

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)

DISCLOSEABLE TRANSACTION EXERCISE OF OPTION TO SUBSCRIBE FOR CAPITAL INJECTION SHARES

EXERCISE OF OPTION TO SUBSCRIBE FOR CAPITAL INJECTION SHARES

References are made to the announcements of the Company dated 24 December 2018, 20 March 2019 and 14 August 2019 and the circular dated 20 August 2019 in relation to, among others, the ABC Share Transfer Agreement and ABC Capital Injection Agreement entered into by the Company and Sunoasis with ABC Financial, and the BoCom Share Transfer Agreement and BoCom Capital Injection Agreement entered into by the Company and Sunoasis with BoCom Financial.

Pursuant to the ABC Share Transfer Agreement and BoCom Share Transfer Agreement, upon the occurrence of any one of the Specific Circumstances under the ABC Share Transfer Agreement and BoCom Share Transfer Agreement, the Company shall be entitled to exercise the Option to Subscribe for Capital Injection Shares to repurchase the ABC Capital Injection Shares and BoCom Capital Injection Shares from ABC Financial and BoCom Financial, respectively. On 14 June 2024, due to the occurrence of the Specific Circumstance, the Company issued the ABC Share Transfer Notice and BoCom Share Transfer Notice to ABC Financial and BoCom Financial, respectively, to repurchase all the ABC Capital Injection Shares and BoCom Capital Injection Shares at the exercise price under the ABC Share Transfer Agreement and BoCom Share Transfer Agreement.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, since the ABC Capital Injection Agreement and the BoCom Capital Injection Agreement both involved deemed disposals of the equity interest in Sunoasis by the Company with similar terms, and were announced and completed within a 12-month period, they had been aggregated and considered as one transaction. Since the exercise of the Option to Subscribe for Capital Injection Shares to repurchase ABC Capital Injection Shares and BoCom Capital Injection Shares are made by the Company with similar terms and conducted within a 12-month period, they shall also be aggregated and considered as one transaction.

As one or more of the applicable percentage ratios for the Repurchase of Capital Injection Shares exceeds 5% but all are less than 25% after calculation on an aggregate basis, the Repurchase of Capital Injection Shares constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Company is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

EXERCISE OF OPTION TO SUBSCRIBE FOR CAPITAL INJECTION SHARES

References are made to the announcements of the Company dated 24 December 2018, 20 March 2019 and 14 August 2019 and the circular dated 20 August 2019 in relation to, among others, the ABC Share Transfer Agreement and ABC Capital Injection Agreement entered into by the Company and Sunoasis with ABC Financial, and the BoCom Share Transfer Agreement and BoCom Capital Injection Agreement entered into by the Company and Sunoasis with BoCom Financial.

Pursuant to the ABC Share Transfer Agreement and BoCom Share Transfer Agreement, upon the occurrence of any one of the Specific Circumstances under the ABC Share Transfer Agreement and BoCom Share Transfer Agreement, the Company shall be entitled to exercise the Option to Subscribe for Capital Injection Shares to repurchase the ABC Capital Injection Shares and BoCom Capital Injection Shares from ABC Financial and BoCom Financial, respectively. On 14 June 2024, due to the occurrence of the Specific Circumstance, the Company issued the ABC Share Transfer Notice and BoCom Share Transfer Notice to ABC Financial and BoCom Financial, respectively, to repurchase all the ABC Capital Injection Shares and BoCom Capital Injection Shares at the exercise price under the ABC Share Transfer Agreement and BoCom Share Transfer Agreement.

PRINCIPAL TERMS OF ABC SHARE TRANSFER NOTICE AND BOCOM SHARE TRANSFER NOTICE

	Repurchase of ABC Capital Injection Shares	Repurchase of BoCom Capital Injection Shares
Date	14 June 2024	14 June 2024
Parties to the Share Transfer Notices	<ul style="list-style-type: none"> (i) the Company (the repurchaser); (ii) ABC Financial (the vendor); and (iii) Sunoasis (the target company). 	<ul style="list-style-type: none"> (i) the Company (the repurchaser); (ii) BoCom Financial (the vendor); and (iii) Sunoasis (the target company).
Shares repurchased and quantity	11.87% equity interest of Sunoasis	11.87% equity interest of Sunoasis
Specific Circumstance triggered	Article 1 of the “Specific Circumstances” stipulated in the ABC Share Transfer Agreement: 60 months after the Completion of the Capital Injection by ABC Financial, the Company or its designated third party has not bought back all of Sunoasis’s shares held by ABC Financial, and the Company and ABC Financial have not reached a consensus on the extension of ABC Financial’s investment period in Sunoasis.	Article 1 of the “Specific Circumstances” stipulated in the BoCom Share Transfer Agreement: 57 months after the Completion of the Capital Injection by BoCom Financial, the Company or its designated third party has not bought back all of Sunoasis’s shares held by BoCom Financial, and the Company and BoCom Financial have not reached a consensus on the extension of BoCom Financial’s investment period in Sunoasis.

