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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)**

## **CONNECTED AND DISCLOSEABLE TRANSACTIONS IN RELATION TO DEEMED DISPOSALS OF EQUITY INTEREST IN THE TARGET COMPANIES UNDER THE EQUITY TRANSFER AND CAPITAL INJECTION AGREEMENTS**

### **EQUITY TRANSFER AND CAPITAL INJECTION AGREEMENTS**

On 7 March 2025, Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, entered into the Equity Transfer and Capital Injection Agreements with Shengyu and Shengding respectively, pursuant to which, (1) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengyu to Xinjiang Tianchi each at a consideration of RMB46,745,600; (2) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengding to Xinjiang Tianchi each at a consideration of RMB24,100; and (3) Xinjiang Tianchi agreed to inject approximately RMB209,721,800 to Shengyu and inject RMB387,924,000 to Shengding as their new registered capital respectively. Upon completion of the Equity Transfer and Capital Injection, Silicon New Material, Sunoasis and Xinjiang Tianchi will hold 40%, 20% and 40% of the equity interest in the Target Companies respectively, and the Target Companies will remain as non-wholly owned subsidiaries of the Company.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xinjiang Tianchi is a subsidiary of TBEA, while TBEA directly and indirectly holds approximately 64.52% of the total issued share capital of the Company and thus is the controlling shareholder of the Company. As such, Xinjiang Tianchi is a connected person of the Company. Therefore, the transactions contemplated under the Equity Transfer and Capital Injection Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Upon completion of the Equity Transfer and Capital Injection, the Company's interest in the Target Companies will be both reduced from 99.81% to 59.90%. Accordingly, the Equity Transfer and Capital Injection will constitute deemed disposals under Chapter 14 of the Listing Rules.

As both the Shengyu Agreement and the Shengding Agreement were entered into within a 12-month period and are related to each other, the transactions contemplated under each of them are required to be aggregated and treated as one transaction pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as aggregated) in respect of the transactions contemplated under the Equity Transfer and Capital Injection Agreements exceeds 5% but is less than 25%, therefore, the Equity Transfer and Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Equity Transfer and Capital Injection is subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee comprising of all Independent Non-executive Directors has been established to advise the Independent Shareholders in respect of the Equity Transfer and Capital Injection. 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 Equity Transfer and Capital Injection; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) the EGM notice; and (v) other information prescribed by the Listing Rules is expected to be sent to shareholders of the Company on or before 28 March 2025.

## SHENGYU AGREEMENT

On 7 March 2025, Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, entered into the Shengyu Agreement with Shengyu, the principal terms of which are summarized as follows:

Date: 7 March 2025

Parties:

- (a) Silicon New Material
- (b) Sunoasis
- (c) Xinjiang Tianchi
- (d) Shengyu

Equity Transfer and Consideration: Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengyu to Xinjiang Tianchi. With reference to the valuation of Shengyu, each of the consideration was determined to be RMB46,745,600, based on the appraised net assets of Shengyu multiplied by the proportion of equity interest to be transferred after arm's length negotiation.

A summary of the Valuation Report of Shengyu containing, among other things, the key assumptions, input parameters and calculation process for the valuation is set out in Appendix I to this announcement.

Capital Injection: With reference to the valuation of Shengyu, and as agreed among the parties after negotiation, Xinjiang Tianchi agreed to inject approximately RMB209,721,800 to Shengyu to acquire the new registered capital of Shengyu at a price of RMB1 for each registered capital.

Payment of Equity Transfer  
Consideration and Capital  
Injection:

Xinjiang Tianchi shall pay the consideration to Silicon New Material and Sunoasis with its monetary funds in one lump sum within 15 working days after the Shengyu Agreement comes into effect, and shall pay up its capital contribution in the same proportion as the capital contribution paid up by other shareholders of Shengyu. Remaining unpaid-up amount of the capital contribution shall be paid with monetary funds in phases in accordance with the progress of the construction of the 1GW PV Storage Project in Zhundong and in the same proportion as the other shareholders of Shengyu.

Shareholding Structure:

The shareholding structure of Shengyu before and after the completion of the Equity Transfer and Capital Injection is set out as follows:

*Unit: RMB0'000*

Shareholder	Before the Equity Transfer and Capital Injection		Change in subscribed capital contribution	Immediately following the Equity Transfer and Capital Injection	
	Subscribed capital contribution <sup>(1)</sup>	Shareholding percentage		Subscribed capital contribution	Shareholding percentage
Silicon New Material	52,430.44	62.50%	-10,486.09	41,944.35	40.00%
Sunoasis	31,458.26	37.50%	-10,486.09	20,972.17	20.00%
Xinjiang Tianchi	—	—	41,944.35	41,944.35	40.00%
<b>Total</b>	<b><u>83,888.70</u></b>	<b><u>100.00%</u></b>	<b><u>20,972.18</u></b>	<b><u>104,860.88</u></b>	<b><u>100.00%</u></b>

*Notes:*

- (1) As at the date of this announcement, Silicon New Material and Sunoasis have paid in capital contribution of RMB233,333,300 and RMB140,000,000, respectively. Shareholders have paid in an aggregate capital contribution of RMB373.333,300.
- (2) The percentages shown in the above table have been rounded and any difference between the total amounts and the arithmetic sum of the respective breakdown amounts is due to the rounding.

