pages 6 to 29 of this circular. A letter from the Takeovers Code Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 30 to 31 of this circular. A letter from the Listing Rules Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 32 to 33 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committees and the Independent Shareholders is set out on pages 34 to 64 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form 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 but in any event not less than 24 hours before the time fixed for holding the EGM (i.e. before 9:30 a.m. on Thursday, 23 October 2025). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

* *For identification purposes only*

30 September 2025

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

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement dated 27 August 2025 issued by the Company in relation to the Share Subscription and the Whitewash Waiver
"Articles of Association"	the articles of association of the Company
"A Share(s)"	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
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"Business Day(s)"	any day (not being a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Hong Kong Stock Exchange is open for the transaction of business
"Company"	China Suntien Green Energy Corporation Limited*(新天綠色能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 9 February 2010, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the Main Board of the Shanghai Stock Exchange, respectively
"Completion"	the completion of the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
"Completion Date"	the date on which the Completion takes place pursuant to the terms and conditions of the Share Subscription Agreement
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"controlling Shareholder"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"EGM"	the third extraordinary general meeting in 2025 to be held by the Company at the Conference Room, 4/F, International Hotel Hebei, No. 301 Zhongshan East Road, Changan District, Shijiazhuang City, Hebei Province, the PRC at 9:30 a.m. on Friday, 24 October 2025
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of delegate of the Executive Director
"General Mandate"	the approval granted by the Shareholders by way of special resolution passed at the 2024 annual general meeting of the Company held on 27 June 2025, which authorized the Board to allot, issue and deal with a maximum of 473,337,735 A Shares and 367,800,879 H Shares, respectively, representing not more than 20% of the total number of each of the A Shares and H Shares in issue as at the date of passing such resolution
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders on the Share Subscription and the Whitewash Waiver, and to make recommendation as to voting
"Group"	the Company and its subsidiaries
"Guotai"	Guotai Junan Capital Limited, one of the joint financial advisers to the Company and a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

"HECIC"	Hebei Construction & Investment Group Co., Ltd.*(河北建設投資集團有限責任公司), a wholly state-owned company incorporated in the PRC, and the controlling Shareholder of the Company
"HECIC Nominee"	a company wholly owned by HECIC as may be nominated by HECIC as the subscriber of the Subscription Shares
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is traded in Hong Kong dollars and listed on the Main Board of the Hong Kong Stock Exchange
"Huatai"	Huatai Financial Holdings (Hong Kong) Limited, one of the joint financial advisers to the Company and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
"Independent Board Committees"	collectively, the Takeovers Code Independent Board Committee and the Listing Rules Independent Board Committee
"Independent Shareholder(s)"	Shareholders other than (i) HECIC, its ultimate beneficial owner, its associates and any party acting in concert with it, and (ii) all Shareholders who are involved or interested in the Share Subscription and/or the Whitewash Waiver
"Last Trading Day"	27 August 2025, being the last trading day before the release of the Announcement
"Latest Practicable Date"	26 September 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular

"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"Listing Rules Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors who have no direct or indirect interests in the Share Subscription, namely Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin, which is formed in accordance with the Listing Rules to advise the Independent Shareholders on the Share Subscription
"Measures for the Administration of the Takeover of Listed Companies"	Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》) promulgated by the CSRC
"PRC" or "China"	the People's Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Relevant Period"	means the period commencing on 27 February 2025, being the date falling six months prior to the date of the Announcement, and ending on and including the Latest Practicable Date
"Restricted Share Incentive Scheme"	the Restricted A Share Incentive Scheme of the Company adopted on 28 February 2024, pursuant to which 18,600,000 restricted A Shares have been granted. For further details, please refer to the announcements of the Company dated 28 December 2023, 27 February 2024, 26 April 2024 and 15 May 2024 and the circular of the Company dated 6 February 2024
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shares"	ordinary share(s) of the Company, comprising A Share(s) and H Share(s), with a par value of RMB1.00 each
"Shareholder(s)"	the holder(s) of the Shares

"Share Subscription"	the subscription of the new H Shares by HECIC or HECIC Nominee pursuant to the terms and conditions of the Share Subscription Agreement
"Share Subscription Agreement"	the conditional share subscription agreement of H Shares dated 27 August 2025 entered into between the Company and HECIC in relation to the Share Subscription
"Subscription Price"	HK$4.93 per Subscription Share
"Subscription Shares"	307,000,000 new H Shares to be issued by the Company to HECIC or HECIC Nominee pursuant to the Share Subscription
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers
"Takeovers Code Independent Board Committee"	the independent board committee of the Company comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interests in the Share Subscription and the Whitewash Waiver, namely Mr. Lu Rong, Mr. Zhao Shi Yi, Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin, which is formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Share Subscription and the Whitewash Waiver
"Whitewash Waiver"	the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of HECIC to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) which might otherwise arise as a result of HECIC or HECIC Nominee subscribing for the Subscription Shares pursuant to the Share Subscription Agreement
"%"	percentage

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
Dr. Zhang Xu Lei
Mr. Lu Rong
Mr. Zhao Shi Yi

Executive Director:
Mr. Tan Jian Xin *(President)*

Independent Non-executive Directors:
Dr. Chow Man Kong
Dr. Yang Jing Lei
Mr. Chan Yik Pun
Mr. Liu Bin

Registered Office and Headquarters:
9th Floor, Block A, Yuyuan Plaza
No. 9 Yuhua West Road
Shijiazhuang City
Hebei Province
PRC

Principal Place of Business in Hong Kong:
Suites 2104-05
Prudential Tower
The Gateway, Harbour City
Tsim Sha Tsui
Hong Kong

30 September 2025

To the Shareholders:

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW H SHARES UNDER THE GENERAL MANDATE AND APPLICATION FOR WHITEWASH WAIVER

INTRODUCTION

On 27 August 2025, the Board approved the proposal of the issuance of H Shares to specific investor, pursuant to which the Company entered into the Share Subscription Agreement with HECIC on the same date for the issuance of 307,000,000 new H Shares to HECIC or HECIC Nominee at the Subscription Price of HK$4.93 per Subscription Share for a total consideration of HK$1,513,510,000 in cash.

* *For identification purposes only*

The purpose of this circular is to provide you with, among others: (i) further details of the Share Subscription; (ii) further details of the Whitewash Waiver; (iii) a letter of advice from the Takeovers Code Independent Board Committee on the Share Subscription and the Whitewash Waiver; (iv) a letter of advice from the Listing Rules Independent Board Committee on the Share Subscription; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders on the Share Subscription and the Whitewash Waiver.

RESOLUTIONS TO BE PROPOSED AT THE EGM

The resolutions in relation to the Share Subscription and the Whitewash Waiver to be proposed at the EGM are set out below:

1. Resolution on the proposal of the issuance of H Shares to specific investor by the Company in 2025

On 27 August 2025, the Board approved the proposal of the issuance of H Shares to specific investor, pursuant to which the Company will issue a total of 307,000,000 new H Shares to HECIC or HECIC Nominee which would raise gross proceeds of HK$1,513,510,000. Summary of the proposal of the issuance of H Shares to specific investor is as follows:

Type and par value of Shares to be issued:	H Shares with a par value of RMB1.00 each
Method and time of issue:	The issuance will be undertaken by way of issuance to a specific investor at an appropriate timing within the validity period authorized by the EGM.
Subscriber and method of subscription:	The subscriber is HECIC or HECIC Nominee who intends to subscribe in full in cash on a one-off basis
Issue price:	The issue price is HK$4.93 per H Share.
Number of H Shares to be issued:	307,000,000 Shares, representing approximately 7.30% of the existing issued share capital of the Company and approximately 6.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares

Arrangements relating to lock-up period:	HECIC has undertaken that it will not transfer, or procure HECIC Nominee not to transfer, the Subscription Shares in any manner within 36 months from the Completion Date, except for transfers to subsidiaries directly or indirectly owned or controlled by HECIC, as permitted by the PRC laws, other applicable laws and the listing rules of the jurisdictions where the Shares are listed, provided that the transferee continues to adhere to the same lock-up undertaking. If the CSRC and the stock exchanges where the Shares are listed stipulate otherwise, HECIC undertakes that it will comply with the relevant regulations or procure HECIC Nominee to do so. The lock-up arrangement shall also apply to the additional H Shares derived from the Subscription Shares as a result of bonus issue or conversion of capital reserve into share capital by the Company after the Completion.
Amount and use of proceeds:	The gross proceeds will be HK$1,513,510,000. The net proceeds (after deduction of issuance expenses and other related costs and expenses) are intended to be used approximately 80% for the construction of wind power projects and gas-fired power plant projects, and approximately 20% to supplement working capital and for other general purposes.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

2. Resolution on the connected transaction under the Share Subscription Agreement entered into between the Company and the specific investor

On 27 August 2025 (after trading hours), the Company and HECIC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and HECIC has conditionally agreed to subscribe for or nominate HECIC Nominee to subscribe for 307,000,000 new H Shares at the Subscription Price of HK$4.93 per Subscription Share for a total consideration of HK$1,513,510,000 in cash. The Share Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For further details of the resolution (including the principal terms of the Share Subscription Agreement), please refer to the section headed "Connected Transaction under the Share Subscription Agreement" in the letter from the Board in this circular.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

3. Resolution on the authorization to the Board and its authorized person(s) to proceed with relevant matters in respect of the issuance of H Shares to specific investor by the Company in their sole discretion

For the smooth implementation of the issuance of H Shares to specific investor, it is proposed to the EGM to authorize the Board and its authorized person(s) to, in their sole discretion, proceed with relevant matters in respect of the issuance of H Shares to specific investor, including but not limited to:

(i) within the scope of the proposal of the issuance of H Shares to specific investor approved by the EGM, to be fully responsible for the adjustment and specific implementation of the proposal of the issuance of H Shares to specific investor in accordance with domestic and overseas laws, regulations, and the relevant provisions of securities regulatory authorities, including but not limited to the specific decision on the timing of issuance, start and end dates of the issuance, and the number of Shares to be issued;

(ii) to decide on or ratify the appointment of intermediaries related to the issuance of H Shares to specific investor, to handle all matters in relation to the application for approval of and registration with relevant domestic and overseas institutions for the issuance of H Shares to specific investor, to formulate, prepare, amend, improve, and execute all documents and materials relating to the issuance of H Shares to specific investor, and to approve and handle information disclosure relating to the issuance of H Shares to specific investor (including but not limited to issuing circulars, other relevant announcements and disclosure documents);

(iii) to adjust the specific arrangements for the projects to be funded by the raised proceeds within the scope of the resolutions to be passed by the EGM;

(iv) in case of any new requirements of the issuance of shares to specific investor by the laws, regulations and securities regulatory authorities and changes in market conditions, to adjust the proposal of the issuance of H Shares to specific investor and the application of the raised proceeds and to continue to handle the issuance of H Shares to specific investor in accordance with the relevant national regulations, the requirements of governmental departments and securities regulatory authorities (including the review feedbacks on the application for the issuance of H Shares to specific investor), market conditions, and the actual operational conditions of the Company, except for those subject to re-consideration and approval by the general meeting in accordance with the relevant laws, regulations, and the Articles of Association;

(v) to execute, submit, report, and perform material contracts and documents during the issuance of H Shares to specific investor and the implementation of the investment projects funded by the raised proceeds, including but not limited to the subscription agreement, supplemental agreements to the subscription agreement (if any), and other documents to be executed for the completion of the transactions thereunder and agreements for the engagement of intermediaries;

(vi) to handle matters on the share registration, share lock-up, and listing application;

(vii) to amend the relevant articles in relation to registered capital, total share capital and others in the Articles of Association after the completion based on the results of the issuance of H Shares to specific investor, and to carry out relevant registration procedures of the change of registered capital and the Articles of Association of the Company, including but not limited the procedure of the industrial and commercial registration, without the need to convene a general meeting;

(viii) within the scope permitted by relevant laws, regulations, regulatory documents and the Articles of Association, to take necessary actions and handle all other matters relating to the issuance of H Shares to specific investor;

(ix) to propose to the EGM to approve the authorization by the Board to the chairman, president, and Board secretary, either individually or collectively, to act as the authorized person(s) for the issuance of H Shares to specific investor, to specifically handle the matters related to items (i) to (viii) above concerning the issuance of H Shares to specific investors and to sign relevant legal documents. The authorized person(s) shall have the right to handle the above matters related to the issuance of H Shares to specific investor on behalf of the Company during the issuance of H Shares to specific investor, within the scope of authorization determined by the resolutions of the EGM and the Board's authorization.

With the exception of items (vi) and (vii), whose authorization remains valid until the completion of the relevant matters, all other authorizations outlined above shall be valid for 12 months from the date on which this resolution is approved by the Shareholders at the EGM.

If the Company obtains approvals, permits, filings or registrations (as applicable) from relevant domestic and overseas regulatory authorities within the validity period of the resolution of the EGM concerning the issuance of H Shares to specific investor, the Company is permitted to complete the issuance of H Shares to specific investor within the validity period confirmed by such approvals, permits, filings or registrations from the relevant domestic and overseas regulatory authorities.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

4. Resolution on the Whitewash Waiver for exemption from the general offer obligation by the controlling Shareholder in accordance with the Takeovers Code

Under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to HECIC or HECIC Nominee will give rise to an obligation on the part of HECIC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

HECIC has applied to the Executive (on behalf of itself and the party acting in concert with it) for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, seeking to waive the compliance with the obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) as a result of the allotment and issuance of the Subscription Shares to HECIC or HECIC Nominee. According to requirements of the Takeovers Code, the Whitewash Waiver, if granted, will be subject to, among others, the approval by more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM. Further, under the relevant PRC laws, the Share Subscription is subject to the approval by at least two-thirds of the votes cast by the Independent Shareholders by way of poll at the EGM.

For further details of the resolution, please refer to the section headed "Takeovers Code Implications and Application for Whitewash Waiver" in the letter from the Board in this circular.

The above resolution on the Whitewash Waiver will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

5. Resolution on the waiver of the controlling Shareholder's obligation to make a tender offer in accordance with the Measures for the Administration of the Takeover of Listed Companies

Pursuant to Article 24 of the Measures for the Administration of the Takeover of Listed Companies, the Share Subscription will trigger the obligation on the part of HECIC to make a tender offer. Pursuant to Article 63 of the Measures for the Administration of the Takeover of Listed Companies, HECIC would be exempted from making such an offer on the condition that (i) the waiver from compliance with the tender offer obligation is approved by at least two-thirds of the votes cast by the Independent Shareholders at the EGM, and (ii) HECIC undertakes to comply with the lock-up arrangement as set out in the paragraph headed "Connected Transaction under the Share Subscription Agreement – Lock-up Period" in the Letter from the Board in this circular.

The above resolution on the waiver from the obligation on the part HECIC to make a tender offer in accordance with the Measures for the Administration of the Takeover of Listed Companies will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

CONNECTED TRANSACTION UNDER THE SHARE SUBSCRIPTION AGREEMENT

On 27 August 2025 (after trading hours), the Company and HECIC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and HECIC has conditionally agreed to subscribe for or nominate HECIC Nominee to subscribe for 307,000,000 new H Shares at the Subscription Price of HK$4.93 per Subscription Share for a total consideration of HK$1,513,510,000 in cash.

The principal terms of the Share Subscription Agreement are as follows:

Date

27 August 2025

Parties

(1) The Company (as the issuer); and

(2) HECIC (as the subscriber).

The Subscription Shares

307,000,000 new H Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

(a) approximately 7.30% of the existing issued share capital of the Company as at the Latest Practicable Date; and

(b) approximately 6.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares immediately after Completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the General Mandate.

Ranking

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with the existing issued H Shares.

