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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)

ANNOUNCEMENT

FURTHER REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

As a result of the Group's investment and construction of the 200,000-ton Polysilicon Project in Zhundong and the construction of wind power stations, the Group had an increased demand for the procurement of products and miscellaneous services from TBEA Group and Xinjiang Tebian Group. The Group anticipated that certain annual caps for the years ending 31 December 2022 and 2023 under the Existing Framework Agreements would not be sufficient for the expected continuing connected transaction amount during the corresponding period. Therefore, the Board has resolved to further revise the corresponding annual caps and entered into the Supplemental Framework Agreements on 17 October 2022. Except for revising the annual caps, all other terms of the Existing Framework Agreements remain unchanged.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules if it proposes to revise the annual caps under the Existing TBEA Framework Agreements and the Existing Xinjiang Tebian Framework Agreements. As the Existing TBEA Framework Agreements and the Existing Xinjiang Tebian Framework Agreements are entered into between the same parties, according to Rule 14A.81 of the Listing Rules, the respective transactions contemplated under them are required to be aggregated and treated as if they were one transaction. After aggregation, since the highest applicable percentage ratios in respect of the Revised Annual Caps under each of the Supplemental TBEA Framework Agreements and Supplemental Xinjiang Tebian Framework Agreements exceed 5%, each of them is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Supplemental Framework Agreements and the Revised Annual Caps. Kingsway Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Supplemental Framework Agreements and the Revised Annual Caps; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; and (iv) the EGM notice is expected to be despatched to the Shareholders on or before 10 November 2022 as additional time is required for the Company to prepare the information to be included in the circular.

Reference is made to (i) the announcements dated 10 November 2020 and 13 October 2021; (ii) the circulars dated 2 December 2020 and 4 November 2021; and (iii) the announcements of poll results of the Company's general meetings dated 23 December 2020 and 22 November 2021 of the Company in relation to, inter alia, the Company's Continuing Connected Transactions with TBEA and Xinjiang Tebian.

As a result of the Group's investment and construction of the 200,000-ton Polysilicon Project in Zhudong and the construction of wind power stations, the Group had an increased demand for the procurement of products and miscellaneous services from TBEA Group and Xinjiang Tebian Group. The Group anticipated that certain annual caps for the years ending 31 December 2022 and 2023 under the Existing Framework Agreements would not be sufficient for the expected continuing connected transaction amount during the corresponding period. Therefore, the Board has resolved to further revise the corresponding annual caps and entered into the Supplemental Framework Agreements on 17 October 2022. Except for revising the annual caps, all other terms of the Existing Framework Agreements remain unchanged.

REVISION OF CERTAIN ANNUAL CAPS UNDER THE EXISTING TBEA FRAMEWORK AGREEMENTS

1. Background

On 10 November 2020, the Company entered into the Existing TBEA Framework Agreements with TBEA with a term from 1 January 2021 to 31 December 2023, and entered into the Existing Supplemental Framework Agreements on 13 October 2021 to revise certain annual caps for the years ending 31 December 2021, 2022 and 2023. Pursuant to the Existing TBEA Framework Agreements, TBEA Group provides the Group with (i) products including transformers, wires, cables and other equipment; (ii) coal; and (iii) miscellaneous services primarily including services for construction of the substation and booster stations. The Group also provides TBEA Group with products including industrial raw materials (i.e. silicon metal and liquid alkali) and industrial water.

2. Revision of Annual Caps under the Existing Product Procurement Framework Agreement (TBEA)

TBEA’s power transmission and transformation products are of high quality and occupy the leading position in the industry. Transformers, cables and other products are essential for the Group’s daily production and operation. The Group has been continuously procuring transformers, cables and other products from TBEA Group for the polysilicon projects and wind power and PV power stations.

Under the global strategic background of “carbon emission peak and carbon neutrality”, the Group grasped the rapid development opportunities in the new energy field, sped up the industry layout and implemented the 200,000-ton Polysilicon Project in Zhundong with a total investment amount of RMB17.6 billion and a construction period of 24 months in two phrases, which are expected to be put into operation successively in 2023 and 2024. Based on the statistical data of the 100,000-ton Polysilicon Project in Inner Mongolia completed by the Group, the total procurement amount of transformers, cables and other products from TBEA Group by way of bidding and competitive negotiations reached approximately RMB800 million. Therefore, the Group expected that the total procurement amount of transformers, cables and other products from TBEA Group for the construction of the 200,000-ton Polysilicon Project in Zhundong in 2022 and 2023 would be approximately RMB700 million and RMB900 million, respectively.

