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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)

SUPPLEMENTAL ANNOUNCEMENT AMENDMENT TO THE PROPOSED ISSUANCE OF DOMESTIC SHARES UNDER SPECIFIC MANDATE

Reference is made to the announcement of Xinte Energy Co., Ltd. (the “**Company**”) dated 29 April 2021 in relation to, among other things, the proposed issuance of domestic shares of the Company under a specific mandate (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board hereby announces that, on 14 May 2021, it considered and approved the amendment to the plan for the Issuance of Domestic Shares in accordance with the actual situation of the Company. This announcement is aimed to provide supplemental information on the Issuance of Domestic Shares; and should be read in conjunction with the Announcement.

AMENDMENT TO THE PROPOSED ISSUANCE OF DOMESTIC SHARES UNDER SPECIFIC MANDATE

Save and except for the changes set out below, all other details set out in the Announcement regarding the plan for the Issuance of Domestic Shares shall remain unchanged. The specific amendment to the plan for the Issuance of Domestic Shares is as follows.

Pricing principle: the issue price will be determined by the Board according to the principles below at the final issuance:

- (i) the issue price shall be equivalent to or not lower than the issue price of any issuance of new H Shares conducted by the Company prior to completion of the Issuance of Domestic Shares (if any);

- (ii) the issue price will be equivalent to or not less than 80% of the H Share Benchmark Price on the date of entering into the Domestic Share Subscription Agreements. “H Share Benchmark Price” refers to the following (whichever is higher):
 - (i) the closing price of the H Shares on the date of entering into the Domestic Share Subscription Agreements; or
 - (ii) the average closing price of the H Shares in the five trading days immediately prior to the date of entering into the Domestic Share Subscription Agreements; and
- (iii) reference will be made to the liquidity of the Domestic Shares.

The exchange rate of the issue price will be the average central parity rate of Hong Kong dollars against Renminbi quoted by the People’s Bank of China in the five business days immediately prior to the date of entering into the Domestic Share Subscription Agreements.

If any ex-right or ex-dividends activities (such as dividend distributions) are undertaken by the Company during the period after the issue price has been determined and before completion of the Issuance of Domestic Shares, the issue price will be adjusted according to the following formula:

$P_1 = P_0 - D$, where “ P_0 ” represents the effective issue price before adjustment; “ D ” represents the cash dividend payable for each Share (tax inclusive); and “ P_1 ” represents the effective issue price after adjustment.

REASONS FOR AND BENEFITS OF THE AMENDMENT TO THE PROPOSED ISSUANCE OF DOMESTIC SHARES UNDER SPECIFIC MANDATE

The plan for the Issuance of Domestic Shares was only amended to adjust the pricing principle. If the Company decides to issue new H Shares before the issue price of the shares to be issued under the Issuance of Domestic Shares is determined, the issue price of the H Shares is the price floor of the shares to be issued under the Issuance of Domestic Shares.

The Directors (including the independent non-executive Directors) are of the view that the amendment to the plan for the Issuance of Domestic Shares are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

A circular containing, among other things, further information on the Issuance of Domestic Shares, together with the notice of the Meetings, will be despatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

The Company has not reached any definitive agreement in respect of the Issuance of Domestic Shares; and as the Issuance of Domestic Shares is subject to the satisfaction of certain conditions precedent and there are uncertainties involved, the Issuance of Domestic Shares may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities.

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

Xinjiang, the PRC
14 May 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.