The Subscription Price

The Subscription Price is HK$4.93 per Subscription Share for a total consideration of HK$1,513,510,000. The Subscription Price per Subscription Share represents:

(a) a premium of approximately 15.19% to the closing price of HK$4.28 per H Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;

(b) a premium of approximately 16.55% to the closing price of HK$4.23 per H Share as quoted on the Hong Kong Stock Exchange on the date of the Share Subscription Agreement and the Last Trading Day;

(c) a premium of approximately 16.38% to the average closing price of HK$4.24 per H Share as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(d) a premium of approximately 16.14% to the average closing price of HK$4.25 per H Share as quoted on the Hong Kong Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;

(e) a premium of approximately 15.54% to the average closing price of HK$4.27 per H Share as quoted on the Hong Kong Stock Exchange for the last sixty (60) consecutive trading days up to and including the Last Trading Day;

(f) a discount of approximately 11.49% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK$5.57 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of RMB21,693,349,600.74 as at 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024 and 4,205,693,073 Shares in issue (based on the exchange rate of HK$1:RMB0.92604 as at 31 December 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes); and

(g) a discount of approximately 20.45% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK$6.20 per Share calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of RMB23,768,374,531.03 as at 30 June 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025 and 4,205,693,073 Shares in issue (based on the exchange rate of HK$1:RMB0.91195 as at 30 June 2025 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes).

The Subscription Price was determined after arm's length negotiations between the Company and HECIC with reference to:

(i) the recent and historical market prices of the H Shares as disclosed above;

(ii) the trading liquidity of the H Shares. The average daily trading volume of H Shares for the 30 consecutive trading days up to and including the Last Trading Day was approximately 6.92 million Shares, which represented less than 0.38% of the total number of issued H Shares as at the Latest Practicable Date. The subscription of H Shares by HECIC or HECIC Nominee at a premium to the market price of H Shares reflects its confidence in the long-term value and potential growth of the Company;

(iii) the financial position of the Group. The Company's debt-to-asset ratios were 67.73% and 66.23% as at 31 December 2024 and 30 June 2025, respectively, remaining at a relatively high level. Comparing with debt financing which would further increase the debt-to-asset ratio, the Share Subscription will reduce the Company's debt-to-asset ratio and optimize its capital structure;

(iv) the Group's future development plans and related funding needs as disclosed in the section headed "Use of Proceeds" in the Letter from the Board in this circular; and

(v) the reasons for and benefits of the Share Subscription as referred to in the section headed "Reasons for and Benefits of the Share Subscription" in the Letter from the Board in this circular.

As disclosed above, the closing price per H Share on, and the average closing price per H Share for the 60 consecutive trading days up to and including, the Last Trading Day was lower than the net asset value per Share (based on the consolidated net assets of the Group as at 31 December 2024 and 30 June 2025). Over a longer period, the closing price of H Shares for one year before the Last Trading Day ranged from a low of HK$2.99 on 12 September 2024 to a high of HK$4.57 on 16 June 2025, indicating that H Shares were consistently traded at a discount to the net asset value per Share. The persistence of this discount suggests that, for H Shares, the net asset value per Share has not been the benchmark at which minority investors transact, nor has it been the basis on which the market values the H Shares. In light of the above, the Board considers that the market price of H Shares, which more accurately reflects the fair value of the H Shares traded on the Hong Kong Stock Exchange, rather than the net asset value per Share, serves as a more appropriate reference for setting the Subscription Price. Although the Subscription Price is set at a discount to the net asset value per Share as at 31 December 2024 and 30 June 2025, it represents a premium to the recent and historical market prices of the H Shares. As such, the Board is of the view that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Lock-up Period

HECIC has undertaken that it will not transfer, or procure HECIC Nominee not to transfer, the Subscription Shares in any manner within 36 months from the Completion Date, except for transfers to subsidiaries directly or indirectly owned or controlled by HECIC, as permitted by the PRC laws, other applicable laws and the listing rules of the jurisdictions where the Shares are listed, provided that the transferee continues to adhere to the same lock-up undertaking. If the CSRC and the stock exchanges where the Shares are listed stipulate otherwise, HECIC undertakes that it will comply with the relevant regulations or procure HECIC Nominee to do so. The lock-up arrangement shall also apply to the additional H Shares derived from the Subscription Shares as a result of bonus issue or conversion of capital reserve into share capital by the Company after the Completion.

Conditions Precedent

Completion of the Share Subscription is conditional upon the fulfilment of the following conditions:

(a) the granting of the Whitewash Waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of HECIC to make a mandatory general offer for all the Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) as a result of the allotment and issuance of the Subscription Shares pursuant to the Share Subscription Agreement, and the Whitewash Waiver remaining in full force and effect;

(b) the approval by at least two-thirds of the votes cast by the Independent Shareholders at the EGM in respect of the Share Subscription Agreement and the transactions contemplated thereunder;

(c) the approval by at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Whitewash Waiver;

(d) the approval by at least two-thirds of the votes cast by the Independent Shareholders at the EGM in respect of the waiver from compliance with the tender offer obligation by HECIC as a result of the Share Subscription under the relevant PRC laws;

(e) the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares and such approval and permission remaining in full force and effect;

(f) the compliance of any other requirements imposed by the Hong Kong Stock Exchange and/or the SFC in relation to the Share Subscription Agreement and the transactions contemplated thereunder (including the Share Subscription) and the allotment and issue of the Subscription Shares, whether under the Listing Rules, the Takeovers Code or otherwise; and

(g) all necessary approvals and filings for the implementation or completion of the Share Subscription having been obtained and such approvals and filings remaining in full force and effect, including but not limited to the approval from and filing with the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province.

None of the conditions under the Share Subscription Agreement can be waived. As at the Latest Practicable Date, save for the approval from and filing with the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province as mentioned in paragraph (g) above, none of the conditions as set out above has been satisfied.

In respect of the condition set out in paragraph (d) above, HECIC is required to make a tender offer for the Shares upon Completion of the Share Subscription under the relevant PRC laws. Pursuant to Article 63 of the Measures for the Administration of the Takeover of Listed Companies, HECIC would be exempted from making such an offer on the condition that (i) the waiver from compliance with the tender offer obligation is approved by at least two-thirds of the votes cast by the Independent Shareholders at the EGM, and (ii) HECIC undertakes to comply with the lock-up arrangement as set out in the paragraph headed "Connected Transaction under the Share Subscription Agreement – Lock-up Period" in the Letter from the Board in this circular.

In respect of the conditions set out in paragraphs (f) and (g) above, as at the Latest Practicable Date and based on information available to the Company, other than those specifically set out in paragraphs (a) to (e) and (g) above, the Company is not aware of any other approvals or filings which are required under paragraphs (f) and (g) above.

In the event that the above conditions have not been fulfilled on or before 31 December 2025, the Share Subscription Agreement shall terminate and lapse, and the Company and HECIC shall be released from all obligations thereunder and neither party shall have claim against the other, save for any rights and obligations accrued prior to such termination.

Completion of the Share Subscription

Subject to the fulfilment of all conditions precedent under the Share Subscription Agreement as set out above, the Completion of the Share Subscription shall take place on the fifth Business Day following HECIC's receipt of the notice from the Company for the payment of consideration for the Share Subscription, or on such other date as the Company and HECIC may agree.

On the Completion Date, HECIC or HECIC Nominee shall pay the total consideration for the Share Subscription in a lump sum to the Company. Meanwhile, the Company shall instruct its H Share registrar to issue and allot the Subscription Shares to HECIC or HECIC Nominee, register HECIC or HECIC Nominee and the Subscription Shares in the register of members of H Shares, and issue share certificate(s) to HECIC or HECIC Nominee.

Termination of the Share Subscription Agreement

The Share Subscription Agreement may be terminated:

(i) upon agreement in writing between the parties;

(ii) by the non-defaulting party, if a party seriously breaches its obligations under the Share Subscription Agreement;

(iii) if the parties fail to obtain the necessary consents or approvals for the implementation or completion of the Share Subscription on or before 31 December 2025, including those from the Independent Shareholders, the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province, the Hong Kong Stock Exchange and the SFC (including the Whitewash Waiver); and

(iv) in the event of a force majeure and upon written confirmation by both parties.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION

After taking into consideration of the following factors, the Board considers that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to raise funds by the issuance of H Shares to HECIC or HECIC Nominee under the Share Subscription Agreement:

1. Accelerating project development

The Group's principal business focuses on the new energy sector (i.e. wind power business) and the clean energy sector (i.e. natural gas business).

Wind power business

For the wind power business, the Group's approved capacity for wind power projects has reached new heights in recent years, with approved capacity of 1.44 million kilowatts in 2023 and 3.78 million kilowatts in 2024. By the end of 2024, the cumulative approved capacity of wind power projects yet to be constructed has exceeded 4.31 million kilowatts. It is expected that the wind power business of the Group will enter a phase of rapid development in the next few years.

As at 30 June 2025, the Company has 11 wind power projects under construction, with a total installed capacity of 1,401.95 megawatts, all located within Hebei Province. These projects are expected to be completed and put into operation by the end of 2026. In addition, the Company has obtained approval for 26 wind power projects that have not yet commenced construction, with a total installed capacity of approximately 4,592 megawatts, located in Hebei, Heilongjiang and Guangxi provinces. These projects are currently undergoing preliminary economic assessments and

investment decision processes, and construction will commence gradually once the preparatory work is completed, with an expected construction period of one to two years.

Natural gas business

For the natural gas business, the Group's natural gas sector has formed an upstream, midstream and downstream industry chain, and is accelerating its integrated development. Natural gas power generation is characterized by high efficiency, quick start-up and shutdown, operational flexibility and environmental friendliness. It is anticipated that gas-fired power plants will become a crucial component in constructing a new energy system centered around renewable energy, with significant potential for future growth. Leveraging the Group's advantages in its natural gas sector, including proprietary gas sources, receiving terminals and pipeline facilities, the Company aims to establish an industrial chain centered on gas-fired power plants, which will help the Group expand market share in end-user sales, enhance the utilization efficiency of receiving terminals and pipeline facilities, and increase the overall profitability of the natural gas sector. By the end of 2024, the Group's cumulative approved capacity for gas turbines has reached 2,880 megawatts. As the natural gas business continues to grow, the funding needs for the construction of gas-fired power plants will increase significantly.

As at 30 June 2025, the Company has obtained approval for the construction of three 2*480 megawatt gas-fired power plant projects in Qinhuangdao Funing, Beidaihe New District and Cangzhou Qingxian, all located in Hebei Province. The projects in Qinhuangdao Funing and Beidaihe New District are planned to commence construction in 2025 and are expected to be completed and put into operation by the end of 2027. The project in Cangzhou Qingxian is still in the preliminary economic assessment stage.

The funds raised from the issuance of H Shares to HECIC or HECIC Nominee under the Share Subscription Agreement will mainly be used in the development of the principal businesses of the Group, which will help accelerate the construction of the Group's new energy and clean energy projects.

2. Optimizing capital structure, enhancing financial stability, and improving the overall risk resistance

Raising funds from the issuance of H Shares to HECIC or HECIC Nominee can alleviate the Company's capital pressure, effectively supplement capital, reduce debt-to-asset ratio, optimize capital structure, enhance financial stability, and improve the Company's overall risk resistance, thereby supporting the Company's healthy, sustainable and steady development.

Before deciding to conduct the issuance of H Shares to HECIC or HECIC Nominee, the Company has considered the feasibility of debt financing and other means of equity financing. However, considering the following factors, the Board believes that issuing H Shares to HECIC or HECIC Nominee is a suitable financing option to support the Group's sustainable development compared to other financing methods:

(i) Due to project construction and business expansion, the Company's debt-to-asset ratios were 67.73% and 66.23% as at 31 December 2024 and 30 June 2025, respectively, remaining at a relatively high level. Debt financing would further increase the debt-to-asset ratio, impose interest burdens on the Group and may create asset encumbrances that restrict the Group's asset management and operational flexibility, making it less preferable under current circumstances;

(ii) In respect of other means of equity financing:

  (a) rights issue is targeted at the Company's existing Shareholders and shall be implemented to the holders of A Shares and H Shares simultaneously at the same price. The average closing price of A Shares represented a significant premium to the closing price of H Shares during the period from the listing date of the A Shares to the Latest Practicable Date. Given the significant premiums of the price of A Shares over the price of H Shares and the capital market environments of Hong Kong and the mainland China are different, it is not practical to determine a price suitable for both classes of Shares, and thus the Company did not consider rights issue as an appropriate fund-raising method for the Company;

  (b) public issuance of A Shares to unspecific investors is not a common approach adopted by companies listed on the Shanghai Stock Exchange for refinancing purpose and is subject to a length of regulatory review and approval procedure;

  (c) in respect of placing of new H Shares to independent third parties, potential investors typically require a discount to the market price of H Shares, unlike the Subscription Price which represents a premium. Furthermore, given the relatively large number of H Shares proposed to be issued, there is high uncertainty regarding the ability to find suitable and interested placees, the amount of funds to be raised, and the placing commission to be incurred;

  (d) as compared to the issuance of new H Shares to specific investors, the issuance of new A Shares to specific investors would normally require a longer preparation and application period; and

  (e) in respect of issue of convertible bonds, it will incur additional finance costs and increase gearing of the Group before the conversion of underlying shares, which is similar to debt financing.

In view of the foregoing, having considered the overall time and costs required, as well as the uncertainties involved for the debt financing and other means of equity financing as compared to the Share Subscription, and given HECIC's willingness to contribute a substantial sum in one go, without imposing onerous conditions precedent on the Company, the Board is of the view that the Share Subscription is a comparatively more appropriate, commercially favourable and efficient financing choice that allows the Company to raise sufficient funds for its business development purpose.

3. Boosting market confidence and supporting the high-quality development through full subscription by the controlling Shareholder

The controlling Shareholder, HECIC, or HECIC Nominee, as the sole subscriber, will fully subscribe for the H Shares proposed to be issued by the Company. While the issuance of new H Shares is not extended to all existing Shareholders or investors who are independent third parties for reasons discussed above, having a stable and committed investor like HECIC, who subscribes at a premium to the market price of H Shares, ensures a reliable source of capital. The Share Subscription reflects HECIC's firm confidence in the future development of the Group and recognition of the value of the Group, which is conducive to boosting market confidence, safeguarding the interests of the small and medium-sized Shareholders, and promoting the high-quality development of the Group, thereby potentially enhancing the value of investments held by all Shareholders.

The Directors (including the members of the Takeovers Code Independent Board Committee and Listing Rules Independent Board Committee, whose views are set out in the letter from the Takeovers Code Independent Board Committee and the letter from the Listing Rules Independent Board Committee respectively, but excluding Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Dr. Zhang Xu Lei who had abstained from voting on the relevant Board resolutions and providing views on the matters) are of the view that, although the Share Subscription Agreement was not entered into by the Company in its ordinary and usual course of business, the terms and conditions of the Share Subscription Agreement are on normal commercial terms, and the Share Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Dr. Zhang Xu Lei, each a non-executive Director, abstained from voting on the relevant resolutions of the Board due to a potential conflict of interest, as they either hold positions in or receive salaries from HECIC. Save as disclosed above, none of the Directors had a material interest in the Share Subscription and the Whitewash Waiver and no Director has abstained from voting on the relevant resolutions of the Board.

USE OF PROCEEDS

The gross proceeds from the Share Subscription will be HK$1,513,510,000 and the net proceeds (after deduction of issuance expenses and other related costs and expenses) will be approximately HK$1,500 million, whereas the net Subscription Price per Subscription Share will be approximately HK$4.89.