The actual transaction amount under the Existing Product Procurement Framework Agreement (TBEA) for the nine months ended 30 September 2022 was RMB802 million. Based on the transaction amount of the product procurement contracts signed between the Group and TBEA Group from January to September 2022 and the subsequent product procurement contracts to be signed, and taking into account the delivery schedule as agreed in the contracts and the construction needs for the 200,000-ton Polysilicon Project in Zhundong, it is expected that the annual caps under the Existing Product Procurement Framework Agreement (TBEA) for 2022 and 2023 would not be able to satisfy the Group’s needs for production and operation and its need for projects construction. Therefore, the Company intends to revise the annual caps of the Continuing Connected Transactions for product procurement from TBEA Group for 2022 and 2023 from RMB900 million and RMB700 million to RMB1.6 billion, respectively.

3. Revision of Annual Caps under the Existing Miscellaneous Services Framework Agreement (TBEA)

TBEA has rich experience in engineering construction based on its large number of overseas power transmission and transformation full-package construction projects. Historically, the miscellaneous services provided by TBEA Group to the Group mainly included construction of substation and booster stations for polysilicon projects, PV and wind power projects, which were key to ensure the stable power supply of polysilicon production and the connection of PV and wind power stations to the main power grid. TBEA has a strong advantage in terms of service quality and price as well as delivery schedule.

TBEA has participated in and is able to complete the construction of substation and booster stations of the Group's various polysilicon projects, wind power and PV projects with outstanding quality. Pursuant to the design plan of the 200,000-ton Polysilicon Project in Zhundong, the Group will construct one 220kV substation and one 10kV substation in 2023 to ensure sufficient power supply for polysilicon production, with a construction budget for miscellaneous services of approximately RMB400 million.

The actual transaction amount under the Existing Miscellaneous Services Framework Agreement (TBEA) for the nine months ended 30 September 2022 was RMB226 million. Based on the transaction amount of the miscellaneous services contracts signed between the Group and TBEA Group from January to September 2022 and the subsequent miscellaneous services contracts to be signed, and taking into account the construction needs for the 200,000-ton Polysilicon Project in Zhundong and TBEA Group may win the bidding for the construction project of substations in 2023, it is expected that the annual caps under the Existing Miscellaneous Services Framework Agreement (TBEA) for 2023 would not be able to satisfy the Group's needs for production and operation and its need for projects construction. Therefore, the Company intends to revise the annual cap of the Continuing Connected Transactions for miscellaneous services from TBEA Group for 2023 from RMB500 million to RMB900 million.

The revision of the annual caps under the Existing TBEA Framework Agreements is subject to obtaining the Independent Shareholders' approval.

The Existing Annual Caps and the Revised Annual Caps under the Supplemental TBEA Framework Agreements for the years ending 31 December 2022 and 2023 are as follows:

	Year ending 31 December 2022		Year ending 31 December 2023	
	Existing Annual Caps (RMB'000)	Revised Annual Caps (RMB'000)	Existing Annual Caps (RMB'000)	Revised Annual Caps (RMB'000)
Transaction regarding purchase of products by the Group from TBEA Group	900,000	1,600,000*	700,000	1,600,000*
Transaction regarding purchase of coal by the Group from TBEA Group (including transportation fee)	600,000	600,000	750,000	750,000
Transaction regarding purchase of miscellaneous services by the Group from TBEA Group	500,000	500,000	500,000	900,000*
Transaction regarding sales of products by the Group to TBEA Group	200,000	200,000	200,000	200,000
Aggregate annual cap (tax exclusive)	<u>2,200,000</u>	<u>2,900,000*</u>	<u>2,150,000</u>	<u>3,450,000*</u>

* As revised by the Supplemental TBEA Framework Agreements

REVISION OF THE ANNUAL CAPS UNDER THE EXISTING XINJIANG TEBIAN FRAMEWORK AGREEMENTS

1. Background

On 10 November 2020, the Company entered into the Existing Xinjiang Tebian Framework Agreements with Xinjiang Tebian with a term from 1 January 2021 to 31 December 2023 and entered into the Existing Supplemental Framework Agreements on 13 October 2021 to revise the annual caps for the years ending 31 December 2021, 2022 and 2023. Pursuant to the Existing Xinjiang Tebian Framework Agreements, the Group will procure products and miscellaneous services (including engineering labour services, installation of electricity and gas facilities) from Xinjiang Tebian Group.

