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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by the board of directors of Xinte Energy Co., Ltd. (the “**Company**”) on a voluntary basis.

Recently, the Company has noticed that there were some media reports about the 200MW photovoltaic parity project located in Xingtang County, Shijiazhuang City, Hebei Province, the People's Republic of China (the “**Project**”) of Xingtang County Xingte New Energy Co., Ltd.* (行唐縣行特新能源有限公司) (“**Xingte New Energy**”), the wholly-owned subsidiary of TBEA Xinjiang Sunoasis Co., Ltd., which is a subsidiary of the Company. Details are as follows:

I. Basic Information of the Incident

The Project was mainly invested and constructed by Xingte New Energy as an “agricultural-photovoltaic complementary” project, and obtained the registration certificate (Ji Fa Gai Zheng Wu Bei Zi [2020] No. 210)* (冀發改政務備字[2020]210號) on 30 September 2020. All procedures of filing, environmental impact assessment and the land use of the Project are in compliance with the laws and regulations.

In April 2021, the Xingtang County Shangbei Town Government commenced the land circulation work of the Project and completed 1,013 mu of land in total, among which, 470 mu were unseeded and 543 mu were seeded as of 30 April 2022. Fourteen villagers have not signed land circulation entrustment letters and land lease contracts for a total of 40.39 mu of land with the village committee. In the proceeding process of the Project, there were issues such as inadequate mass work, irregularities in contract signing procedure, the lack of supervision and illegal construction. The construction of the Project is now suspended. Relevant government authorities have commenced an official investigation on the construction of the Project by Xingte New Energy for the suspected crime of sabotage of production and/or other business operation, and the person-in-charge of the Project has been criminally detained according to relevant laws (the “**Incident**”). As at the date of this announcement, the related investigation has not yet completed.

There were disputes over construction site surface clearing during the construction of the Project. The municipal party committee and the municipal government of Shijiazhuang City have formed a joint investigation team for the investigation and issued “Information Circulation Regarding the Investigation and Measures of Construction Site Surface Clearing Issue of Photovoltaic Power Generation Project in Xingtang County of Shijiazhuang City”* (《關於石家莊市行唐縣光伏發電項目施工清表問題調查處置情況的通報》).

II. Measures taken by the Company

After the Incident, the Company has attached great importance to it and convened special meetings immediately to seriously review and learn deep lessons from it. The Company has established a project team to duly handle the follow-up of the Project in accordance with the laws and regulations, to proactive rectify the problems occurred during the construction process, to further investigate the relevant issues and to pursue responsibility of relevant persons in charge.

III. Risk and Effect on the Company

The Project may face the risk of failure to achieve the construction scale as per filed due to the reduction of land area and the failure to meet the construction needs. In addition, the construction of the Project is now suspended, the commencement time has not yet been determined, and there is uncertainty on the completion time of the Project.

As the Project is still under the preliminary stage of construction with less investment amount, the Incident has little impact on the operation of the Company and the Company will closely monitor the subsequent development of the Incident and evaluate its impact on the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Xinjiang, the PRC
22 May 2022

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, Mr. Huang Hanjie and Ms. Guo Junxiang as non-executive Directors; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive Directors.

* *For identification purpose only*