The net proceeds from the Share Subscription are intended to be used approximately 80% for the construction of wind power projects and gas-fired power plant projects, and approximately 20% to supplement working capital and for other general purposes, with details as follows:

Construction of wind power projects and gas-fired power plant projects

Approximately 80% of the net proceeds from the Share Subscription (i.e. HK$1,200 million, equivalent to approximately RMB1,100 million) are intended to be invested in 11 wind power projects and two gas-fired power plant projects, with a total capacity of approximately 3,395 megawatts. The total funding required for the construction of these projects is approximately RMB16,500 million. Based on the construction progress of the projects in 2025 and the Company's budget arrangements, it is expected that RMB326 million of the net proceeds from the Share Subscription will be used in 2025, and RMB774 million will be used in 2026. The remaining funds required for the construction of the projects will be sourced from the Company's internal resources, bank loans or other methods. The details of each project are set out below:

No.	Project name	Capacity (megawatt)	Location	Project status	Construction period	Total investment *(RMB million)*	Capital investment *(RMB million)*	Use of proceeds in 2025 *(RMB million)*	Use of proceeds in 2026 *(RMB million)*
Wind power projects									
1	Hebei Jiantou Daming County 50MW Wind Power Project (Guaranteed)	50	Handan, Hebei Province	Under construction	December 2024 to December 2026	322	64	11	1
2	Hebei Jiantou Daming County 50MW Wind Power Project (Market-based)	50	Handan, Hebei Province	Under construction	December 2024 to December 2026	321	64	3	1
3	Jinzhou 100MW Concrete-Steel Combined Wind-Storage Integrated Demonstration Project	100	Shijiazhuang, Hebei Province	Under construction	April 2025 to December 2026	610	62	6	1
4	Ningjin Xiaohe 100MW "Wind + Salt Storage" Integrated Demonstration Project	100	Shijiazhuang, Hebei Province	Under construction	March 2025 to December 2026	603	62	10	6
5	Handan Suntien Yongnian 100MW Wind Power Project (50MW Guaranteed)	50	Handan, Hebei Province	Under construction	March 2025 to December 2026	308	62	5	6
6	Handan Suntien Yongnian 100MW Wind Power Project (50MW Market-based)	50	Handan, Hebei Province	Under construction	March 2025 to December 2026	285	57	2	5
7	Suntien Green Energy Shenzhou 100MW Wind-Storage Project	100	Shijiazhuang, Hebei Province	Under construction	August 2025 to December 2026	591	60	17	6
8	Fangcheng Nanshan Wind Farm Phase II Project	50	Fangchenggang, Guangxi Province	Not commenced construction	November 2025 to December 2026	356	71	25	40
9	Shanhaiguan Offshore Wind Power Phase I Parity Demonstration Project	425	Qinhuangdao, Hebei Province	Under construction	September 2024 to December 2025	4,033	807	100	350

No.	Project name	Capacity (megawatt)	Location	Project status	Construction period	Total investment *(RMB million)*	Capital investment *(RMB million)*	Use of proceeds in 2025 *(RMB million)*	Use of proceeds in 2026 *(RMB million)*
10	Hebei Jiantou Xiangyun Island 250MW Offshore Wind Power Project	250	Tangshan, Hebei Province	Under construction	December 2024 to December 2026	2,504	257	12	83
11	Tangshan Shunhuan Xiangyun Island 250MW Offshore Wind Power Project	250	Tangshan, Hebei Province	Under construction	December 2024 to December 2026	1,855	133	4	30
Subtotal		1,475				11,789	1,700	196	529
Gas-fired power plant projects									
12	Suntien Green Energy Funing Gas-fired Power Plant Project	960	Qinhuangdao, Hebei Province	Under construction	July 2025 to December 2027	2,344	469	70	34
13	Beidaihe New District Gas-fired Power Plant Project (2×480MW)	960	Qinhuangdao, Hebei Province	Not commenced construction	December 2025 to December 2027	2,366	473	60	212
Subtotal		1,920				4,710	942	130	245
Total		3,395				16,500	2,642	326	774

General working capital

Approximately 20% of the net proceeds from the Share Subscription are intended to be used to supplement the Company's working capital and for other general purposes, mainly including directors' remuneration and staff costs, audit fees and legal and professional expenses, and other operating expenses. These net proceeds are expected to be fully utilized by the end of 2027.

Although the balance of cash and cash equivalents held by the Company was approximately RMB1,875 million as at 30 June 2025, these funds have already been designated for specific purposes, including approximately RMB883 million allocated for the payment of final dividend for the year 2024 in August 2025, and approximately RMB672 million utilized during July and August 2025 to fund construction projects. The cash balance is also intended for the repayment of financial loans maturing in October and December 2025, as well as for covering expenditures related to other construction projects. The allocation of part of the net proceeds from the Share Subscription for general working capital purposes is essential to sustain the Company's operational efficiency and provides the necessary liquidity to respond to unforeseen expenses and opportunities.

FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund-raising activities in the past twelve months immediately preceding the Latest Practicable Date.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of the Latest Practicable Date; and (b) immediately after Completion of the Share Subscription, assuming that there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the Completion Date, is set out below:

	As at the Latest Practicable Date		Immediately after Completion of the Share Subscription	
	Number of Shares held	Approximate percentage of total number of issued Shares	Number of Shares held	Approximate percentage of total number of issued Shares
A Shares				
HECIC and the party acting in concert with it				
HECIC	2,058,841,253	48.95%	2,058,841,253	45.62%
Subtotal	2,058,841,253	48.95%	2,058,841,253	45.62%
Other non-public shareholders of A Shares				
Dr. Li Lian Ping[(1)]	200,000	0.0048%	200,000	0.0044%
Mr. Tan Jian Xin[(2)]	200,000	0.0048%	200,000	0.0044%
Public Shareholders of A Shares	307,447,424	7.31%	307,447,424	6.81%
Total issued A Shares	2,366,688,677	56.27%	2,366,688,677	52.45%
H Shares				
HECIC and the party acting in concert with it				
HECIC or HECIC Nominee	–	–	307,000,000	6.80%
Dr. Cao Xin[(3)]	50,000	0.0012%	50,000	0.0011%
Subtotal	50,000	0.0012%	307,050,000	6.80%
Public Shareholders of H Shares	1,838,954,396	43.73%	1,838,954,396	40.75%
Total issued H Shares	1,839,004,396	43.73%	2,146,004,396	47.55%
Total issued Shares held by HECIC and the party acting in concert with it	2,058,891,253	48.95%	2,365,891,253	52.43%
Total issued Shares	4,205,693,073	100%	4,512,693,073	100%

Notes:

(1) Dr. Li Lian Ping, a non-executive Director, held 200,000 restricted A Shares granted by the Company under its Restricted Share Incentive Scheme. Dr. Li Lian Ping receives his salary from HECIC for his role as a consultant of a subsidiary of HECIC and will abstain from voting on the resolutions to be proposed at the EGM for approving the Share Subscription and the Whitewash Waiver.

(2) Mr. Tan Jian Xin, an executive Director and the president of the Company, held 200,000 restricted A Shares granted by the Company under its Restricted Share Incentive Scheme. Mr. Tan Jian Xin was involved in the negotiation of the Share Subscription and will abstain from voting on the resolutions to be proposed at the EGM for approving the Share Subscription and the Whitewash Waiver.

(3) Dr. Cao Xin, a non-executive Director and concurrently a director and the vice chairman of HECIC, held 50,000 H Shares as the beneficial owner. Dr. Cao Xin is a party acting concert with HECIC and will abstain from voting on the resolutions to be proposed at the EGM for approving the Share Subscription and the Whitewash Waiver.

(4) The percentage figures as set out above are subject to rounding adjustments.

As at the Latest Practicable Date, the Company has 4,205,693,073 Shares in issue and has no convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

INTENTION OF HECIC REGARDING THE COMPANY

The Board was informed by HECIC that, upon Completion, it intends to continue the existing principal business of the Group, and it has no intention: (a) to introduce any major changes to the existing operations of the Group; (b) to re-deploy the fixed assets of the Group; or (c) to discontinue the employment of the employees of the Group other than in the ordinary course of business of the Group. The Board was also informed by HECIC that, upon Completion, it has no intention, nor has it entered into any negotiation, agreement, understanding or arrangement, to downsize or change the scale of the existing principal business of the Group.

INFORMATION OF THE RELEVANT PARTIES

Information of the Company

The Company is one of the leading clean energy companies in Northern China. Its scope of business includes: (i) investment in the exploration and utilization projects of natural gas, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas, etc.; (ii) investment in the exploration of wind power and other new energy projects; and (iii) development of new energy technology and technical services.

Information of HECIC

HECIC, the controlling Shareholder of the Company, is a wholly state-owned company established 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.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, HECIC holds 2,058,841,253 A Shares, representing approximately 48.95% of the issued share capital of the Company, and Dr. Cao Xin, as a director and the vice chairman of HECIC, is considered to be a party acting concert with HECIC, who holds 50,000 H Shares, representing approximately 0.0012% of the issued share capital of the Company. Upon Completion of the Share Subscription and assuming that there is no other change in the issued share capital of the Company prior to the Completion, the shareholding of HECIC and the party acting in concert with it will increase to approximately 52.43% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to HECIC or HECIC Nominee will give rise to an obligation on the part of HECIC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

HECIC has submitted an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, seeking to waive the compliance with its obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) as a result of the allotment and issuance of the Subscription Shares to HECIC or HECIC Nominee. The Executive has indicated that it is minded to grant the Whitewash Waiver, subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders in respect of the Share Subscription, respectively, at the EGM. Further, under the relevant PRC laws, the Share Subscription is subject to the approval by at least two-thirds of the votes cast by the Independent Shareholders by way of poll at the EGM. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders or if the Whitewash Waiver is invalidated.

If the Whitewash Waiver is approved by the Independent Shareholders and the Completion occurs, the aggregate holding of voting rights of the Company held by HECIC and the party acting in concert with it resulting from the Share Subscription will exceed 50% of the voting rights of the Company. HECIC and the party acting in concert with it as a concert group may further increase their holdings of voting rights of the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

As at the Latest Practicable Date, the Company did not believe that the Share Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver or if granted, it may be invalidated if the Share Subscription does not comply with other applicable rules and regulations.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, HECIC, which holds 2,058,841,253 A Shares, representing approximately 48.95% of the issued share capital of the Company, is the controlling Shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction of the Company and will be subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Subscription Shares shall be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Board is authorized to allot, issue and deal with a maximum of 473,337,735 A Shares and 367,800,879 H Shares, respectively, representing not more than 20% of the total number of each of the A Shares and H Shares in issue as at the date of passing such resolution. As at the Latest Practicable Date, the Company has not issued any Shares pursuant to the General Mandate.

Pursuant to note (1) to Rule 13.36(2) of the Listing Rules, the issuance of the Subscription Shares under the General Mandate to HECIC or HECIC Nominee, a connected person of the Company, is subject to Independent Shareholders' approval at the EGM.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Lu Rong, Mr. Zhao Shi Yi, Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin) has been formed to make recommendation to the Independent Shareholders on the Share Subscription and the Whitewash Waiver, and as to voting. Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Dr. Zhang Xu Lei, each a non-executive Director, will not be members of the Takeovers Code Independent Board Committee due to a potential conflict of interest, as they either hold positions in or receive salaries from HECIC. They are therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders.

Pursuant to the Listing Rules, the Listing Rules Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription, namely Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and as to voting.

Gram Capital, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed by the Company with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders on the Share Subscription and the Whitewash Waiver and to make recommendation as to voting.

THE EGM

The EGM will be convened to consider and, if thought fit, approve, among others, the Share Subscription and the Whitewash Waiver. Details of the EGM and the resolutions to be proposed at the EGM are set out in the Notice of EGM.

The proxy form is enclosed. If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form 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 EGM (i.e. on or before Thursday, 23 October 2025) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

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

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules and Rule 2.9 of the Takeovers Code, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to the proposed resolutions at the EGM.

HECIC, its ultimate beneficial owner, its associates and any party acting in concert with it together with any other Shareholder who is involved or interested in the Share Subscription and the Whitewash Waiver will be required to abstain from voting on all the resolutions to be proposed at the EGM. Details of the abstaining Shareholders are set out below:

(i) HECIC, the controlling Shareholder holding 2,058,841,253 A Shares, representing approximately 48.95% of total number of issued Shares as at the Latest Practicable Date;

(ii) Dr. Cao Xin, a non-executive Director and a Shareholder holding 50,000 H Shares, representing approximately 0.0012% of total number of issued Shares as at the Latest Practicable Date, who is also a director and the vice chairman of HECIC and therefore a party acting concert with HECIC;

(iii) Dr. Li Lian Ping, a non-executive Director and a Shareholder holding 200,000 restricted A Shares granted by the Company under the Restricted Share Incentive Scheme, representing approximately 0.0048% of total number of issued Shares as at the Latest Practicable Date, who receives his salary from HECIC for his role as a consultant of a subsidiary of HECIC and may be regarded as having a potential conflict of interest; and

(iv) Mr. Tan Jian Xin, an executive Director and the president of the Company and a Shareholder holding 200,000 restricted A Shares granted by the Company under the Restricted Share Incentive Scheme, representing approximately 0.0048% of total number of issued Shares as at the Latest Practicable Date, who was involved in the negotiation of the Share Subscription.

Save as disclosed above, there is no Shareholder with a material interest in the resolutions to be proposed at EGM which is required to abstain from voting at the EGM.

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. 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 EGM.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Takeovers Code Independent Board Committee set out on pages 30 to 31 of this circular containing its recommendations to the Independent Shareholders on the Share Subscription and the Whitewash Waiver; (ii) the letter from the Listing Rules Independent Board Committee set out on pages 32 to 33 of this circular containing its recommendations to the Independent Shareholders on the Share Subscription; and (iii) the letter from the Independent Financial Adviser set out on pages 34 to 64 of this circular containing its advice to the Independent Board Committees and the Independent Shareholders on the Share Subscription and the Whitewash Waiver. The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the resolutions to be proposed at the EGM.

As the Share Subscription is subject to the satisfaction of the conditions precedent under the Share Subscription Agreement as set out in the section headed "Connected Transaction under the Share Subscription Agreement – Conditions Precedent" in the Letter from the Board in this circular, including but not limited to the granting of the Whitewash Waiver by the Executive, the proposed Share Subscription may or may not proceed.

According to requirements of the Takeovers Code, the Whitewash Waiver, if granted, will be subject to, among others, the approval by at least 75% of the votes cast by the Independent Shareholders in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders in respect of the Share Subscription, respectively, at the EGM. Further, under the relevant PRC laws, the Share Subscription is subject to the approval by at least two-thirds of the votes cast by the Independent Shareholders by way of poll at the EGM. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders or if the Whitewash Waiver is invalidated.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and actions that they should take.

By order of the Board of
China Suntien Green Energy Corporation Limited
Tan Jian Xin
Executive Director and President

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)

30 September 2025

To the Independent Shareholders:

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW H SHARES UNDER THE GENERAL MANDATE AND APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 30 September 2025 (the "**Circular**") 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.

We have been appointed by the Board as members of the Takeovers Code Independent Board Committee to advise the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver. For such purpose, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders in this regard.

Details of the advice of the Independent Financial Adviser and the principal factors and reasons it has taken into consideration in giving such advice are set out on pages 34 to 64 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 6 to 29 of the Circular and the additional information set out in Appendix I and Appendix II of the Circular.

* *For identification purposes only*

Having considered the terms of the Share Subscription and the Whitewash Waiver, and the advice of the Independent Financial Adviser and the principal factors and reasons taken into consideration by the Independent Financial Adviser, we are of the view that, although the Share Subscription Agreement was not entered into by the Company in its ordinary and usual course of business, the terms and conditions of the Share Subscription Agreement are on normal commercial terms, and the Share Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

Yours faithfully,
Takeovers Code Independent Board Committee of
China Suntien Green Energy Corporation Limited

Mr. Lu Rong
Non-executive Director

Mr. Zhao Shi Yi
Non-executive Director

Dr. Chow Man Kong
Independent Non-executive Director

Dr. Yang Jing Lei
Independent Non-executive Director

Mr. Chan Yik Pun
Independent Non-executive Director

Mr. Liu Bin
Independent Non-executive Director

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)

30 September 2025

To the Independent Shareholders:

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW H SHARES UNDER THE GENERAL MANDATE AND APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 30 September 2025 (the "**Circular**") 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.

We have been appointed by the Board as members of the Listing Rules Independent Board Committee to advise the Independent Shareholders in respect of the Share Subscription. For such purpose, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders in this regard.