2. Revision of Annual Caps under the Existing Product Procurement Framework Agreement (Xinjiang Tebian)

Xinjiang Tebian is the backbone manufacturing enterprise within the industry for producing products such as switch enclosures and other electrical equipment, and its products are very competitive. Switch enclosures and other electrical equipment are necessities for the ordinary production and operation of the Group. The Group has been continuously purchasing switch enclosures and other electrical equipment from Xinjiang Tebian Group for the polysilicon projects, wind power and PV power stations. In addition, based on the rich experience in manufacturing, the Xinjiang Tebian Group has started to engage in the tower manufacturing business since 2021, with a tower production capacity of 80,000 tonnes per year. It has already delivered or won the bidding of the Group's tower order with a total amount of approximately RMB200 million. It is expected that the tower procurement of the Group from Xinjiang Tebian Group will further increase as its production capacity further enhanced.

Based on the statistical data of the 100,000-ton Polysilicon Project in Inner Mongolia completed by the Group, the total procurement amount of switch enclosures, electrical enclosures and other products from Xinjiang Tebian Group by way of bidding reached approximately RMB200 million. Therefore, the Group expected that the total procurement amount of switch enclosures, electrical enclosures and other products from Xinjiang Tebian Group for the construction of the 200,000-ton Polysilicon Project in Zhundong in 2022 and 2023 would be approximately RMB200 million, respectively. In addition, to echo the global developmental objective of "carbon emission peak and carbon neutrality", the Group has further strengthened the construction and operation for wind power and PV power stations since 2022. It is expected that the installed capacity of the wind power and PV power stations constructed each year will be approximately 3GW – 4GW, thus the Group will obtain more contracts and invest more in wind power construction projects. It is expected that the addition tower procurement amount of the Group from Xinjiang Tebian Group in 2022 and 2023 would be approximately RMB50 million and RMB150 million, respectively.

The actual transaction amount under the Existing Product Procurement Framework Agreement (Xinjiang Tebian) for the nine months ended 30 September 2022 was RMB108 million. Based on the transaction amount of the product procurement contracts signed between the Group and Xinjiang Tebian Group from January to September 2022 and the subsequent product procurement contracts to be signed, and taking into account the delivery schedule as agreed in the contracts and the future construction needs for the 200,000-ton Polysilicon Project in Zhundong and wind power projects, it is expected that the annual caps under the Existing Product Procurement Framework Agreement (Xinjiang Tebian) for 2022 and 2023 would not be able to satisfy the Group's needs for production and operation and its need for projects construction. Therefore, the Company intends to revise the annual caps of the

Continuing Connected Transactions for product procurement from Xinjiang Tebian Group for 2022 and 2023 from RMB250 million to RMB500 million and RMB600 million, respectively.

3. Revision of the Annual Caps under the Existing Miscellaneous Services Framework Agreement (Xinjiang Tebian)

Xinjiang Tebian Group possesses rich experience in installation of civil works infrastructure construction and renovation, and consistently provides quality ancillary services in civil works infrastructure construction, renovation and installation. In recent years, Xinjiang Tebian Group provided miscellaneous services such as civil construction infrastructure, renovation and installation services to the Group's polysilicon projects, wind power and PV projects, and it has a strong advantage in service quality and price.

Based on the statistical data of the 100,000-ton Polysilicon Project in Inner Mongolia completed by the Group, the total procurement amount of miscellaneous services such as road and wall infrastructure and factory renovation from Xinjiang Tebian Group by way of bidding reached approximately RMB200 million. Therefore, the Group expected the total procurement amount of miscellaneous construction services from Xinjiang Tebian Group for the construction of the 200,000-ton Polysilicon Project in Zhundong would be approximately RMB200 million for each year of 2022 and 2023.