Repurchase of ABC Capital Injection Shares

Repurchase of BoCom Capital Injection Shares

Exercise price

The exercise price calculated using formula 1 agreed in ABC Share Transfer Agreement

The exercise price calculated using formula 1 agreed in BoCom Share Transfer Agreement

The exercise price shall be calculated based on “Principal investment amount + Difference”, and the Difference of which is calculated using the formula below:

The exercise price shall be calculated based on “Principal investment amount + Difference”, and the Difference of which is calculated using the formula below:

Difference = (Sunoasis’ s Profit Distributable to Shareholders based on the performance requirements under the ABC Capital Injection Agreement × percentage of shares held by ABC Financial in Sunoasis × the number of days between 26 December 2018 and the date of payment of the exercise price/360 — investment revenue obtained by ABC Financial during the period of its shareholding in Sunoasis)/75%

Difference = (Sunoasis’ s Profit Distributable to Shareholders based on the performance requirements under the BoCom Capital Injection Agreement × percentage of shares held by BoCom Financial in Sunoasis × the number of days between 28 March 2019 and the date of payment of the exercise price/360 — investment revenue obtained by BoCom Financial during the period of its shareholding in Sunoasis)/75%

The Difference refers to the outstanding profit distributable to ABC Financial pursuant to its shareholding in Sunoasis, and such amount was divided by 75%, as under PRC tax regulations investment revenue is subject to a profits tax rate of 25%; and guarantee shall be provided to ABC Financial that its after tax income is same as the expected amount.

The Difference refers to the outstanding profit distributable to BoCom Financial pursuant to its shareholding in Sunoasis, and such amount was divided by 75%, as under PRC tax regulations investment revenue is subject to a profits tax rate of 25%; and guarantee shall be provided to BoCom Financial that its after tax income is same as the expected amount.

The exercise price for repurchasing ABC Capital Injection Shares is RMB1,000,252,054.79.

The exercise price for repurchasing BoCom Capital Injection Shares is RMB1,000,000,000.00.

	Repurchase of ABC Capital Injection Shares	Repurchase of BoCom Capital Injection Shares
Source of funding and payment method	To be settled with the Company's self-raised funds through bank wire transfer	To be settled with the Company's self-raised funds through bank wire transfer
Completion date of Repurchase of Capital Injection Shares	8 July 2024	8 July 2024

REASONS AND BENEFITS

Upon the occurrence of the Specific Circumstance, if the Company chooses not to exercise the Option to Subscribe for Capital Injection Shares, ABC Financial and BoCom Financial will be entitled to the Perpetual Bond Option to convert the ABC Capital Injection Shares and BoCom Capital Injection Shares into equity perpetual bonds of Sunoasis with an annualised interest rate of not lower than 6.9%. The cycle of the perpetual bonds is one year, and from the second cycle onwards, the annualised interest rate will be that of the previous cycle plus 100 basis points. The Company will be required to pay a substantial amount of the annualised interest of the perpetual bonds if the Company chooses not to exercise the Option to Subscribe for Capital Injection Shares. Meanwhile, the Company considered the exercise of the Option to Subscribe for Capital Injection Shares can increase the Company's control over Sunoasis without sharing potential economic returns with other entities, thereby facilitating the further increase of net profits attributable to the parent company in the consolidated financial statements of the Company .

In addition, Sunoasis achieved satisfactory financial returns during the periods in which ABC Financial held the ABC Capital Injection Shares and BoCom Financial held the BoCom Capital Injection Shares. Immediately after the completion of the Repurchase of Capital Injection Shares, Sunoasis will no longer be required to make annual dividend distributions to ABC Financial and BoCom Financial pursuant to its performance obligations under the ABC Capital Injection Agreement and the BoCom Capital Injection Agreement, thereby reducing its cash outflow.