Details of the advice of the Independent Financial Adviser and the principal factors and reasons it has taken into consideration in giving such advice are set out on pages 34 to 64 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 6 to 29 of the Circular and the additional information set out in Appendix I and Appendix II of the Circular.

* *For identification purposes only*

Having considered the terms of the Share Subscription, and the advice of the Independent Financial Adviser and the principal factors and reasons taken into consideration by the Independent Financial Adviser, we are of the view that, although the Share Subscription Agreement was not entered into by the Company in its ordinary and usual course of business, the terms and conditions of the Share Subscription Agreement are on normal commercial terms, and the Share Subscription is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

Yours faithfully,
Listing Rules Independent Board Committee of
China Suntien Green Energy Corporation Limited

Dr. Chow Man Kong
Independent Non-executive Director

Dr. Yang Jing Lei
Independent Non-executive Director

Mr. Chan Yik Pun
Independent Non-executive Director

Mr. Liu Bin
Independent Non-executive Director

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver 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

30 September 2025

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

Dear Sir/Madam,

(1) CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW H SHARES UNDER THE GENERAL MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser by the Company with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 30 September 2025 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 27 August 2025 (after trading hours), the Company and HECIC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and HECIC has conditionally agreed to subscribe for or nominate HECIC Nominee to subscribe for 307,000,000 new H Shares at the Subscription Price of HK$4.93 per Subscription Share for a total consideration of HK$1,513,510,000 in cash. As at the Latest Practicable Date, the number of H Shares to be issued represented approximately 7.30% of the existing issued share capital of the Company and approximately 6.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

With reference to the Board Letter, the Share Subscription constitutes a connected transaction of the Company and will be subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, as at the Latest Practicable Date, HECIC holds 2,058,841,253 A Shares, representing approximately 48.95% of the issued share capital of the Company, and Dr. Cao Xin, as a director and the vice chairman of HECIC, is considered to be a party acting concert with HECIC, who holds 50,000 H Shares, representing approximately 0.0012% of the issued share capital of the Company. Upon Completion of the Share Subscription and assuming that there is no other change in the issued share capital of the Company prior to the Completion, the shareholding of HECIC and the party acting in concert with it will increase to approximately 52.43% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares. As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to HECIC or HECIC Nominee will give rise to an obligation on the part of HECIC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

HECIC has submitted an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, seeking to waive the compliance with its obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) as a result of the allotment and issuance of the Subscription Shares to HECIC or HECIC Nominee. According to requirements of the Takeovers Code, the Whitewash Waiver, if granted, will be subject to, among others, the approval by more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription and at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver, respectively, at the EGM. Further, under the relevant PRC laws, the Share Subscription is subject to the approval by at least two-thirds of the votes cast by the Independent Shareholders by way of poll at the EGM. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders or if the Whitewash Waiver is invalidated. As at the Latest Practicable Date, the Executive has indicated that it is minded to grant the Whitewash Waiver.

Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Lu Rong, Mr. Zhao Shi Yi, Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin) has been formed to make recommendation to the Independent Shareholders on the terms of the Share Subscription and the Whitewash Waiver, and as to voting. Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Dr. Zhang Xu Lei, each a non-executive Director, will not be members of the Takeovers Code Independent Board Committee due to a potential conflict of interest, as they either hold positions in or receive salaries from HECIC. They are therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders.

The Listing Rules Independent Board Committee comprising Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin. (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the

terms of the Share Subscription are on normal commercial terms and are fair and reasonable; (ii) whether the Share Subscription 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 to approve the Share Subscription at the EGM.

We, Gram Capital Limited, have been appointed with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's (i) continuing connected transaction, details of which are set out in the Company's circular dated 9 November 2023; (ii) connected transaction, details of which are set out in the Company's circular dated 14 November 2024; (iii) connected transaction, details of which are set out in the Company's circular dated 25 November 2024; and (iv) connected transaction, details of which are set out in the Company's circular dated 20 February 2025 (collectively, the "**IFA Engagements**").

Notwithstanding the IFA Engagements, as at the Latest Practicable Date, we were not aware of (i) any relationship or interest between (a) Gram Capital and the Company; (b) Gram Capital and HECIC or the party acting in concert with it; or (c) Gram Capital and 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 Committees and the Independent Shareholders; or (ii) any services provided by Gram Capital to (a) the Company; or (b) HECIC and the party acting in concert with it, during the past two years immediately preceding the Latest Practicable Date.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code 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 then independent board committee and the independent shareholders of the Company 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 Committees 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 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, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Share Subscription and the Whitewash Waiver. 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 and Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed "1. RESPONSIBILITY STATEMENT" of Appendix II to the Circular. 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, HECIC or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Share Subscription and the Whitewash Waiver. 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. During the period between the Latest Practicable Date and the date of EGM, the Shareholders will be notified of any material changes as soon as possible in accordance with Rule 9.1 of the Takeovers Code. 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 and fairly presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Share Subscription and the Whitewash Waiver, we have taken into consideration the following principal factors and reasons:

I. SHARE SUBSCRIPTION

1. Information of the Group

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 the exploration and utilization projects of natural gas, liquefied natural gas, compressed natural gas, coalbed methane and coal-made natural gas, etc. in the PRC; (ii) investment in the exploration of wind power and other new energy projects; and (iii) development of new energy technology and technical services in the PRC.

1.1 Financial performance

Set out below are the audited consolidated financial information of the Group for the three years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**") and annual report for the year ended 31 December 2023 (the "**2023 Annual Report**"), which was prepared in accordance with the PRC accounting standards:

	For the year ended 31 December 2024 ("FY2024")	For the year ended 31 December 2023 ("FY2023")	For the year ended 31 December 2022 ("FY2022") (Restated)	Change from FY2023 to FY2024	Change from FY2022 to FY2023
	RMB'000	*RMB'000*	*RMB'000*	*%*	*%*
Total operating revenue	21,372,124	20,281,789	18,560,523	5.38	9.27
– Sales of natural gas	15,004,361	13,785,962	11,850,603	8.84	16.33
– Wind and photovoltaic power generation	5,952,117	6,181,320	6,294,905	(3.71)	(1.80)
– Others	415,647	314,507	415,015	32.16	(37.43)
Net profit attributable to shareholders of the Company	1,672,367	2,207,474	2,292,631	(24.24)	(7.24)

FY2022 vs FY2023

According to the table above, the Group's total operating revenue increased from approximately RMB18.56 billion for FY2022 to approximately RMB20.28 billion for FY2023, representing a year-on-year increase of approximately 9.27%. With reference to the 2023 Annual Report,

such increases were mainly due to a year-on-year increase of approximately 16.33% in operating revenue generated from sales of natural gas as a result of the increase in sales volume of natural gas (i.e. from 3.885 billion cubic meters for FY2022 to 4.503 billion cubic meters for FY2023). Nevertheless, the Group's net profit attributable to shareholders of the Company decreased from approximately RMB2.29 billion for FY2022 to approximately RMB2.21 billion for FY2023, representing a decrease of approximately 7.24%.

With reference to the 2023 Annual Report, the aforesaid decrease in the Group's net profit attributable to shareholders of the Company from FY2022 to FY2023 was caused by the decrease in net profit from the wind power/photovoltaic segment, partially offset by the increase in net profit from the natural gas business segment, details are as follows:

- the Group's net profit from the wind power/photovoltaic segment decreased from RMB2.135 billion for FY2022 to RMB1.816 billion for FY2023, which was due to the decrease in utilisation hours (i.e. wind power generation: from 2,485 hours for FY2022 to 2,419 hours for FY2023; and photovoltaic power generation: from 1,404 hours for FY2022 to 1,376 hours for FY2023) and average on-grid tariff (i.e. from RMB0.45 per kWh (tax exclusive) for FY2022 to RMB0.44 per kWh (tax exclusive) for FY2023);

- the Group's net profit from the natural gas business segment increased from RMB0.727 billion for FY2022 to RMB0.946 billion for FY2023, which was due to an increase in the volume of natural gas sold compared to the same period of the previous year.

In addition, as advised by the Directors, the Group recorded net loss from others (i.e. investment management and property leasing business, etc.) of approximately RMB27.64 million and approximately RMB43.96 million for FY2023 and FY2022 respectively.

FY2023 vs FY2024

According to the table above, the Group's total operating revenue increased from approximately RMB20.28 billion for FY2023 to approximately RMB21.37 billion for FY2024, representing a year-on-year increase of approximately 5.38%. With reference to the 2024 Annual Report, such increases were mainly due to a year-on-year increase of approximately 8.84% in operating revenue generated from sales of natural gas as a result of the increase in sales volume of natural gas (i.e. from 4.503 billion cubic meters for FY2023 to 5.158 billion cubic meters for FY2024). Nevertheless, the Group's net profit attributable to shareholders of the Company decreased from approximately RMB2.21 billion for FY2023 to approximately RMB1.67 billion for FY2024, representing a decrease of approximately 24.24%.

With reference to the 2024 Annual Report, the aforesaid decrease in the Group's net profit attributable to shareholders of the Company from FY2023 to FY2024 was caused by the following:

- the Group's net profit from the wind power/photovoltaic segment decreased from RMB1.816 billion for FY2023 to RMB1.439 billion for FY2024, which was due to the decrease in utilisation hours (i.e. wind power generation: from 2,419 hours for FY2023 to 2,226 hours for FY2024; and photovoltaic power generation: from 1,376 hours for FY2023 to 1,277 hours for FY2024) and average on-grid tariff (i.e. from RMB0.44 per kWh (tax exclusive) for FY2023 to RMB0.43 per kWh (tax exclusive) for FY2024);

- the increase in provision for impairment loss on assets from RMB115.70 million for FY2023 to RMB307.77 million for FY2024, representing an increase of approximately 166.01%. The increase in provision for impairment loss on assets was mainly because of the increase in provision for impairment loss on mechanical equipment, due to degraded equipment performance resulting from prolonged operation, abnormal damage of equipment, etc.; and

- the Group's net profit from the natural gas business segment decreased from RMB0.946 billion for FY2023 to RMB0.478 billion for FY2024, which was due to decrease in gross profit of natural gas per cubic metre and the increase in depreciation expenses in relevant assets of a LNG project. The decline in gross profit of natural gas per cubic metre was corresponded with lower per-unit sales prices, which resulted from the increased diversification of gas sources of the Group's downstream customers.

In addition, as advised by the Directors, the Group recorded net loss from others (i.e. investment management and property leasing business, etc.) of approximately RMB16.86 million and approximately RMB27.64 million for FY2024 and FY2023 respectively.

1H2024 vs 1H2025

Set out below are the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 (together with comparative figures for the corresponding period in 2024) as extracted from the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the six months ended 30 June 2025 ("1H2025") *RMB'000*	For the six months ended 30 June 2024 ("1H2024") *RMB'000*	Year-on-year change *%*
Total operating revenue	10,903,916	12,137,162	(10.16)
– *Sales of natural gas*	7,355,485	8,758,990	(16.02)
– *Wind and photovoltaic power generation*	3,367,085	3,225,382	4.39
– *Others*	181,346	152,790	18.69
Net profit attributable to shareholders of the Company	1,412,022	1,429,607	(1.23)

According to the table above, the Group's revenue decreased from approximately RMB12.14 billion for 1H2024 to approximately RMB10.90 billion for 1H2025, representing a year-on-year decrease of approximately 10.16%. With reference to the 2025 Interim Report, such decrease was mainly due to a year-on-year decrease of approximately 16.02% in revenue generated from sales of natural gas for 1H2025 as a result of the decrease in sales volume of natural gas (i.e. from 3.017 billion cubic meters for 1H2024 to 2.578 billion cubic meters for 1H2025).

In addition, according to the table above, the Group's net profit attributable to shareholders of the Company slightly decreased by approximately 1.23% from approximately RMB1.43 billion for 1H2024 to approximately RMB1.41 billion for 1H2025. With reference to the 2025 Interim Report, the aforesaid decrease in the Group's net profit attributable to shareholders of the Company was mainly due to the aforesaid decrease in the Group's total operating revenue.

1.2 Financial position

Set out below is a summary of the consolidated financial position of the Group as at each of 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, as extracted from the 2023 Annual Report, 2024 Annual Report and 2025 Interim Report:

	As at 30 June 2025	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022	Changes from 31 December 2024 to 30 June 2025	Changes from 31 December 2023 to 31 December 2024	Changes from 31 December 2022 to 31 December 2023
				(Restated)			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*%*	*%*
	(unaudited)	(audited)	(audited)	(audited)			
Total assets	88,277,638	84,016,482	79,016,593	77,412,549	5.07	6.33	2.07
– Cash	4,742,073	3,056,263	3,420,053	7,326,059	55.16	(10.64)	(53.32)
– Fixed assets and construction in progress	59,569,960	58,214,020	55,332,911	51,936,524	2.33	5.21	6.54
– Others	23,965,605	22,746,200	20,263,629	18,149,966	5.36	12.25	11.65
Total liabilities	58,467,950	56,903,738	52,275,824	52,231,292	2.75	8.85	0.09
– Borrowings (Note)	45,420,340	44,100,973	37,912,586	37,202,657	2.99	16.32	1.91
– Others	13,047,609	12,802,765	14,363,238	15,028,635	1.91	(10.86)	(4.43)
Net assets	29,809,688	27,112,744	26,740,770	25,181,257	9.95	1.39	6.19
– Net assets attributable to Shareholders	23,768,375	21,693,350	21,876,734	20,461,432	9.57	(0.84)	6.92

Note: The borrowings include short-term borrowings, long-term borrowings and long-term borrowings due within one year.

In respect of the Group's assets position,

- the Group recorded a substantial decrease of approximately 53.32% in cash as at 31 December 2023 as compared to 31 December 2022, which was mainly due to the purchase and construction of long-term assets and repayment of bank borrowings by the Company for FY2023. After the decrease of approximately 10.64% in cash as at 31 December 2024 as compared to 31 December 2023, the Group's cash substantially increased by approximately 55.16% to 30 June 2025, which was mainly due to the Company's issuance of perpetual medium-term notes with principal amounts of RMB1,500 million in June 2025.

- the Group's fixed assets and construction in progress were major components of the Group's total assets, and in aggregate accounted for approximately 67.09%, 70.03%, 69.29% and 67.48% of the Group's total assets as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, respectively. The Group's fixed assets and construction in progress moved in an increasing trend for the end of June 2025, December 2024 and December 2023 as compared to the opening of the aforesaid period, which was mainly due to increase in the investment in infrastructure construction as a result of the expansion of the Group's principal business.

In respect of the Group's liabilities position, the Group's borrowings were a major component of the Group's total liabilities, accounted for approximately 71.23%, 72.52%, 77.50% and 77.68% of the Group's total liabilities as at 31

December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, respectively. The Group's total liabilities remained stable as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

As at 30 June 2025, the Group's total equity attributable to owners of the Company was approximately RMB23.77 billion.

1.3 Section summary

Based on the financial information as discussed above, the Group demonstrated a continuous growth in total operating revenue from FY2022 to FY2024, primarily driven by the substantial increase in sales volume of natural gas during such period. However, such growth did not translate into improved profitability, which moved in a declined trend from FY2022 to FY2024. The worsened profit was mainly due to (i) the continuous decrease in the net profit of wind and photovoltaic power segment from FY2022 to FY2024; and (ii) the significant increase in asset impairment losses and the contraction in the profitability of the natural gas segment for FY2024. The decrease in total operating revenue was recorded for 1H2025, primarily caused by the drop in natural gas sales volume, further led to a declined profitability for 1H2025.

The Group's financial position is characterized by asset expansion, with total assets growing steadily from the end of December 2022 to the end of June 2025, largely composed of fixed assets and construction in progress, reflecting its capital-intensive nature. The asset expansion has been heavily funded by debt, as borrowings constitute a high and increasing proportion of total liabilities. In addition, the Group's cash position fluctuated during such period, which was mainly due to the Group's investment activities and financing activities.

2. Information of HECIC

With reference to the Board Letter, HECIC, the controlling Shareholder of the Company, is a wholly state-owned company established 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.