The actual transaction amount under the Existing Miscellaneous Services Framework Agreement (Xinjiang Tebian) for the nine months ended 30 September 2022 was RMB205 million. Based on the transaction amount of the miscellaneous services contracts signed between the Group and Xinjiang Tebian Group from January to September 2022 and the subsequent miscellaneous services contracts to be signed, and taking into account the future construction needs for the 200,000-ton Polysilicon Project in Zhundong, the annual caps under the Existing Miscellaneous Services Framework Agreement (Xinjiang Tebian) for 2022 and 2023 would not be able to satisfy the Group's needs for production and operation and its need for projects construction, the Company intends to revise the annual caps of the Continuing Connected Transactions for miscellaneous services from Xinjiang Tebian Group for 2022 and 2023 from RMB500 million to RMB700 million.

The revision of the annual caps under the Existing Xinjiang Tebian Framework Agreements is subject to obtaining the Independent Shareholders' approval.

The Existing Annual Caps and the Revised Annual Caps under the Supplemental Xinjiang Tebian Framework Agreements for the years ending 31 December 2022 and 2023 are as follows:

	Year ending 31 December 2022		Year ending 31 December 2023	
	Existing Annual Caps (RMB'000)	Revised Annual Caps (RMB'000)	Existing Annual Caps (RMB'000)	Revised Annual Caps (RMB'000)
Transaction regarding purchase of products by the Group from Xinjiang Tebian Group	250,000	500,000*	250,000	600,000*
Transaction regarding purchase of miscellaneous services by the Group from Xinjiang Tebian Group	500,000	700,000*	500,000	700,000*
Aggregate annual cap (tax exclusive)	750,000	1,200,000*	750,000	1,300,000*

* As revised by the Supplemental Xinjiang Tebian Framework Agreements

PRICING BASIS

As there is neither a government-prescribed price nor a government-guidance price, to ensure that the terms and prices provided by TBEA Group and Xinjiang Tebian Group are fair and reasonable and in line with market practice, the Company has and will continue to adopt the following tender and market price comparisons process and principles to determine whether products and services shall be procured from TBEA Group and Xinjiang Tebian Group:

- Business departments of the Company will submit procurement needs to the Company's procurement department based on their business needs.
- Once the Company's procurement department receives the procurement needs, it will extend the tender invitation to Qualified Suppliers to invite them to participate in bidding or market price comparisons based on procurement needs. For further details on the Company's assessment standards for Qualified Suppliers, please refer to the section headed "Assessment of Qualified Suppliers".

- Based on the Company's internal procurement procedure requirements, it will invite no less than five suppliers to participate in bidding. When there are no less than three assessable tenders, the Company will start the assessment process.
- The bid assessment committee (comprised of representatives from the procurement department (including the procurement department and supply chain management department), the supervisory department (including the finance, legal and audit departments), the engineering department, the technical department and the tender department, other senior management staff (including the general manager, deputy general manager(s) and the chief accountant) and representatives from the department which made the initial procurement needs) will consider factors such as product features and quality requirements, in order to consider the tender which best fits business needs and satisfies the tender requirements.
- Based on the foregoing factors, the bid assessment committee (focused only on bid assessment) will assess the tender and make the final decision on whether to accept the tender.
- Once a tender is accepted, the procurement department of the Company will contact the bidder and negotiate miscellaneous terms of the agreement. However, the price and quality terms of the products will not be further discussed, and the original bidding terms will be adopted in the final contract. Once the terms are finalised, the Company will enter into a contract with the supplier and arrange for delivery of the product and service. The entire procurement process generally takes five to seven working days.

BOARD CONFIRMATION

As at the date of this announcement, since Mr. Zhang Xin, Mr. Huang Hanjie and Ms. Guo Junxiang, being the Directors, hold position(s) at and/or interested in TBEA, thus they are deemed to have material interest and have abstained from voting at the Board meeting with respect to the review and approval of resolutions on proposed revision of the Existing Annual Caps under the Existing TBEA Framework Agreements.

Mr. Zhang Xin, a Director who holds a position and interested in Xinjiang Tebian, is deemed to have material interest and has abstained from voting at the Board meeting with respect to the review and approval of resolutions on proposed revision of the Existing Annual Caps under the Existing Xinjiang Tebian Framework Agreements.