The Directors consider that the terms of the ABC Share Transfer Notice and the BoCom Share Transfer Notice, including the consideration for the Repurchase of Capital Injection Shares (i.e. the exercise price of the Option to Subscribe for Capital Injection Shares), are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EFFECT OF REPURCHASE OF CAPITAL INJECTION SHARES TO THE GROUP

Based on Sunoasis's audited consolidated financial statements prepared under the PRC GAAP, the audited total assets and net assets of Sunoasis as at 31 December 2023 were approximately RMB37,326.2 million and RMB10,029.8 million respectively, and the net profit before and after taxation for the years ended 31 December 2023 and 2022 as audited by an independent auditor are as follows:

	For the year ended 31 December 2023 (RMB million)	For the year ended 31 December 2022 (RMB million)
Net profit before taxation (audited)	1,072.8	-89.3
Net profit after taxation (audited)	899.1	-133.3

Note: In 2022, the relevant ministerial departments of the PRC jointly commenced the review on renewable energy tariff subsidies, and there is a risk that the tariff subsidies for nine wind power and photovoltaic power plant projects held by Sunoasis may be cancelled or reduced, please refer to the announcement of the Company dated 25 September 2023 for details. Based on prudent and sound accounting principles, the above tariff subsidy receivables of nine projects for which income has been recognized but not yet collected were offset against its operating income for the year 2022, and the corresponding impairment provision of assets has been made, resulting in a loss for Sunoasis for the year 2022.

Upon the completion of the Repurchase of Capital Injection Shares, Sunoasis will continue to be a 99.49% directly owned subsidiary of the Company. The financial results and conditions of Sunoasis will continue to be consolidated into the financial statements of the Group. The exercise of the Option to Subscribe for Capital Injection Shares may increase the Company's control over Sunoasis without sharing potential economic returns with other entities, thereby facilitating the further increase of net profits attributable to the parent company in the consolidated financial statements of the Company. The Company expects that the Repurchase of Capital Injection Shares will not have any significant financial effects on the Group.

GENERAL INFORMATION

Information on the Company

The Company is a global leader in the manufacturing of polysilicon as well as in the development and operation of wind power and photovoltaic resources. Its principal businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for photovoltaic and wind power projects. The Company is also engaged in the manufacturing of supporting equipment (mainly inverters, flexible direct current transmission converter valves and static VAR generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

Information on Sunoasis

Sunoasis is a joint stock company incorporated in the PRC with limited liability, which is owned as to 75.75%, 11.87%, 11.87% and 0.51% by the Company, BoCom Financial, ABC Financial and CECEP, respectively, and is a non-wholly owned subsidiary of the Company as at the date of this announcement. Sunoasis is principally engaged in the development, construction and operation of wind and photovoltaic resources; the research and development, manufacture and sales of products such as inverters, flexible direct current transmission converter valves and static VAR generators. Upon the completion of the Repurchase of Capital Injection Shares, it will be owned as to approximately 99.49% and 0.51% by the Company and CECEP respectively.

Information on ABC Financial

ABC Financial is a company incorporated in the PRC with limited liability and is principally engaged in market-driven debt-to-equity swap business in the PRC. ABC Financial is wholly owned by Agricultural Bank of China Limited, a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601288) and the Stock Exchange (stock code: 1288).

Information on BoCom Financial

BoCom Financial is a company incorporated in the PRC with limited liability and is principally engaged in market-driven debt-to-equity swap business in the PRC. BoCom Financial is wholly owned by Bank of Communications Co., Ltd., a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601328) and the Stock Exchange (stock code: 3328).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ABC Financial, BoCom Financial and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, since the ABC Capital Injection Agreement and the BoCom Capital Injection Agreement both involved deemed disposals of the equity interest in Sunoasis by the Company with similar terms, and were announced and completed within a 12-month period, they had been aggregated and considered as one transaction. Since the exercise of the Option to Subscribe for Capital Injection Shares to repurchase ABC Capital Injection Shares and BoCom Capital Injection Shares are made by the Company with similar terms and conducted within a 12-month period, they shall also be aggregated and considered as one transaction.