3. Reasons for and benefits of the Share Subscription and use of proceeds

With reference to the Board Letter and as confirmed by the Directors, the Share Subscription (i) will help accelerate the construction of the Group's new energy and clean energy projects; (ii) can alleviate the Company's capital pressure, effectively supplement capital, reduce debt-to-asset ratio, optimize capital structure, enhance financial stability, and improve the Company's overall risk resistance by way of the increase of capital reserve, thereby supporting the Company's healthy, sustainable and steady development; and (iii) reflects HECIC's firm confidence in the future

development of the Group and recognition of the value of the Group, which is conducive to boosting market confidence, safeguarding the interests of the small and medium-sized Shareholders, and promoting the high-quality development of the Group.

We noted that cash from financing activities becomes a more important source of fund to the Group, which accounted for approximately 35%, 36%, 43% and 47% to total cash inflow for FY2022, FY2023, FY2024 and 1H2025 respectively. Furthermore, we noted from《國務院關於固定資產投資項目試行資本金制度的通知》(Notice of the State Council on Implementing a Capital System for Fixed Asset Investment Projects*) issued by the State Council of the PRC in 1996 together with further amendments afterwards, a certain proportion of capital funds should be maintained in the investment in an infrastructure project in addition to the fund from debt financing for such infrastructure project. As advised by the Directors, minimum proportions of capital funds for wind power project and natural gas project are 20% and 30%, respectively. The Group normally maintained the minimum proportions as its capital funds for the infrastructure project, the source of which would be self-owned funds in general. The remaining part of funds is normally raised by way of debt financing. Given that the development of wind power project and natural gas project, which is the directly link to the Group's principal businesses of sales of natural gas; and wind and photovoltaic power generation, and cash from financing activities becomes a more important source of fund to the Group, the Company would have funding needs should the Company decides to continuously develop its principal businesses.

3.1 Financing alternatives

With reference to the Board Letter, the Company has not conducted any equity fund-raising activities in the past twelve months immediately preceding the Latest Practicable Date.

Upon our enquiry with the Directors, we understood that the Directors had considered both debt financing and equity financing (such as rights issue for both capital market, public issuance and non-public issuance of A Shares for PRC capital market, placing of H Shares and issue of H Shares to specific subscriber for Hong Kong capital market) as fund-raising methods for the Group from Hong Kong capital market and/or the PRC capital market based on the capital needs for the Group's project development as a whole.

In respect of the debt financing, it will incur additional finance costs and increase gearing level of the Group and may be subject to lengthy due diligence and negotiations with lenders. With reference to the 2024 Annual Report and the 2025 Interim Report, the debt-to-asset ratios (calculated by total liabilities divided by total assets) as at 30 June 2025 was 66.23%. The debt-to-asset ratio will further increase to approximately 66.75% should the Company adopt debt financing with same fund raising amounts of approximately HK$1,500 million (i.e. the net proceeds from the Share Subscription (the "**Net Proceeds**")) and on the assumption that the aforesaid debt financing had completed on 30 June 2025. Furthermore, given that the Company's proposed development in 11 wind power projects and two gas-fired power plant projects (i.e. the Projects as defined under

the section headed "3.2 Use of proceeds" below), the capital funds for the Projects are RMB2,642 million in total, of which RMB1,078 million have been invested as at 31 August 2025 and the capital funds to be invested to the Projects is RMB1,564 million as at 31 August 2025. We concur with the Directors considered that the debt financing is not an optimal financing method and could not be utilised as remaining capital funds for the Projects.

In respect of the equity financing, as opposite to the debt financing, the debt-to-asset ratio will be improved through equity financing, which would decrease by 1.53 percentage points to approximately 65.22% on the assumption that the equity financing had completed on 30 June 2025 as compared to the debt-to-asset ratio through debt financing on the same assumption. Nevertheless, we further discussed with the Directors and considered characteristics of different equity financing methods as follows:

- rights issue is targeted at the Company's existing Shareholders and shall be implemented to the holders of A Shares and H Shares simultaneously at the same price. The average closing price of A Shares during the period of the A Share listing date (i.e. 29 June 2020) to the Latest Practicable Date represented a significant premium (ranging from approximately 88% to 563%) to the closing price of H Shares during the same period. Given the significant premiums of the price of A Shares over the price of H Shares during the aforesaid period and the capital market environment of Hong Kong and the mainland China are different, it is not practical to determine a price suitable for both classes of Shares, and thus the Company did not consider rights issue as an appropriate fund-raising method for the Company.

- public issuance is issuance of shares to unspecific investors. The Directors advised that such method is not a common approach for companies listed on Shanghai Stock Exchange ("**Shanghai Stock Exchange Listed Companies**") for refinancing purpose and is subject to a length of regulatory review and approval procedure.

  Based on our research, we noted that (i) there were three Shanghai Stock Exchange Listed Companies completed equity fund raising by way of public issuance of new shares for re-financing in 2019 and 2020 and none of the Shanghai Stock Exchange Listed Companies completed equity fund raising by way of public issuance of new shares for re-financing for the period from 1 January 2021 to the Last Trading Day; and (ii) there were around seven to nine months between the announcement date of such three re-financing proposals and the announcement date regarding the approval of CSRC.

- in respect of placing of new H shares, we noted from recent placing transactions announced by companies listed on the Hong Kong Stock Exchange that the placing price of most of these placing transactions represented discounts to the then closing price or average closing price

of shares of the respective companies prior to the entering of these placing transactions. As the Subscription Price represented premiums of 10% to 20% over the recent closing prices of the H Shares (as detailed in the section headed "The Subscription Price" below), the results of placing of new H Shares at the Subscription Price may be uncertain. Even if any placing agent successfully places same number of new H Shares to investors at the Subscription Price, the dilution effect to the existing shareholders who are not involved in such placing (i.e. non-participating shareholders) is the same. Furthermore, additional expenses (i.e. placing commission) may be incurred under a placing transaction (1% to 3.5% of the fund raising amounts according to the disclosed commission rate of recent placing transactions).

- in respect of issue of convertible bonds, it will incur additional finance costs and increase the debt-to-asset ratio of the Group before the conversion of underlying shares, which is similar to debt financing.

- as compared to the issuance of new H Shares to specific target, the issuance of new A Shares to specific target would normally require a longer preparation and application time. We noted that the Board passed a resolution in respect of proposed non-public issuance of A Shares in March 2021, with the transaction completed 10 months later in January 2022.

  In addition, HECIC's participation in the issuance of new shares demonstrated its confidence in the prospects of the Group. Given (i) the solid background of HECIC, which is a wholly state-owned company established 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; and (ii) that HECIC is the largest shareholder of the Company, HECIC's confidence in the prospects of the Group as demonstrated by the Share Subscription will also promote corporate image of the Group.

Given the above, including (i) source of fund from debt financing could not be used as capital funds, not to mention that it will incur additional finance costs and increase debt-to-asset ratio of the Company; (ii) the placing would result in the same dilution effect for non-participating shareholders as the Share Subscription, and it may impose additional costs on the Company if it involves the same number of shares and placing price as the Share Subscription; (iii) the Company could not meet the capital investment schedule in 2025 (as detailed in the sub-section headed "**Net Proceeds for Projects**") by way of the issuance of new A Shares given that the issuance of new A Shares to specific and unspecific investors would be subject a longer preparation and application time; and (iv) the issue of convertible bonds will incur additional finance costs and increase the

debt-to-asset ratio of the Group before the conversion, we are of the view that the Share Subscription is an appropriate fund-raising method currently available to the Company.

3.2 Use of proceeds

With reference to the Board Letter, the gross proceeds from the Share Subscription will be HK$1,513,510,000 and the net proceeds (after deduction of issuance expenses and other related costs and expenses) will be approximately HK$1,500 million (i.e. the Net Proceeds).

The Net Proceeds from the Share Subscription are intended to be used as to approximately 80% (approximately HK$1,200 million) (the "**Net Proceeds for Projects**") for the construction of wind power projects and gas-fired power plant projects (i.e. 11 wind power projects and two gas-fired power plant projects, please refer to the section headed "Use of proceeds" of the Board Letter for further details) (the "**Projects**") (all of which will be utilized as capital funds of the Project), and as to approximately 20% (approximately HK$300 million) (the "**Net Proceeds for Working Capital**") to supplement working capital and for other general purposes.

We discussed with the Directors regarding the necessity of the Share Subscription given that the Group recorded cash of approximately RMB4,742 million as at 30 June 2025. We understood that the Company is an investment holding company and conducts natural gas related business and new energy related business through the Company's subsidiaries. Therefore, among the Group's cash of approximately RMB4,742 million, approximately RMB1,875 million was held by the Company (the "**Cash Held by the Company**") and approximately RMB2,867 million was held by subsidiaries of the Company for the aforesaid natural gas related business and new energy related business.

Among the Cash Held by the Company of approximately RMB1,875 million as at 30 June 2025, (i) approximately RMB883 million is dividends payable for 2024 final dividend and will be paid to the Shareholders in August 2025; and (ii) approximately RMB672 million had been utilized in July 2025 and August 2025 for its construction projects. Furthermore, the Company is required to repay financial loans maturing by December 2025 with amount of approximately RMB61 million. The remaining amounts of RMB259 million is not sufficient for the purpose of capital fund investment for the Projects. Although approximately RMB2,867 million of cash was held by subsidiaries of the Company, such funds will be used for the operation or development of infrastructure projects of the relevant subsidiaries. Furthermore, according to the Company's internal document, subsidiaries of the Company are prohibited from lending funds from each others unless further review and approval by, among others, the Company. Therefore, the cash held by subsidiaries of the Company was not considered.

Based on the Company's cash status and the analysis in the "3.1 Financing alternatives" section above, which concludes that the Share Subscription is currently an appropriate fund-raising method for the Company, we are of the view that the Company has funding needs to conduct the Share Subscription.

3.2.1 Net Proceeds for Projects

Based on the information provided by the Company, the investment status of the Projects is summarized as follows:

Project type	**Installed capacity (megawatt)**	**Project status**	**Total investment** *(RMB' million)*	**Capital fund investment by the Company** *(RMB' million)*	**Capital fund already invested as at 31 August 2025** *(RMB' million)*	**Capital fund to be invested in September 2025 to December 2025** *(RMB' million)*	**Capital fund to be invested after 2025** *(RMB' million)*
Wind power projects	1,475	Under Construction or not commenced	11,789	1,700	758	353	589
Gas-fired power plant projects	1,920	Under Construction or not commenced	4,710	942	320	369	253
Total	3,395		16,500	2,642	1,078	722	842

As aforementioned, the Share Subscription will help accelerate the construction of the Group's new energy and clean energy projects. As advised by the Directors, the Net Proceeds for Projects is primarily intended for the development of the Group's wind power business and natural gas business (being the Group's principal businesses which accounted for over 90% of the Group's total operating income for FY2022, FY2023, FY2024 and 1H2025). Upon our enquiry and request, the Directors advised that the Company has decided to further focus on its core principal businesses in the future and concentrate its resources on wind power generation and natural gas related businesses.

With reference to the Board Letter,

- for the wind power business, the Group's approved capacity for wind power projects has reached new heights in recent years, with approved capacity of 1.44 million kilowatts in 2023 and 3.78 million kilowatts in 2024. By the end of 2024, the cumulative approved capacity of wind power projects yet to be constructed has exceeded 4.31 million kilowatts. It is expected that the wind power business of the Group will enter a phase of rapid development in the next few years; and

- for the natural gas business, the Group's natural gas sector has formed an upstream, midstream and downstream industry chain, and is accelerating its integrated development. Natural gas power generation is characterized by high efficiency, quick start-up and shutdown, operational flexibility and environmental friendliness. It is anticipated that gas-fired power plants will become a crucial component in constructing a new energy system centered around renewable energy, with significant potential for future growth. Leveraging the Group's advantages in its natural gas sector, including proprietary gas sources, receiving terminals and pipeline facilities, the Company aims to establish an industrial chain centered on gas-fired power plants, which will help the Group expand market share in end-user sales, enhance the utilization efficiency of receiving terminals and pipeline facilities, and increase the overall profitability of the natural gas sector. By the end of 2024, the Group's cumulative approved capacity for gas turbines has reached 2,880 megawatts. As the natural gas business continues to grow, the funding needs for the construction of gas-fired power plants will increase significantly.

To further understand the market conditions of the wind power industry and gas-fired power industry in the PRC, we searched for relevant market information as follows:

- According to Statistical Communiqué of the PRC on the 2024 National Economic and Social Development as published by the National Bureau of Statistics of the PRC on 28 February 2025, (i) the wind power generation in the PRC increased from 414.60 billion MWh for 2020 to 997.04 billion MWh for 2024, representing a compound annual growth rate of approximately 24.53%; and (ii) installed capacity of wind power generation, increased from 2,815.3 MW for 2020 to 5,206.80 MW for 2024, representing a compound annual growth rate of approximately 16.62%.

- According to 《中國天然氣發展報告(2024)》 (China Natural Gas Development Report 2024*) published by the National Energy Administration of the PRC (an organisation managed by National Development and Reform Commission with a mission to, among others, (a) drafting laws and regulations on energy development and related supervision and management; (b) formulating and organizing the implementation of energy development strategies, plans and policies; and (c) formulating industrial policies and related standards for energy) in July 2024, (i) natural gas consumption for power generation in PRC increased from 27.5 billion cubic meters for 2014 to 68.5 billion cubic meters for 2023, representing a compound annual growth rate of approximately 10.67%; (ii) installed capacity of natural gas power

generation increased from 56.97 million kilowatts for 2014 to 130 million kilowatts for 2023, representing a compound annual growth rate of approximately 9.60%.

- According to《中國天然氣發展報告(2025)》(China Natural Gas Development Report 2025*) published by the National Energy Administration of the PRC in August 2025, natural gas consumption for power generation in PRC further recorded a year-on-year increase of 7.3% for 2024.

- As stated in the 2024 Annual Report, given the global dual-carbon goals and energy shortages, the energy structure is accelerating its transition to clean energy. More than 130 countries and regions around the world have put forward "zero-carbon" or "carbon-neutral" climate targets.

- In February 2025, the National Energy Administration of the PRC released《2025年能源工作指導意見》(the Guiding Opinions on Energy Work for 2025*), which proposed that in 2025, among other things, (i) natural gas output will continue to grow rapidly; (ii) the total installed power generation capacity nationwide will reach over 3.6 billion kilowatts, with newly installed renewable energy capacity exceeding 200 million kilowatts; (iii) the transition toward green and low-carbon development will continue to deepen with the proportion of non-fossil energy in installed power generation capacity to increase to around 60% and in total energy consumption to rise to approximately 20%.

Given that (i) both industries are poised for positive growth; and (ii) the realisation of green and sustainable development has become a broad consensus around the world, we are of the view that prospects of wind power industry and gas-fired power industry are positive and the development of wind power projects and gas-fired power projects, which the Net Proceeds for Projects will be utilized for, is in the interests of the Company and Shareholders as a whole.

3.2.2 Net Proceeds for Working Capital

As stated in the Board Letter, approximately 20% of the net proceeds from the Share Subscription is intended to be used to supplement the Company's working capital and for other general purposes, mainly including directors' remuneration and staff costs, audit fees and legal and professional expenses, and other administrative expenses. These net proceeds are expected to be fully utilized by the end of 2027.

As mentioned above, the Net Proceeds for Working Capital are intended to supplement the Group's working capital and for other general purposes. We noted in the Comparable Transactions (as defined under the section

headed "b) Comparable Transactions" below) that nine out of 11 listed issuers involved in the Comparable Transactions allocated the proceeds from the subscription/issuance of new shares for general working capital purpose. Although the business nature of the listed issuers involved in the Comparable Transactions is different from the Company's, we consider the sampled transactions to be fair and representative as they indicated a recent trend of non-specific use of proceeds by listed issuers.