The Directors (save for the independent non-executive Directors, who will express their opinion after taking into account the recommendations of the Independent Financial Adviser) are of the view that the Supplemental TBEA Framework Agreements, the Supplemental Xinjiang Tebian Framework Agreements and the respective transactions contemplated thereunder are in the ordinary and usual course of business of the Group and

on normal commercial terms, and the terms of which and the Revised Annual Caps are fair and reasonable and in the interest of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA is directly and indirectly interested in approximately 64.52% of the total issued share capital of the Company. Thus, TBEA is a Controlling Shareholder and Connected Person of the Company, and the transactions between the Group and TBEA Group constitute Connected Transactions of the Company.

As at the date of this announcement, Mr. Zhang Xin directly and indirectly holds 64.12% of Xinjiang Tebian's equity interest, thus, Xinjiang Tebian is a 30%-controlled company of Mr. Zhang Xin, a Director. Therefore, Xinjiang Tebian is a Connected Person of the Company, and the transactions between the Group and Xinjiang Tebian Group constitute Connected Transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules if it proposes to revise the annual caps under the Existing TBEA Framework Agreements and the Existing Xinjiang Tebian Framework Agreements. As the Existing TBEA Framework Agreements and the Existing Xinjiang Tebian Framework Agreements are entered into between the same parties, according to Rule 14A.81 of the Listing Rules, the respective transactions contemplated under them are required to be aggregated and treated as if they were one transaction. After aggregation, since the highest applicable percentage ratios in respect of the Revised Annual Caps under each of the Supplemental TBEA Framework Agreements and Supplemental Xinjiang Tebian Framework Agreements exceed 5%, each of them is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

ASSESSMENT OF QUALIFIED SUPPLIERS

The Qualified Suppliers assessment committee of the Group's procurement department will conduct regular assessments of the suppliers on the Qualified Suppliers list. The Group's procurement department is responsible for seeking Qualified Suppliers according to the Group's needs, and collect market data (including price trends of raw materials of the relevant products) from the Qualified Suppliers for conducting industrial studies. New suppliers may also approach the Group with a Qualified Supplier application. Upon receiving a new Supplier application, the Group's procurement department will send a requirement list and collect background information of the new applicant. New suppliers shall submit their applications through the information platform according to supplier management regulations, including product specifications and price range from new applicants.

The relevant supplier assessment committee of the Group (including the procurement department, the safety and quality department, the engineering management department and the works monitoring department), the tender department and the technical department will consider applications on the basis of technical level and standards assessments, and will arrange on-site inspections, to conduct further due diligence, and suppliers who satisfy such conditions will be added to the Group's Qualified Suppliers list. From the Qualified Suppliers list, the Group will invite not less than five Qualified Suppliers to participate in each bidding. The Group will consider the following factors in selecting the five Qualified Suppliers to participate in bidding, including, geographical location, ability to satisfy specific requirements of procurement orders, transportation costs and time, and production capacity, in order to determine whether procurement volumes can be satisfied on time and avoid risks with delays.

At the end of each year, the Group will conduct an assessment of existing Qualified Suppliers and new suppliers who made successful bids in the tender process. The Qualified Suppliers assessment committee will ensure that all Qualified Suppliers and suppliers on the Qualified Suppliers list possess the necessary bidding qualifications.

INTERNAL CONTROLS

To ensure the Group's conformity with the above pricing basis, the Group has adopted a series of internal control measures for its daily operations:

- the Group has adopted a transaction management system on connected transactions. Business departments of the Group are required to conduct updates of separate agreements for the Continuing Connected Transactions, and regularly report the execution status of each connected transaction to the secretary of the Board. The secretary of the Board will then inform the Board of any important information thereof;
- the Audit Committee is also responsible for the data collection and monitoring of connected transactions, and for conducting evaluation on the fairness of the transaction terms and pricing terms. It will discuss with subsidiaries and business departments to review the execution status of the connected transactions and determine the annual caps. It will also report to the Board and the board of supervisors on the Group's connected transactions on a quarterly basis. If it is anticipated that there is a need to revise the annual caps, the Company will comply with the relevant requirements under Listing Rules to issue an announcement, report to the Independent Board Committee and/or seek Independent Shareholders' approval after the Board's review and approval (as the case may be);

