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# 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)**

## **INSIDE INFORMATION UPDATES ON LITIGATION INVOLVING A SUBSIDIARY**

This announcement is made by 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).

References are made to the announcements of the Company dated 20 May 2020, 22 June 2020, 4 December 2020, 28 December 2020 and 3 March 2021 in relation to the litigation involving a subsidiary of the Company (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements.

### **Claims of the Lawsuit**

As disclosed in the Announcements, Xinjiang New Energy filed the Lawsuit against Xuyi High Drive and Jiangsu High Drive in the Intermediate People's Court of Beijing, and sought the Intermediate People's Court of Beijing order that (i) Xuyi High Drive shall pay the Payments; (ii) Xinjiang New Energy is entitled to set off the Payments from the deposit paid by Xuyi High Drive; (iii) Jiangsu High Drive shall be jointly and severally liable for the Payments; (iv) Xinjiang New Energy has the priority of compensation for the Payments in respect of (a) discounted price of Xuyi High Drive's equity interest or proceeds from auction or disposal; (b) the Revenue and relevant rights to earnings; and (c) discounted price of the related construction land use rights or proceeds from auction or disposal, all of which were pledged or mortgaged by Jiangsu High Drive or Xuyi High Drive; and (v) the litigation and property preservation fees shall be borne by Xuyi High Drive and Jiangsu High Drive.

## Settlement Agreement

Recently, the Board was informed by Xinjiang New Energy that it has amicably negotiated and entered into a settlement agreement with Xuyi High Drive and Jiangsu High Drive (the “**Settlement Agreement**”), and received the “Civil Settlement Letter” issued by Intermediate People’s Court of Beijing. Pursuant to the Settlement Agreement, the parties have agreed to the following matters:

1. the violation of the provisions of the Finance Lease Agreement by Xuyi High Drive accelerates all the undue lease payables thereunder, and Xuyi High Drive shall pay a total amount of RMB877,802,284.96 for fees including rent and liquidated damages for late payment, retention money and legal cost, etc. to Xinjiang New Energy;
2. Xuyi High Drive shall bear the acceptance fee of the Lawsuit of RMB2,216,005.5;
3. the remaining amount in items 1 and 2 above after offsetting the payables against the deposit of RMB36,378,000 paid by Xuyi High Drive is RMB843,640,290.46 (“**the Final Payment**”). Xuyi High Drive undertakes that it will pay such amount to Xinjiang New Energy on or before 30 April 2021.

If Xuyi High Drive fails to make the Final Payment as agreed, Xinjiang New Energy shall have the right to apply for enforcement immediately. In addition to the Final Payment, Xuyi High Drive shall pay liquidated damages for late payment at the interest rate of 0.05% on a daily basis from 1 March 2021 to the date of actual settlement, by taking the Final Payment as the base.

4. Jiangsu High Drive shall be jointly and severally liable for the Final Payment;
5. Xinjiang New Energy has the priority of compensation for the Final Payment in respect of:
  - (a) discounted price of Xuyi High Drive’s equity interest or proceeds from auction or disposal;
  - (b) the Revenue and relevant rights to earnings; and
  - (c) discounted price of the related construction land use rights or proceeds from auction or disposal,

all of which were pledged or mortgaged by Jiangsu High Drive or Xuyi High Drive;

6. Materials such as relevant certificates and licenses of Xuyi High Drive must be handed over to Xinjiang New Energy within 5 days after the Settlement Agreement takes effect; and
7. Xinjiang New Energy shall, within 10 days after the completion of item 6 above, apply to Intermediate People's Court of Huaian for the cancellation of certain preservation measures applied for by it in the Litigation of Intermediate People's Court of Huaian, and undertakes that after the cancellation of such preservation measures, it will not require Siyang High Drive Wind Power Co., Ltd.\* (泗陽高傳風力發電有限公司) to bear joint and several liability for the claims of the Litigation of Intermediate People's Court of Huaian.

### **Reasons and Benefits of Entering Into the Settlement Agreement**

Since May 2020, the Group has been involved in lawsuits over the Project. Further legal costs are expected in case the Group proceeds with the lawsuits related to the Project. Through the Intermediate People's Court of Beijing' mediation and entering into of the Settlement Agreement, the Group's claims for the Lawsuit was substantially reflected in the Settlement Agreement and as confirmed by the Intermediate People's Court of Beijing, which is conducive to the protection of the Group's creditor's rights and plays a positive effect in the recovery of the creditor's rights. To avoid more costs on time and money resulting from further lawsuits, the Board believes that the terms of the Settlement Agreement are fair and reasonable; and it is in the interest of the Company and its shareholders as a whole to enter into the Settlement Agreement.

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

Xinjiang, China  
29 April 2021

*As at 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.*

\* *For identification purpose only*