According to the Comparable Transactions (as defined under the section headed "b) Comparable Transactions" below), save for those which (i) did not plan to use proceeds from the subscription to supplement working capital and/or general purposes; (ii) planned to use all proceeds from the subscription to supplement working capital and/or general purposes; and (iii) did not specify the amount of the proceeds to supplement working capital and/or general purposes, the portions relating to "proceeds to supplement working capital and/or general purposes" to "net proceeds from the subscription" ranged from 10% to 50%.

Furthermore, after excluding the dividend payable of approximately RMB883 million, the cash of approximately RMB672 million which was utilized for construction projects in July and August 2025 and the cash of approximately RMB61 million which is intended for the repayment of financial loans maturing by December 2025, the remaining cash (which has not been designated for specific purposes) was approximately RMB259 million (the "**Remaining Cash Held by the Company**"), based on the Cash Held by the Company as at 30 June 2025. According to the 2024 Annual Report, the Company (on a non-consolidated basis) recorded cash outflows from operating activities of RMB560 million and RMB550 million for FY2024 and FY2023 respectively. Although the Company (on a non-consolidated basis) will receive cash inflows from operating activities, such as sale of goods and rendering of services, the allocation of part of the net proceeds from the Share Subscription for general working capital purposes is essential to sustain the Company's operational efficiency and provides the necessary liquidity to respond to unforeseen expenses and opportunities.

Given that (i) the use of Net Proceeds for Working Capital is common and the proportion of which is in line with the recent market practice; (ii) the allocation of part of the net proceeds from the Share Subscription for general working capital purposes is essential to sustain the Company's operational efficiency and provides the necessary liquidity to respond to unforeseen expenses and opportunities, we consider the utilization of Net Proceeds from Working Capital is reasonable.

3.2.3 Our summary on use of proceeds

Based on the above, including (i) the Net Proceeds for Projects is in line with the Group's development plan; (ii) prospects of wind power industry and gas-fired power industry are positive; (iii) the use of Net Proceeds for Working Capital is common and the proportion of which is in line with the recent market practice; and (iv) the Remaining Cash Held by the Company of approximately RMB259 million, we consider the use of Net Proceeds to be reasonable.

3.3 Section summary

Having considered (i) reasons for and benefits of the Share Subscription as mentioned above; (ii) that the Share Subscription is an appropriate fund-raising method currently available to the Group; and (iii) that the use of the Net Proceeds to be reasonable, we are of the view that although the Share Subscription is not conducted in the ordinary and usual course of business of the Group, it is in the interest of the Company and the Independent Shareholders as a whole.

4. Principal terms of the Share Subscription

Set out below is a summary of the principal terms of the Share Subscription under the Share Subscription Agreement, details of which are set out in the section headed "CONNECTED TRANSACTION UNDER THE SHARE SUBSCRIPTION AGREEMENT" of the Board Letter.

Date

27 August 2025

Parties

(i) the Company (as the issuer); and

(ii) HECIC (as the subscriber)

The Subscription Shares

307,000,000 new H Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

(i) approximately 7.30% of the existing issued share capital of the Company as at the Latest Practicable Date; and

(ii) approximately 6.80% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares immediately after Completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the General Mandate.

Ranking

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with the existing issued H Shares.

The Subscription Price

The Subscription Price is HK$4.93 per Subscription Share, which represents

(i) a premium of approximately 15.19% over the closing price of HK$4.28 per H Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 16.55% over the closing price of HK$4.23 per H Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day (the "**LTD Premium**");

(iii) a premium of approximately 16.38% over the average closing price of HK$4.24 per H Share as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day (the "**5 Day Premium**");

(iv) a premium of approximately 16.14% over the average closing price of HK$4.25 per H Share as quoted on the Hong Kong Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day (the "**30 Day Premium**");

(v) a premium of approximately 15.54% over the average closing price of HK$4.27 per H Share as quoted on the Hong Kong Stock Exchange for the last sixty (60) consecutive trading days up to and including the Last Trading Day (the "**60 Day Premium**");

(vi) a discount of approximately 11.49% to the audited consolidated net asset value ("**NAV**") per Share attributable to the Shareholders ("**NAV per Share**") as at 31 December 2024 of approximately HK$5.57 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of RMB21,693,349,600.74 as at 31 December 2024 and 4,205,693,073 Shares in issue (based on the exchange rate of HK$1:RMB0.92604 as at 31 December 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes); and

(vii) a discount of approximately 20.45% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK$6.20 per Share calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of RMB23,768,374,531.03 as at 30 June 2025 and 4,205,693,073 Shares in issue (based on the exchange rate of HK$1:RMB0.91195 as at 30 June 2025 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China for illustration purposes) (the "**NAV Discount**").

With reference to the Board Letter, the Subscription Price was determined after arm's length negotiations between the Company and HECIC with reference to (i) the recent and historical market prices of the Shares; (ii) the trading liquidity of the Shares; (iii) the financial position of the Group; (iv) the Group's future development plans and related funding needs; and (v) the reasons for and benefits of the Share Subscription as referred to in the section headed "Reasons for and Benefits of the Share Subscription" of the Board Letter.

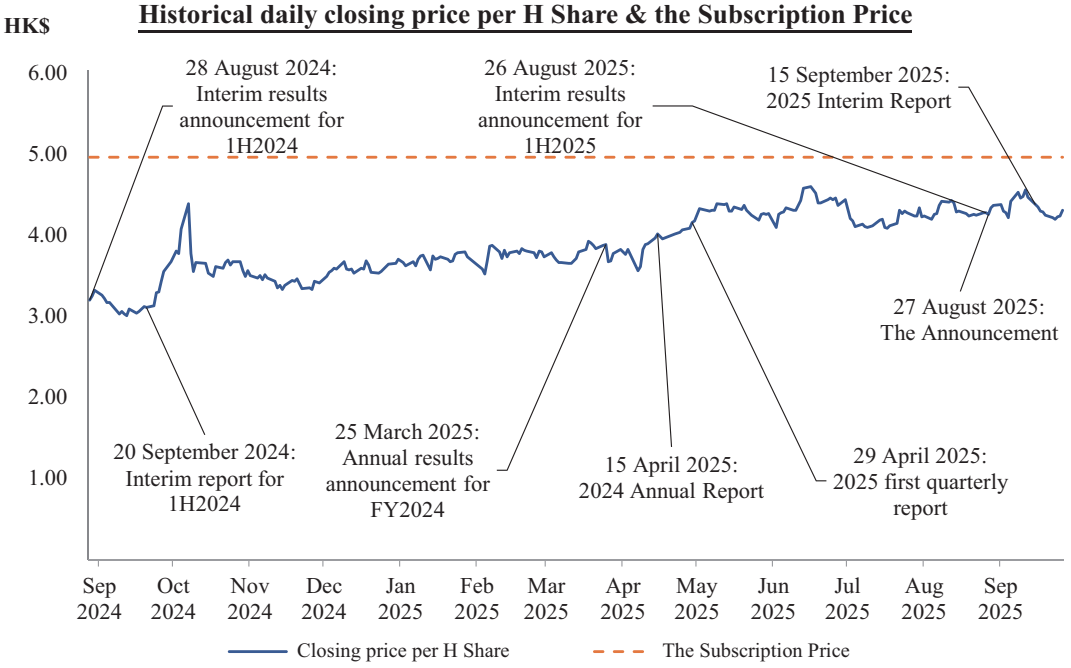
Analysis on the Subscription Price

In order to assess the fairness and reasonableness of the Subscription Price, we conducted the following analysis:

a) Share price performance

Set out below is a chart showing the movement of the closing prices of the H Shares during the period from 28 August 2024 to the Latest Practicable Date, being one year immediate prior to the Last Trading Day, up to and including the Latest Practicable Date (the "**Share Review Period**"), which is commonly adopted for analysis, and the number of trading days during the Share Review Period is sufficient for us to perform a thorough analysis on the historical closing prices of H Shares with the Subscription Price. Hence, we consider that the duration of the Share Review Period is adequate and appropriate. The comparison of daily closing prices of the H Shares and the Subscription Price is illustrated as follows:

Historical daily closing price per H Share & the Subscription Price



Source: the Hong Kong Stock Exchange's website

During the Share Review Period, the highest and lowest closing prices of the H Shares as quoted on the Hong Kong Stock Exchange were HK$4.57 per H Share recorded on 16 June 2025 and HK$2.99 per H Share recorded on 12 September 2024 respectively. The Subscription Price of HK$4.93 per Subscription Share is above the closing price range of the H Shares during the Share Review Period.

As depicted from the above chart, after increasing in the closing price of the H Shares in the end of August 2024, the closing price of the H Shares decreased from HK$3.24 per H Share at the beginning of September 2024 to HK$2.99 per H Share on 12 September 2024 (i.e. the lowest closing price of the H Shares during the Share Review Period). Subsequently, the closing price of H Shares rebounded and reached HK$4.36 per H Share on 7 October 2024. Thereafter, the closing price of the H Shares decreased sharply to HK$3.75 per H Share on 8 October 2024. Since then, the closing price of the H Shares formed an upward trend and reached HK$4.57 per H Share on 16 June 2025 (i.e. the highest closing price of the H Shares during the Share Review Period). Subsequently, the closing price of the H Shares fluctuated between HK$4.06 per H Share and HK$4.53 per H Share, and recorded at HK$4.23 per H Share on the Last Trading Day. Afterwards, the closing price of the H Shares fluctuated between HK$4.17 per H Share and HK$4.53 per H Share, and recorded at HK$4.28 on the Latest Practicable Date.

b) Comparable Transactions

As part of our analysis, we identified subscription transactions of new shares for cash consideration (excluding transactions involving (i) restructuring, loan capitalisation and set-off of debt in whole or in part; and (ii) issuance of A shares or domestic shares) during the period from 1 August 2025 up to the Last Trading Day, being a period of approximately one month prior to Last Trading Day that demonstrates market practices during a period proximate to Last Trading Day and allows us to identify sufficient samples of comparable transactions for analysis as announced by companies listed on the main board of the Hong Kong Stock Exchange (the "**Comparable Transactions**"). Given that (i) the Subscription Price was determined with reference to, among other things, the recent and historical market prices of the H Shares; and (ii) the involvement of whitewash waiver and the relationship between the Company and HECIC were not bases for the determination of the Subscription Price, we did not (i) adopt the involvement of whitewash waiver; and (ii) set the identity of subscriber being a connected person to the listed issuer, as selection criterion to identify the Comparable Transactions. In addition, we noted that the issue price of the Comparable Transactions was determined with reference to, among other factors, prevailing market price of shares of the listed issuer while we were not aware of any empirical evidence which suggests that the inclusion or not of a whitewash waiver or connection relationship would materially alter the terms of the underlying transaction.

We found eleven transactions which met the said criteria and they are exhaustive. Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company are not the same as the subject companies of the Comparable Transactions, the Comparable Transactions can demonstrate the recent market practices of subscription transactions conducted by companies listed on the main board of the Hong Kong Stock Exchange and thus they are fair and representative for our analysis.

Company name (stock code)	Date of announcement	Premium/ (discount) of the subscription price over/(to) the closing price per share on the last trading day immediately prior to the entering of agreement in relation to the respective subscription transactions	Premium/ (discount) of the subscription price over/(to) the average closing price per share for the last five consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions	Premium/ (discount) of the subscription price over/(to) the average closing price per share for the last 30 consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions	Premium/ (discount) of the subscription price over/(to) the average closing price per share for the last 60 consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions
		Approximate %	*Approximate %*	*Approximate %*	*Approximate %*
China Ruyi Holdings Limited (136)	1 August 2025	(4.46)	(7.18)	1.98	19.56
DL Holdings Group Limited (1709)	7 August 2025	(11.94)	(12.98)	(16.78)	(11.51)
Platt Nera International Limited (1949)	8 August 2025	(17.69)	(19.06)	(1.23)	20.02
CANbridge Pharmaceuticals Inc. (1228)	12 August 2025	(19.76)	10.56	70.12	166.33
JX Energy Ltd. (3395)	14 August 2025	3.81	0.93	(1.99)	22.63
GoFintech Quantum Innovation Limited (290)	14 August 2025	(12.12)	(6.93)	(11.10)	(5.58)
Extrawell Pharmaceutical Holdings Limited (858)	14 August 2025	(17.80)	(19.03)	(11.06)	15.89
Wan Kei Group Holdings Limited (1718)	15 August 2025	(10.04)	(11.45)	(10.86)	(12.24)
BExcellent Group Holdings Limited (1775)	18 August 2025	20.48 *(Note)*	31.93 *(Note)*	150.58 *(Note)*	180.40 *(Note)*
China Kingstone Mining Holdings Limited (1380)	22 August 2025	4.71	3.13	3.93	6.62
YesAsia Holdings Limited (2209)	26 August 2025	(1.77)	11.80	10.34	5.42
Maximum		20.48	31.93	150.58	180.40
Minimum		(19.76)	(19.06)	(16.78)	(12.24)
Average		(6.05)	(1.66)	16.72	37.05
Maximum (excluding outlier)		4.71	11.80	70.12	166.33
Minimum (excluding outlier)		(19.76)	(19.06)	(16.78)	(12.24)
Average (excluding outlier)		(8.71)	(5.02)	3.34	22.71
Median		(10.04)	(6.93)	(1.23)	15.89
Share Subscription		16.55	16.38	16.14	15.54

Source: the Hong Kong Stock Exchange's website

Note: The premium as represented by the subscription price of the BExcellent Group Holdings Limited (1775) were exceptionally high as they are more than two standard deviations away from the mean and were considered as outliers based on the mean and standard deviation outlier detection method.

According to the above table:

(i) the subscription prices of the Comparable Transactions ranged from discount of approximately 19.76% to premium of approximately 20.48%, with average discount of approximately 6.05% and median discount of approximately 10.04% to/over the respective closing prices of shares on the last trading day immediately prior to the entering of agreement in relation to the respective subscription transactions.

(ii) the subscription prices of the Comparable Transactions ranged from discount of approximately 19.06% to premium of approximately 31.93%, with average discount of approximately 1.66% and median discount of approximately 6.93% to/over the respective average closing prices of shares for the last five consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions.

(iii) the subscription prices of the Comparable Transactions ranged from discount of approximately 16.78% to premium of approximately 150.58%, with average premium of approximately 16.72% and median discount of approximately 1.23% to/over the respective average closing prices of shares for the last 30 consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions. (the "**30-day Comparable Range**").

(iv) the subscription prices of the Comparable Transactions ranged from discount of approximately 12.24% to premium of approximately 180.40%, with average premium of approximately 37.05% and median premium of approximately 15.89% to/over the respective average closing prices of shares for the last 60 consecutive trading days immediately prior to the entering of agreement in relation to the respective subscription transactions. (the "**60-day Comparable Range**").

Based on the above, the LTD Premium, the 5 Day Premium, the 30 Day Premium and the 60 Day Premium are within the respective range of the Comparable Transactions. The 30-day and 60-day comparable ranges are broad. This breadth is due to the significantly high premiums for BExcellent Group Holdings Limited's (Stock code: 1775) subscription price relative to its closing prices or average closing prices, compared to other transactions.

Excluding the outlier, the LTD Premium and the 5-Day Premium are above the respective range of the Comparable Transactions; while both the 30-Day Premium and the 60-Day Premium are within the respective range of the Comparable Transactions, the 30-Day Premium is above average and the 60-day Premium is below the average.

It is also noteworthy that the LTD Premium, 5-Day Premium, and 30-Day Premium are all above the respective median of Comparable Transactions, and the 60-Day Premium (i.e. 15.54%) is very close to the corresponding median of Comparable Transactions (i.e. 15.89%). The median is a measure that is less affected by outliers.

Given that above, we are of the view that the Subscription Price is not undervalued from the perspective of premiums/discounts of issue prices of Comparable Transactions, indicating that the Subscription Price is not less favourable to the prevailing market premiums/discounts of issue prices of Comparable Transactions, which supports the fairness and reasonableness of the pricing from the perspective of premiums/discounts of issue prices of Comparable Transactions. Therefore, we consider that the Subscription Price is fair and reasonable from such perspective.

c) The NAV Discount

As mentioned above, the Subscription Price represented a discount of approximately 20.45% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 (i.e. the NAV Discount).

