

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1799)

ANNOUNCEMENT UPDATES ON LITIGATION INVOLVING A SUBSIDIARY

This announcement is made by the Xinte Energy Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 May 2020, 22 June 2020, 4 December 2020 and 28 December 2020 (the “**Announcements**”) in relation to the litigation involving a subsidiary of the Company. Unless otherwise defined, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements. The Company hereby provides the latest information of the litigation against Xuyi High Drive.

In December 2020, Xinjiang New Energy and Huaxia Financial Leasing entered into the Settlement Arrangement and the Creditor's Rights Transfer Arrangement. After the settlement between Xinjiang New Energy and Huaxia Financial Leasing has been reached, Huaxia Financial Leasing has withdrawn its lawsuit filed at the Intermediate Court of Beijing with Xinjiang New Energy being one of the defendants; while Xinjiang New Energy submitted the Application to Withdraw Part of the Claims with the Intermediate People's Court of Huaian to withdraw its claim requesting Xuyi High Drive to compensate the losses of Xinjiang New Energy as a result of its breach with a tentative amount of RMB600 million (subject to the decision of Intermediate Court of Beijing) under the Litigation of Intermediate People's Court of Huaian.

The Board was informed by Xinjiang New Energy that the first instance judgment of the Litigation of Intermediate People’s Court of Huaian has been delivered and Xinjiang New Energy recently received the Civil Judgment issued by the Intermediate People’s Court of Huaian (the “**Judgment**”).

The main contents of the Judgment are as follows: (i) the Construction Agreement was terminated; (ii) Xuyi High Drive shall pay the project payment of RMB130,488,063.62 and liquidated damages for late payment to Xinjiang New Energy; (iii) other defendants shall undertake joint liability or joint guarantee liability for the debts of Xuyi High Drive under (ii); (iv) Xinjiang New Energy has the priority of compensation in respect of the discounted price or auction price of the project up to RMB130,488,063.62; and (v) Xinjiang New Energy has the priority of compensation in respect of proceeds from the generation of electricity of power station owned by Xuyi High Drive involved in the case within the scope of the creditor’s rights stated in (ii).

Further announcement(s) will be made by the Company as and when necessary if there are any other material developments in the abovementioned litigation.

By order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

Xinjiang, the PRC
20 January 2021

As of the date of this announcement, the Board of the Company consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive directors; Mr. Zhang Xin and Ms. Guo Junxiang as non-executive directors; Mr. Qin Haiyan, Mr. Yang Deren and Mr. Wong, Yui Keung Marcellus as independent non-executive directors.