- the Group has strengthened training in relation to the review and decision-making processes and information disclosure requirements of connected transactions, further promoting awareness among the relevant business departments in the corresponding compliance requirements;
- the independent non-executive Directors have reviewed and will continue to review the non-exempt Continuing Connected Transactions to ensure such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the transaction amount and annual caps of such non-exempt Continuing Connected Transactions;
- all individual connected transactions agreements shall obtain approval from the headquarters of the Company before being entered into. Also, members of the senior management of the Company will collectively monitor the actual transaction amount of the Group's Continuing Connected Transactions;
- the Company will impose control on the actual transaction amount of Continuing Connected Transactions, and focus on controlling the individual amount of each type of Continuing Connected Transactions; and
- the secretary of the Board will collect data on Continuing Connected Transactions at the beginning of each month, and cross-check the consolidated amount of Continuing Connected Transactions in the previous month with the financial staff of the relevant Connected Person.

INFORMATION OF THE PARTIES

The Company is a global leading manufacturer of polysilicon as well as developer and operator of wind power and PV resources. Its main businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for PV and wind power projects. The Company is also engaged in the manufacturing of supporting equipment (mainly inverters, flexible direct current converter valve and static VAR generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

TBEA is a joint stock company incorporated in the PRC on 26 February 1993, and listed on the Shanghai Stock Exchange (stock code: 600089). As at the date of this announcement, its registered capital is RMB3,871,967,205. TBEA and its close associates (excluding the Group) are mainly engaged in: (i) production and sales of transformers, inductors, wires, cables and other electrical and machinery equipment; (ii) construction and contracting of domestic and international power transmission and transformation projects, hydro and geothermal power projects; (iii) coal mining and sales; and (iv) generation and sales of electricity and heat.

Xinjiang Tebian is a company incorporated in the PRC with limited liability on 27 January 2003. As at the date of this announcement, its registered capital is RMB75,000,000. The main business of Xinjiang Tebian is the production and sales of accessories for electrical and mechanical products and transformer, providing engineering services and industrial investment. As at the date of this announcement, to the knowledge of the Company, Mr. Zhang Xin, Mr. Chen Weilin and the remaining 8 natural person shareholders holds 64.12%, 32.95% and 2.93% of Xinjiang Tebian's equity interest, respectively. Mr. Chen Weilin and the remaining 8 natural person shareholders are not Connected Persons of the Company nor connected with the Connected Persons of the Company.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Supplemental Framework Agreements and the Revised Annual Caps. Kingsway Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company expects to hold an EGM on 25 November 2022 to seek Independent Shareholders' approval for the Supplemental Framework Agreements and the Revised Annual Caps. Such resolutions will be put forward and decided by way of a poll at the EGM by way of ordinary resolution.

TBEA Group shall abstain from voting on the resolutions to be proposed at the EGM for considering and approving the Supplemental TBEA Framework Agreements and the Revised Annual Caps thereunder.

Xinjiang Tebian Group shall abstain from voting on the resolutions to be proposed at the EGM for considering and approving the Supplemental Xinjiang Tebian Framework Agreements and the Revised Annual Caps thereunder.

A circular containing, among other things, (i) further information on the Supplemental Framework Agreements and the Revised Annual Caps; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; and (iv) the EGM notice is expected to be despatched to the Shareholders on or before 10 November 2022 as additional time is required for the Company to prepare the information to be included in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below:

“100,000-ton Polysilicon Project in Inner Mongolia”	the 100,000-ton-per-annum high-purity polysilicon green energy circular economy construction project in Tumed Right Banner, Baotou City, Inner Mongolia Autonomous Region, the PRC
“200,000-ton Polysilicon Project in Zhundong”	the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project in the Changji Zhundong Industrial Park in Xinjiang, the PRC
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	audit committee of the Board
“Board”	the board of Directors
“Company”	Xinte Energy Co., Ltd. (新特能源股份有限公司), a company incorporated in the PRC with limited liability on 20 February 2008, which was converted into a joint stock limited liability company on 16 October 2012, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1799)
“Continuing Connected Transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the second extraordinary general meeting of 2022 of the Company to be held at the Conference Room, No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC on Friday, 25 November 2022 at 11:00 a.m.