Given the industry in which the Group involved was different from the industries in which the listed issuers of Comparable Transactions were involved, we consider that comparison with the NAV Discount to the issue price to NAV of the Comparable Transactions were not appropriate. Instead, we performed the comparison of NAV Discount with the Group's historical NAV per Share to historical closing prices of H Shares for our NAV Discount analyses.

The Group's NAV per Share for different periods is as follows:

	The Group's NAV per Share (in RMB)	**The Group's NAV per Share (in HK$)**	**Exchange rate adopted** *(Note)*
31 March 2024	5.16	5.69	HK$1:RMB0.90655
30 June 2024	5.09	5.58	HK$1:RMB0.91268
30 September 2024	5.11	5.67	HK$1:RMB0.90179
31 December 2024	5.16	5.57	HK$1:RMB0.92604
31 March 2025	5.39	5.84	HK$1:RMB0.92283
30 June 2025	5.65	6.20	HK$1:RMB0.01195

Note: The respective exchange rate adopted was published by the China Foreign Exchange Trade System as authorised by the People's Bank of China for illustration purpose.

Based on the Group's NAV per Share as listed above, the closing price of the H Shares has historically been traded at substantial discount ranging from approximately 21.77% to approximately 46.41% to the Group's then NAV per Share during the Shares Review Period.

The NAV Discount (i.e. 20.45%) is less than the aforesaid NAV discount range of approximately 21.77% to approximately 46.41% during the Shares Review Period. Given that the NAV Discount is less than the Group's discount of historical NAV per Share to historical closing prices of H Shares during the Shares Review Period, we are of the view that the NAV Discount is reasonable.

d) Our conclusion on Subscription Price

In light of that (i) the Subscription Price of HK$4.93 per Subscription Share is above the closing price range of the H Shares during the Share Review Period; (ii) the LTD Premium, the 5 Day Premium, the 30 Day Premium and the 60 Day Premium are within the respective range of the Comparable Transactions and are above or close to their respective median; and (iii) the NAV Discount is reasonable as it is less than the Group's discount of historical NAV per Share to historical closing prices of H Shares during the Shares Review Period, we are of the view that the Subscription Price is fair and reasonable.

Lock-up Period

HECIC has undertaken that it will not transfer, or procure HECIC Nominee not to transfer the Subscription Shares in any manner within 36 months from the Completion Date, except for transfers to subsidiaries directly or indirectly owned or controlled by HECIC, as permitted by the PRC laws, other applicable laws and the listing rules of the jurisdictions where the Shares are listed, provided that the transferee continues to adhere to the same lock-up undertaking. If the CSRC and the stock exchanges where the Shares are listed stipulate otherwise, HECIC undertakes that it will to comply with the relevant regulations or procure HECIC Nominee to do so. The lock-up arrangement shall also apply to the additional H Shares derived from the Subscription Shares as a result of bonus issue or conversion of capital reserve into share capital by the Company after the Completion.

Pursuant to Article 63(3) of the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》) published by the CSRC, if an investor will, as a result of a share subscription, own more than 30% of the listed company's issued shares, the investor can be exempted from the obligation to make a mandatory offer if the investor undertakes not to transfer the new shares issued to such investor within three years and that the non-affiliated shareholders have approved the waiver of the mandatory offer obligation at a general meeting.

Having considered (i) the requirements under relevant PRC regulations; and (ii) that no similar lock-up arrangement was implemented in the Comparable Transactions (except for Wan Kei Group Holdings Limited (Stock code: 1718), which imposed a lock-up period of 120 calendar days on subscriber), we are of the view that a stricter requirement has been applied in this case as compared to relevant arrangements of the Comparable Transactions, which is beneficial to the Company as the lock-up arrangement (i) limits the short-to-medium-term negative

impact of the issuance of new H Shares on the market price of the H Shares (i.e. disposal of large block of H Shares held by the subscriber in the open market may trigger price slump of the H Shares); and (ii) demonstrates the controlling Shareholder's commitment to the Company.

Completion of the Share Subscription

Subject to the fulfilment of all conditions precedent under the Share Subscription Agreement as set out in the section headed "Conditions Precedent" of the Board Letter, the Completion of the Share Subscription shall take place on the fifth Business Day following HECIC's receipt of the notice from the Company for the payment of consideration for the Share Subscription, or on such other date as the Company and HECIC may agree.

On the Completion Date, HECIC or HECIC Nominee shall pay the total consideration for the Share Subscription in a lump sum to the Company. Meanwhile, the Company shall instruct its H Share registrar to issue and allot the Subscription Shares to HECIC or HECIC Nominee, register HECIC or HECIC Nominee and the Subscription Shares in the register of members of H Shares, and issue share certificate(s) to HECIC or HECIC Nominee.

The settlement arrangements are customary, given that Completion shall occur only after all conditions precedent are satisfied and the total consideration is payable as a one-time lump sum.

Termination of the Share Subscription Agreement

The Share Subscription Agreement may be terminated:

(i) upon agreement in writing between the parties;

(ii) by the non-defaulting party, if a party seriously breaches its obligations under the Share Subscription Agreement;

(iii) if the parties fail to obtain the necessary consents or approvals for the implementation or completion of the Share Subscription on or before 31 December 2025, including those from the Independent Shareholders, the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province, the Hong Kong Stock Exchange and the SFC (including the Whitewash Waiver); and

(iv) in the event of a force majeure and upon written confirmation by both parties.

The termination arrangements are customary, given that the relevant arrangements apply to both parties equally or conditional on the fulfilment of regulatory requirements.

Our conclusion on terms of the Share Subscription

Having considered the principal terms of the Share Subscription as set out above (in particular, the Subscription Price being fair and reasonable as concluded above and no abnormal term was observed), we are of the view that the terms of the Share Subscription are on normal commercial terms and are fair and reasonable.

Potential dilution effect

As illustrated by the table under the sub-section headed "EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY" of the Board Letter, assuming that there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the Completion Date, the shareholding interests of the existing public Shareholders in the Company would be diluted by approximately 3.5 percentage points immediately after Completion of the Share Subscription. Nonetheless, in view of (i) the reasons for and the benefits of the Share Subscription, including (a) the acceleration of construction of the Group's new energy and clean energy projects, (b) the proposed use of proceeds from the Share Subscription; (c) the Share Subscription, which will dilute any existing Shareholder who is not a subscriber, is an appropriate fund-raising method currently available to the Company; (ii) the terms of the Share Subscription being on normal commercial terms and fair and reasonable (including the Subscription Price being fair and reasonable); and (iii) our assessment and independent work done (including our summaries of financial information of the Company, our analyses on financing methods available to the Company, use of Net Proceeds from the Share Subscription and the key terms of the Share Subscription (e.g. the Subscription Price, lock-up arrangement, etc.)) on points (i) and (ii) as mentioned above, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

RECOMMENDATION ON THE SHARE SUBSCRIPTION

Having taken into consideration of the factors and reasons as stated above, in particular:

(i) the Share Subscription is an appropriate fund-raising method currently available to the Group as concluded under the sub-section headed "Financing alternatives" above;

(ii) the use of Net Proceeds to be reasonable as concluded under the sub-section headed "3.2 Use of proceeds" above;

(iii) the Subscription Price being fair and reasonable given that (A) the Subscription Price of HK$4.93 per Subscription Share is above the closing price range of the Shares during the Share Review Period; (B) the LTD Premium, the 5 Day

Premium, the 30 Day Premium and the 60 Day Premium are within the respective range of the Comparable Transactions and are above or close to their respective median; and (iii) the NAV Discount is reasonable; and

(iv) the potential dilution effect is acceptable as concluded under the section headed "Potential dilution effect" above,

we are of the opinion that (i) the terms of the Share Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Share Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committees to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Subscription, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

II. WHITEWASH WAIVER

With reference to the Board Letter, as at the Latest Practicable Date, HECIC holds 2,058,841,253 A Shares, representing approximately 48.95% of the issued share capital of the Company, and Dr. Cao Xin, as a director and the vice chairman of HECIC, is considered to be a party acting concert with HECIC, who holds 50,000 H Shares, representing approximately 0.0012% of the issued share capital of the Company. Upon Completion of the Share Subscription and assuming that there is no other change in the issued share capital of the Company prior to the Completion, the shareholding of HECIC and the party acting in concert with it will increase to approximately 52.43% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to HECIC or HECIC Nominee will give rise to an obligation on the part of HECIC to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

HECIC has submitted an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, seeking to waive the compliance with its obligation to make a mandatory general offer in respect of all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) as a result of the allotment and issuance of the Subscription Shares to HECIC or HECIC Nominee. The Executive has indicated that it is minded to grant the Whitewash Waiver, subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders in respect of the Share Subscription, respectively, at the EGM.

Further, under the relevant PRC laws, the Share Subscription is subject to the approval by at least two-thirds of the votes cast by the Independent Shareholders by way of poll at the EGM. The Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders or if the Whitewash Waiver is invalidated.

In view of (i) the aforesaid reasons for and benefits of the Share Subscription; (ii) that the Share Subscription is in the interests of the Company and the Independent Shareholders as a whole; (iii) that the terms of the Share Subscription are on normal commercial terms and fair and reasonable; and (iv) that the Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, we are of the opinion that the approval of the Whitewash Waiver, which is a prerequisite for the Completion of the Share Subscription, is in the interests of the Company and the Independent Shareholders as a whole and is fair and reasonable for the purpose of proceeding with the Share Subscription.

RECOMMENDATION ON THE WHITEWASH WAIVER

Having taken into consideration the reasons for and benefits of the Share Subscription and that the Share Subscription Agreement will not take effect and the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, we are of the view that the Whitewash Waiver is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Takeovers Code Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Whitewash Waiver and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

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

Notes: 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 30 years of experience in investment banking industry.

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises are disclosed in the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 prepared in accordance with the China Accounting Standards for Business Enterprises are disclosed in the interim report of the Company for the six months ended 30 June 2025. Such annual reports and interim report have been published on the websites of the Company (http://www.suntien.com) and the Hong Kong Stock Exchange (http://www.hkexnews.hk) as follows and are incorporated by reference into this circular:

- from pages 119 to 308 of the annual report of the Company for the year ended 31 December 2022 published on 24 April 2023, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400293.pdf;

- from pages 127 to 340 of the annual report of the Company for the year ended 31 December 2023 published on 15 April 2024, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0415/2024041500313.pdf;

- from pages 129 to 348 of the annual report of the Company for the year ended 31 December 2024 published on 15 April 2025, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0415/2025041500541.pdf;

- from pages 96 to 372 of the interim report of the Company for the six months ended 30 June 2025 published on 15 September 2025, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0915/2025091500081.pdf.

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, as extracted from the relevant annual reports and interim report of the Company:

	For the year ended 31 December			For the six months ended
	2022	**2023**	**2024**	**30 June 2025**
	RMB	*RMB*	*RMB*	*RMB*
	(audited and restated)	(audited)	(audited)	(unaudited)
Operating revenue	18,560,522,731.81	20,281,788,883.53	21,372,124,492.83	10,903,916,303.93
Total profit	3,295,069,142.96	3,368,358,692.41	2,346,693,228.19	2,045,427,370.16
Income tax expenses	477,368,687.88	634,076,628.90	446,332,472.47	404,315,949.75
Net profit	2,817,700,455.08	2,734,282,063.51	1,900,360,755.72	1,641,111,420.41
Net profit attributable to shareholders of the parent company	2,292,630,759.66	2,207,473,530.19	1,672,367,020.97	1,412,021,782.99
Gain or loss attributable to minority interests	525,069,695.42	526,808,533.32	227,993,734.75	229,089,637.42
Total comprehensive income attributable to owners of the parent company	2,292,630,759.66	2,204,397,930.19	1,672,367,020.97	1,412,021,782.99
Total comprehensive income attributable to minority interests	525,069,695.42	524,292,133.32	227,993,734.75	229,089,637.42
Basic/diluted earnings per share	0.53	0.51	0.40	0.34
Dividends	808,108,963.09	900,018,317.62	883,195,545.33	–
Dividends per share	0.193	0.214	0.21	–

The auditors of the Company for the years ended 31 December 2022, 2023 and 2024 were Ernst & Young Hua Ming LLP. Ernst & Young Hua Ming LLP has not issued any modified opinion, emphasis of matter or material uncertainty related to going concern of the Group on its financial statements for the years ended 31 December 2022, 2023 and 2024.

Save as disclosed above, the Group had no other material income or expense for the years ended 31 December 2022, 2023 and 2024.

2. INDEBTEDNESS STATEMENT

At the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness as follows:

	RMB'000
Bank loans:	
– Credit borrowings *(Note 1)*	35,908,889
– Pledged borrowings *(Note 2)*	9,927,426
– Secured borrowings *(Note 3)*	62,490
– Pledged and secured borrowings *(Note 4)*	85,358
– Guaranteed borrowings *(Note 5)*	247,881
Debentures payable:	
– Unsecured	143,793
Short-term debentures payable:	
– Unsecured	1,414,903
Lease liabilities:	349,232
Long-term payables:	393,419
Other payables:	168,126
Total:	48,701,517

Notes:

1. The interest rates of credit borrowings ranged from 1.20% to 3.20%.

2. The interest rates of pledged borrowings ranged from 2.10% to 3.645%. Security included the Group's notes receivable and electricity fee collection rights.

3. The interest rate of secured borrowings was 3.10%. Security included the Group's buildings and equipment, as well as land use rights.

4. The interest rate of pledged and secured borrowings was 2.65%. Security included the Group's notes receivable, electricity fee collection rights, buildings and equipment, as well as land use rights.

5. The interest rates of guaranteed borrowings ranged from 2.50% to 3.19%. Guarantors included the Company who provided guarantees for bank loans obtained by its subsidiaries, and a shareholder with a 49% equity interest in a subsidiary of the Company who provided a guarantee for a bank loan obtained by that subsidiary.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have other bank overdrafts, loans, debt securities or other similar indebtedness, mortgages, charges, guarantees or other material contingent liabilities at the close of business on 31 July 2025 (being the latest practicable date for the purpose of this indebtedness statement).

3. MATERIAL CHANGE

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

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.

This circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information (other than the information relating to HECIC) contained in this circular, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The directors of HECIC jointly and severally accept full responsibility for the accuracy of the information (other than the information relating to the Group) contained in this circular, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. MARKET PRICE

The table below shows the closing prices of the H Shares on the Hong Kong Stock Exchange and the A Shares on the Shanghai Stock Exchange (i) on the last trading day of each of the calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) on the Latest Practicable Date.

Date	**Closing price per H Share** *HK$*	**Closing price per A Share** *RMB*
28 February 2025	3.71	7.32
31 March 2025	3.80	7.12
30 April 2025	4.15	7.46
30 May 2025	4.24	7.98
30 June 2025	4.41	7.72
31 July 2025	4.20	7.59
27 August 2025 (*the Last Trading Day)*	4.23	7.69
29 August 2025	4.34	7.71
26 September 2025 (*the Latest Practicable Date*)	4.28	7.65

During the Relevant Period, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK$4.57 on 16 June 2025, and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK$3.54 on 7 April 2025.

During the Relevant Period, the highest closing price of the A Shares as quoted on the Shanghai Stock Exchange was RMB8.27 on 12 August 2025, and the lowest closing price of the A Shares as quoted on the Shanghai Stock Exchange was RMB6.80 on 7 April 2025.

3. SHARE CAPITAL OF THE COMPANY

The registered and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion of the Share Subscription are set out below:

As at the Latest Practicable Date:	**Number of Shares**
A Shares	2,366,688,677
H Shares	1,839,004,396
Total	4,205,693,073
Immediately after the Completion:	
A Shares	2,366,688,677
H Shares	2,146,004,396
Total	4,512,693,073

All issued Shares rank equally in all respect, including in particular as to dividend, voting rights and return on capital.