As one or more of the applicable percentage ratios for the Repurchase of Capital Injection Shares exceeds 5% but all are less than 25% after calculation on an aggregate basis, the Repurchase of Capital Injection Shares constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Company is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“ABC Capital Injection Agreement”	the agreement entered into among the Company, ABC Financial and Sunoasis on 24 December 2018 in relation to the Capital Injection by ABC Financial
“ABC Capital Injection Shares”	the shares of Sunoasis held by ABC Financial pursuant to the ABC Capital Injection Agreement, which represents approximately 11.87% of the equity interest in Sunoasis as at the date of this announcement and will be held by the Company upon completion of the Repurchase of Capital Injection Shares
“ABC Financial”	ABC Financial Asset Investment Co. Ltd. (農銀金融資產投資有限公司), a joint stock company incorporated in the PRC with limited liability
“ABC Share Transfer Agreement”	the agreement entered into between the Company, ABC Financial and Sunoasis on 24 December 2018

“ABC Share Transfer Notice”	an exercise notice issued by the Company on 14 June 2024, pursuant to which the Company, at its discretion, decided to exercise its Option to Subscribe for Capital Injection Shares to repurchase the ABC Capital Injection Shares from ABC Financial
“Board”	the board of Directors of the Company
“BoCom Capital Injection Agreement”	the agreement entered into among the Company, BoCom Financial and Sunoasis on 20 March 2019 in relation to the Capital Injection by BoCom Financial
“BoCom Capital Injection Shares”	the shares of Sunoasis held by BoCom Financial pursuant to the BoCom Capital Injection Agreement, which represents approximately 11.87% of the equity interest in Sunoasis as at the date of this announcement and will be held by the Company upon completion of the Repurchase of Capital Injection Shares
“BoCom Financial”	BoCom Financial Asset Investment Co., Ltd. (交銀金融資產投資有限公司), a joint stock company incorporated in the PRC with limited liability
“BoCom Share Transfer Agreement”	the agreement entered into between the Company, BoCom Financial and Sunoasis on 20 March 2019
“BoCom Share Transfer Notice”	an exercise notice issued by the Company on 14 June 2024, pursuant to which the Company, at its discretion, decided to exercise its Option to Subscribe for Capital Injection Shares to repurchase the BoCom Capital Injection Shares from BoCom Financial
“CECEP”	CECEP Solar Energy Technology Co., Ltd (中節能太陽能科技股份有限公司), a joint stock company incorporated in the PRC with limited liability which holds approximately 0.51% of the equity interest of Sunoasis as at the date of this announcement, also an independent third party company
“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 company with limited liability on 16 October 2012, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1799)

“Completion of the Capital Injection”	the date on which ABC Financial or BoCom Financial pays the consideration for their respective Capital Injections into Sunoasis under the terms and conditions of the ABC Capital Injection Agreement and BoCom Capital Injection Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company together with its subsidiaries
“H Shares”	overseas listed foreign shares in the Company’s share capital with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option to Subscribe for Capital Injection Shares”	the rights granted to the Company or its designated third party to repurchase the ABC Capital Injection Shares and/or BoCom Capital Injection Shares at the exercise price pursuant to and subject to the terms and conditions of the ABC Share Transfer Agreement and/or BoCom Share Transfer Agreement
“Perpetual Bond Option”	the rights granted to ABC Financial and/or BoCom Financial to convert the ABC Capital Injection Shares and BoCom Capital Injection Shares held by them into perpetual bonds of Sunoasis under certain circumstances pursuant to the terms and conditions under the ABC Share Transfer Agreement and BoCom Share Transfer Agreement
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of the geographical references in this announcement
“PRC GAAP”	the generally accepted accounting principles in the PRC

“Repurchase of Capital Injection Shares”	the repurchase of all ABC Capital Injection Shares and BoCom Capital Injection Shares at the exercise price by the Company pursuant to the ABC Share Transfer Agreement and BoCom Share Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer”	the transfer of ABC Capital Injection Shares and/or BoCom Capital Injection Shares by ABC Financial and/or BoCom Financial to the Company pursuant to the exercise notices
“Shareholder(s)”	holder(s) of Shares
“Specific Circumstance(s)”	has the meaning ascribed to the term in the ABC Share Transfer Agreement or the BoCom Share Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunoasis”	TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a joint stock company incorporated in the PRC on 30 August 2000 with limited liability, and a non-wholly owned subsidiary of the Company with 75.75% shareholding held as at the date of this announcement

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

Xinjiang, the PRC
14 June 2024

As at the date of this announcement, the Board 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.