“Existing Annual Caps”	the existing anticipated maximum annual amount for the transactions contemplated under the Existing Framework Agreements for the years ending 31 December 2022 and 2023 which were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing Framework Agreements”	the Existing TBEA Framework Agreements and the Existing Xinjiang Tebian Framework Agreements
“Existing Miscellaneous Services Framework Agreement (TBEA)”	the miscellaneous services framework agreement entered into between the Company and TBEA on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing Miscellaneous Services Framework Agreement (Xinjiang Tebian)”	the miscellaneous services framework agreement entered into between the Company and Xinjiang Tebian on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing Product Procurement Framework Agreement (TBEA)”	the product procurement framework agreement entered into between the Company and TBEA on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing Product Procurement Framework Agreement (Xinjiang Tebian)”	the product procurement framework agreement entered into between the Company and Xinjiang Tebian on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing TBEA Framework Agreements”	the Existing Product Procurement Framework Agreement (TBEA), the existing coal procurement framework agreement, the Existing Miscellaneous Services Framework Agreement (TBEA) and the existing product sales framework agreement entered into between the Company and TBEA on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021

“Existing Xinjiang Tebian Framework Agreements”	the Existing Product Procurement Framework Agreement (Xinjiang Tebian) and the Existing Miscellaneous Services Framework Agreement (Xinjiang Tebian) entered into between the Company and Xinjiang Tebian on 10 November 2020, under which the annual caps were revised by the Existing Supplemental Framework Agreements entered into on 13 October 2021
“Existing Supplemental Framework Agreements”	the supplemental framework agreements entered into between the Company and each of TBEA and Xinjiang Tebian on 13 October 2021 to revise certain annual caps of the continuing connected transactions for the years ended/ending 31 December 2021, 2022 and 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the Supplemental Framework Agreements and the Revised Annual Caps thereunder
“Independent Financial Adviser”	Kingsway Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Supplemental Framework Agreements and the Revised Annual Caps
“Independent Shareholders”	Shareholders other than TBEA Group and/or Xinjiang Tebian Group (as the case may be)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to that term in Chapter 14 of the Listing Rules
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“PV”	photovoltaic
“Qualified Supplier(s)”	supplier(s) assessed as qualified and listed as qualified suppliers(s)
“Revised Annual Caps”	the revised anticipated maximum annual amount for the transactions contemplated under the Supplemental Framework Agreements for the years ending 31 December 2022 and 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supplemental Framework Agreements”	the Supplemental TBEA Framework Agreements and the Supplemental Xinjiang Tebian Framework Agreements
“Supplemental Miscellaneous Services Framework Agreement (Xinjiang Tebian)”	the supplemental agreement entered into between the Company and Xinjiang Tebian on 17 October 2022 to revise the maximum amount payable to Xinjiang Tebian Group in respect of miscellaneous services transactions for the years ending 31 December 2022 and 2023
“Supplemental Product Procurement Framework Agreement (Xinjiang Tebian)”	the supplemental agreement entered into between the Company and Xinjiang Tebian on 17 October 2022 to revise the maximum amount payable to Xinjiang Tebian Group in respect of product procurement transactions for the years ending 31 December 2022 and 2023
“Supplemental Miscellaneous Services Framework Agreement (TBEA)”	the supplemental agreement entered into between the Company and TBEA on 17 October 2022 to revise the maximum amount payable to TBEA Group in respect of miscellaneous services transactions for the years ending 31 December 2023

“Supplemental Product Procurement Framework Agreement (TBEA)”	the supplemental agreement entered into between the Company and TBEA on 17 October 2022 to revise the maximum amount payable to TBEA Group in respect of product procurement transactions for the years ending 31 December 2022 and 2023
“Supplemental TBEA Framework Agreements”	Supplemental Miscellaneous Services Framework Agreement (TBEA) and Supplemental Product Procurement Framework Agreement (TBEA)
“Supplemental Xinjiang Tebian Framework Agreements”	the Supplemental Miscellaneous Services Framework Agreement (Xinjiang Tebian) and Supplemental Product Procurement Framework Agreement (Xinjiang Tebian)
“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC with limited liability on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089)
“TBEA Group”	TBEA and its associates (excluding the Group)
“Xinjiang Tebian”	Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), a company incorporated in the PRC with limited liability on 27 January 2003
“Xinjiang Tebian Group”	Xinjiang Tebian and its associates
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Xinjiang, the PRC
17 October 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; and Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive Directors.