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with the existing issued H Shares.

Since 31 December 2024 (being the end of the last financial year of the Company) and up to the Latest Practicable Date, no new Shares have been issued by the Company.

As at the Latest Practicable Date, the Company has no outstanding warrants, options or securities convertible into Shares.

4. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests of Directors 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%	0.0012%
Li Lian Ping	Non-executive Director	A Shares	Beneficial owner	200,000[1] (Long position)	0.0085%	0.0048%
Tan Jian Xin	Executive Director and president	A Shares	Beneficial owner	200,000[1] (Long position)	0.0085%	0.0048%
Lu Yang	Vice president	A Shares	Beneficial owner	200,000[1] (Long position)	0.0085%	0.0048%
Lu Sheng Xin	Vice president	A Shares	Beneficial owner	200,000[1] (Long position)	0.0085%	0.0048%
Ban Ze Feng	Vice president, Board secretary and joint company secretary	H Shares	Beneficial owner	50,000 (Long position)	0.0027%	0.0012%
		A Shares	Beneficial owner	200,000[1] (Long position)	0.0085%	0.0048%
Liu Tao	Chief accountant	A Shares	Beneficial owner	80,000[1] (Long position)	0.0034%	0.0019%
Guo Yan Xun	Vice president	A Shares	Beneficial owner	80,000[1] (Long position)	0.0034%	0.0019%

Note 1: Each of Dr. Li Lian Ping, Mr. Tan Jian Xin, Mr. Lu Yang, Mr. Lu Sheng Xin, Mr. Ban Ze Feng, Mr. Liu Tao and Mr. Guo Yan Xun held the restricted A Shares granted by the Company under the Restricted Share Incentive Scheme.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 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 were a controlling Shareholder).

(c) Material Interests of the Directors in the Transaction

As Dr. Cao Xin, Dr. Li Lian Ping, Mr. Qin Gang and Dr. Zhang Xu Lei hold positions in or receive salaries from HECIC, they are deemed to have material interests in the Share Subscription and the Whitewash Waiver, and have abstained from the voting on the relevant Board resolutions.

5. 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	Vice secretary of the Party Committee, general manager and vice chairman of HECIC
Mr. Qin Gang	Non-executive Director	Deputy general manager of HECIC
Dr. Zhang Xu Lei	Non-executive Director	Chief accountant and general manager of the financial management department of HECIC

6. 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 had any interest, either directly or indirectly, in any assets which have been, since 31 December 2024 (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 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.

7. DISCLOSURE OF INTERESTS BY THE JOINT FINANCIAL ADVISERS

As at the Latest Practicable Date, save as disclosed below, neither any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" nor any person who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code owned or controlled any Shares, convertible securities, warrants, options or derivatives in respect of any Shares:

Name	Class of Shares	Number of Shares held	Percentage in the relevant class of Shares as at the Latest Practicable Date *(%)*	Percentage of the total Shares in issue as at the Latest Practicable Date *(%)*
Huatai and its group members	H Shares	230,000	0.013%	0.005%
Guotai and its group members	H Shares (net of short position)	3,410,000	0.185%	0.081%
	A Shares (net of short position)	402,700	0.017%	0.010%

Note: Huatai and Guotai are joint financial advisers to the Company. Accordingly, Huatai and Guotai and members of their respective groups which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Company in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code.

8. ADDITIONAL DISCLOSURE UNDER THE TAKEOVERS CODE

As at the Latest Practicable Date:

(a) there was no benefit to be given to any Directors as compensation for loss of office or otherwise in connection with the Share Subscription and/or the Whitewash Waiver;

(b) there was no agreement, arrangement or understanding (including any compensation arrangement) between HECIC or any party acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the Share Subscription and/or the Whitewash Waiver;

(c) there was no material contract which had been entered into by HECIC in which any Directors had a material personal interest;

(d) save for the Share Subscription Agreement, there is no agreement or arrangement to which HECIC or any party acting in concert with it is a party which involves circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Subscription and/or the Whitewash Waiver;

(e) save as disclosed in the paragraph headed "Effects on Shareholding Structure of the Company" in the letter from the Board in this circular and in the paragraph headed "Disclosure of Interests" in this appendix, HECIC and parties acting in concert with it do not hold, own, have control or direction over any other voting rights, rights over Shares, any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of the securities of the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and had not dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;

(f) save for the 50,000 H Shares held by Dr. Cao Xin, none of the directors of HECIC was interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;

(g) save for the entering into the Share Subscription Agreement, during the Relevant Period, none of HECIC or any party acting in concert with it has sold or purchased any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights of the Company, or has dealt for value in any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code), or has entered into or will enter into any disqualifying transactions (as defined in paragraph 3 of Schedule VI to the Takeovers Code) which may result in the Executive not granting the Whitewash Waiver or any Whitewash Waiver granted being declared invalid;

(h) none of HECIC or parties acting in concert with it has received any irrevocable commitment to vote for or against the resolution(s) to be proposed at the EGM to approve the Share Subscription and/or the Whitewash Waiver;

(i) there is no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between any person and HECIC or any party acting in concert with it;

(j) none of HECIC or any party acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(k) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder on one hand and (2) (a) HECIC or any party acting in concert with it or (b) the Company, its subsidiaries or associated companies, on the other hand;

(l) the Company did not have any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HECIC and had not dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HECIC during the Relevant Period;

(m) none of the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HECIC and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HECIC during the Relevant Period;

(n) save as disclosed in the paragraph headed "Effects on Shareholding Structure of the Company" in the letter from the Board in this circular and in the paragraph headed "Disclosure of Interests" in this appendix, none of the Directors was interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and none of the Directors had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;

(o) save as disclosed in the paragraph headed "Disclosure of Interests by the Joint Financial Advisers" in this appendix, none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(p) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code;

(q) no fund managed on a discretionary basis by any fund manager (other than exempt fund managers) connected with the Company had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(r) Dr. Cao Xin and Dr. Li Lian Ping, each a non-executive Director, and Mr. Tan Jian Xin, an executive Director, will abstain from voting on the relevant resolutions to be proposed at the EGM to approve the Share Subscription and the Whitewash Waiver;

(s) none of the Company or the Directors had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(t) there was no agreement or arrangement between any Directors and any other person which is conditional on or dependent upon the outcome of the Share Subscription and the Whitewash Waiver or otherwise connected therewith; and

(u) there was no agreement, arrangement or understanding pursuant to which the Subscription Shares to be issued to HECIC would be transferred, charged or pledged to any other persons.

9. SERVICE CONTRACTS

As at the Latest Practicable Date:

(a) none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation); and

(b) the following Directors had entered into service contracts with the Company, which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the Announcement; (ii) were continuous contracts with a notice period of 12 months or more; or (iii) were fixed term contracts with more than 12 months to run irrespective of the notice period.

Director	Term of service contract	Emolument
Mr. Tan Jian Xin (executive Director and president)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Mr. Tan Jian Xin's remuneration including basic salary (which is determined based on his management position in the Company), performance bonus (which is determined with reference to the Company's business performance), and other employee benefits. He receives no other tangible or intangible benefits under his service contract with the Company. The terms of this service contract do not materially differ from those of his previous service contract with the Company. For reference, the Company paid a total amount of RMB1,162,741.01 (before tax) to Mr. Tan Jian Xin in 2024, including salaries and benefits in kind of RMB569,858.79, performance bonus of RMB536,426.30, and contribution to pension plans of RMB56,455.92.
Dr. Cao Xin (non-executive Director and chairman of the Board)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Dr. Cao Xin is not entitled to receive any fixed or variable remuneration from the Company. He receives no tangible or intangible benefits under his service contract with the Company.
Dr. Li Lian Ping (non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Dr. Li Lian Ping is not entitled to receive any fixed or variable remuneration from the Company. He receives no tangible or intangible benefits under his service contract with the Company.

Director	Term of service contract	Emolument
Mr. Qin Gang (non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Mr. Qin Gang is not entitled to receive any fixed or variable remuneration from the Company.
Dr. Zhang Xu Lei (non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Dr. Zhang Xu Lei is not entitled to receive any fixed or variable remuneration from the Company.
Mr. Lu Rong (non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Mr. Lu Rong is not entitled to receive any fixed or variable remuneration from the Company.
Mr. Zhao Shi Yi (non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	Mr. Zhao Shi Yi is not entitled to receive any fixed or variable remuneration from the Company.
Dr. Chow Man Kong (independent non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	HK$100,000 per annum (tax inclusive)
Dr. Yang Jing Lei (independent non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	HK$100,000 per annum (tax inclusive)
Mr. Chan Yik Pun (independent non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	HK$100,000 per annum (tax inclusive)
Mr. Liu Bin (independent non-executive Director)	Three years commencing from 25 July 2025 and expiring on 24 July 2028	HK$100,000 per annum (tax inclusive)

As at the Latest Practicable Date, there were no subsisting service contracts between the Directors and any subsidiary or associated company of the Company, which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the Announcement; (ii) were continuous contracts with a notice period of 12 months or more; or (iii) were fixed term contracts with more than 12 months to run irrespective of the notice period.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

11. MATERIAL CONTRACTS

The following contracts (not being contract in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date, which are or may be material:

(a) the Share Subscription Agreement;

(b) the loan agreement dated 7 February 2025 entered into between the Company and Caofeidian Suntien Liquefied Natural Gas Co., Ltd.*（曹妃甸新天液化天然氣有限公司）, a non-wholly-own subsidiary of the Company, pursuant to which the Company agreed to use the proceeds from the issuance of the medium-term notes to provide a loan in an amount of no more than RMB2.5 billion to Caofeidian Suntien Liquefied Natural Gas Co., Ltd., details of which are set out in the Company's announcement dated 7 February 2025 and circular dated 20 February 2025;

(c) the capital increase agreement dated 8 November 2024 entered into among the Company, HECIC, Tangshan Caofeidian Development Investment Group Limited*（唐山曹妃甸發展投資集團有限公司）and Caofeidian Suntien Liquefied Natural Gas Co., Ltd., pursuant to which the registered capital of Caofeidian Suntien Liquefied Natural Gas Co., Ltd. would be increased to RMB4,000 million, held as to 51%, 29% and 20% by the Company, HECIC and Tangshan Caofeidian Development Investment Group Limited, respectively, details of which are set out in the Company's announcement dated 30 October 2024 and circular dated 25 November 2024;

(d) the new non-competition agreement dated 30 October 2024 entered into between the Company and HECIC to align with the Group's development strategy adjustments of gradually disposing of its existing photovoltaic business so as to focus its resources on expanding its principal businesses, details of which are set out in the Company's announcement dated 30 October 2024 and circular dated 14 November 2024; and

(e) the new financial services framework agreement dated 20 October 2023 entered into between the Company and HECIC Group Finance Company Limited*（河北建投集團財務有限公司）, pursuant to which the Group would, on a voluntary and non-compulsory basis, utilize various financial services provided by HECIC

Group Finance Company Limited, including, among others, the deposit service with a maximum daily balance of RMB4,500 million for each of the three years ending 31 December 2026.

12. 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 30 September 2025 with the inclusion of its letter and the reference to its name in the form and context in which it is included;

(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 2024 (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.

13. CORPORATE INFORMATION

(a) The registered office of the Company is 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC.

(b) The joint company secretaries of the Company are Mr. Ban Ze Feng and Ms. Lam Yuen Ling, Eva.

(c) The H Share registrar and H Share transfer office of the Company is Computershare Hong Kong Investor Services Limited situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The auditor of the Company is Ernst & Young Hua Ming LLP, located at Level 15, Ernst & Young Tower, Oriental Plaza, No.1 East Chang An Ave., Dong Cheng District, Beijing, China.

(e) The Independent Financial Adviser is Gram Capital, located at Room 1209, 12/F., Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong.

(f) The registered office of HECIC is Building A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, the PRC.

(g) HECIC is a wholly state-owned company established 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. As at the Latest Practicable Date, the board of director of HECIC comprises Mr. Mi Da Bin, Dr. Cao Xin, Mr. Wu Xiao Hui, Mr. Lu Guang Zhao, Mr. Liu Jun Liang, Ms. Zhu Qing Xiang and Mr. Xu Yong.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Company (https://www.suntien.com/), the SFC (www.sfc.hk) and the Hong Kong Stock Exchange (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM:

(a) the Articles of Association;

(b) the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024 and the interim report for the six months ended 30 June 2025;

(c) the letter from the Board, the text of which is set out on pages 6 to 29 of this circular;

(d) the letter from the Takeovers Code Independent Board Committee, the text of which is set out on pages 30 to 31 of this circular;

(e) the letter from the Listing Rules Independent Board Committee, the text of which is set out on pages 32 to 33 of this circular;

(f) the letter from the Independent Financial Adviser, the text of which is set out on pages 34 to 64 of this circular;

(g) the service contracts referred to in the paragraph headed "Service Contracts" in this appendix;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(i) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix.

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 THE THIRD EXTRAORDINARY GENERAL MEETING IN 2025

NOTICE IS HEREBY GIVEN that the Third Extraordinary General Meeting in 2025 (the "**EGM**") of China Suntien Green Energy Corporation Limited (the "**Company**") will be held at 9:30 a.m. on Friday, 24 October 2025 at the Conference Room, 4/F, International Hotel Hebei, No. 301 Zhongshan East Road, Changan District, Shijiazhuang City, Hebei Province, the People's Republic of China (the "**PRC**"), for the purpose of considering and, if thought fit, passing the following resolutions (unless otherwise specified, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 30 September 2025 containing the details of the following resolutions):

Special Resolutions

1. Resolution on the proposal of the issuance of H Shares to specific investor by the Company in 2025.

2. Resolution on the connected transaction under the Share Subscription Agreement entered into between the Company and the specific investor.

3. Resolution on the authorization to the Board and its authorized person(s) to proceed with relevant matters in respect of the issuance of H Shares to specific investor by the Company in their sole discretion.

* *For identification purposes only*

4. Resolution on the Whitewash Waiver for exemption from the general offer obligation by the controlling Shareholder in accordance with the Takeovers Code:

   To consider and approve, subject to and conditional upon: (i) the passing of resolutions numbered 1 and 2, and (ii) the granting of the Whitewash Waiver by the Executive and fulfilment of any conditions that may be imposed thereon, the waiver from the obligation on the part of HECIC to make a general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by HECIC and the party acting in concert with it) which may otherwise arise as a result of the allotment and issuance of the Subscription Shares to HECIC or HECIC Nominee pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

5. Resolution on the waiver of the controlling Shareholder's obligation to make a tender offer in accordance with the Measures for the Administration of the Takeover of Listed Companies.

By order of the Board of Directors
China Suntien Green Energy Corporation Limited
Tan Jian Xin
Executive Director and President

Shijiazhuang City, Hebei Province, the PRC, 30 September 2025

Notes:

1. 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 EGM, from Tuesday, 21 October 2025 to Friday, 24 October 2025 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, 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 Monday, 20 October 2025. Holders of H Shares whose names appear on the register of members of the Company at the close of business on Monday, 20 October 2025 are entitled to attend the EGM.

   The Company will announce the details and materials for holders of A Shares attending the EGM on the website of the Shanghai Stock Exchange in due course.

2. Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of a poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in this notice of EGM will be voted by poll. Results of the poll voting will be published 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 EGM.

3. Any Shareholder (in case of a corporate shareholder, its duly authorized representative) entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.

4. 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 before the EGM (i.e. no later than 9:30 a.m. on Thursday, 23 October 2025 for the purpose of the EGM) or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at 17M 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 EGM or any adjourned meeting thereof should he/she so wish.

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 EGM 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 EGM.

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, Dr. Zhang Xu Lei, Mr. Lu Rong and Mr. Zhao Shi Yi; the executive director of the Company is Mr. Tan Jian Xin; and the independent non-executive directors of the Company are Dr. Chow Man Kong, Dr. Yang Jing Lei, Mr. Chan Yik Pun and Mr. Liu Bin.