Corporate Governance Arrangement:	Upon the Equity Transfer and Capital Injection, the board of directors of Shengyu will comprise a total of five directors, of which two are to be appointed by Xinjiang Tianchi, two are to be appointed by Silicon New Material and one is to be appointed by Sunoasis. The chairman of the board of directors will be a director appointed by Silicon New Material.
Agreement in Force:	The Shengyu Agreement shall come into effect after it being signed and stamped with official seals by authorized representatives of each party and after it is reviewed and approved by the general meeting of the Company.
Closing and Procedures:	The date on which the consideration of the equity transfer is paid in full is the closing date. From the closing date, Xinjiang Tianchi shall enjoy the corresponding rights stipulated and conferred by laws, regulations and articles of association of Shengyu and undertake the corresponding obligations as a shareholder. Shengyu shall complete the registration of its shareholders, change of registered capital, amendment of its articles of association and other industrial and commercial registration procedures within one month after the Shengyu Agreement comes into effect, and shall issue the capital contribution certificate and provide the amended business license to its shareholders.

## **SHENGDING AGREEMENT**

On 7 March 2025, Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, entered into the Shengding Agreement with Shengding, the principal terms of which are summarized as follows:

Date:	7 March 2025
Parties:	<ul style="list-style-type: none"> <li>(a) Silicon New Material</li> <li>(b) Sunoasis</li> <li>(c) Xinjiang Tianchi</li> <li>(d) Shengding</li> </ul>

Equity Transfer and  
Consideration:

Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengding to Xinjiang Tianchi. With reference to the valuation of Shengding, each of the consideration was determined to be RMB24,100, based on the appraised net assets of Shengding multiplied by the proportion of equity interest to be transferred after arm's length negotiation.

A summary of the Valuation Report of Shengding containing, among other things, the key assumptions, input parameters and calculation process for the valuation is set out in Appendix II to this announcement.

Capital Injection:

With reference to the valuation of Shengding, and as agreed among the parties after negotiation, Xinjiang Tianchi agreed to inject RMB387,924,000 to Shengding to acquire the new registered capital of Shengding at a price of RMB1 for each registered capital.

Payment of Equity Transfer  
Consideration and Capital  
Injection:

Xinjiang Tianchi shall pay the consideration to Silicon New Material and Sunoasis with its monetary funds in one lump sum within 15 working days after the Shengding Agreement comes into effect. The capital injection amount of Xinjiang Tianchi shall be paid with monetary funds in phases in accordance with the progress of the construction of the 2GW Wind Energy Storage Project in Zhundong and in the same proportion as the other shareholders of Shengding.

## Shareholding Structure:

The shareholding structure of Shengding before and after the completion of the Equity Transfer and Capital Injection is set out as follows:

*Unit: RMB0'000*

Shareholder	Before the Equity Transfer and Capital Injection		Immediately following the Equity Transfer and Capital Injection		
	Subscribed capital contribution <sup>(1)</sup>	Shareholding percentage	Change in subscribed capital contribution	Subscribed capital contribution	Shareholding percentage
Silicon New Material	96,981.00	62.50%	-19,396.20	77,584.80	40.00%
Sunoasis	58,188.60	37.50%	-19,396.20	38,792.40	20.00%
Xinjiang Tianchi	—	—	77,584.80	77,584.80	40.00%
<b>Total</b>	<b><u>155,169.60</u></b>	<b><u>100.00%</u></b>	<b><u>38,792.40</u></b>	<b><u>193,962.00</u></b>	<b><u>100.00%</u></b>

### Notes:

- (1) As at the date of this announcement, shareholders has not paid in any capital contribution.
- (2) The percentages shown in the above table have been rounded and any difference between the total amounts and the arithmetic sum of the respective breakdown amounts is due to the rounding.

## Corporate Governance Arrangement:

Upon the Equity Transfer and Capital Injection, the board of directors of Shengding will comprise a total of five directors, of which two are to be appointed by Xinjiang Tianchi, two are to be appointed by Silicon New Material and one is to be appointed by Sunoasis. The chairman of the board of directors will be a director appointed by Silicon New Material.

## Agreement in Force:

The Shengding Agreement shall come into effect after it being signed and stamped with official seals by authorized representatives of each party and after it is reviewed and approved by the general meeting of the Company.

## Closing and Procedures:

The date on which the consideration of the equity transfer is paid in full is the closing date. From the closing date, Xinjiang Tianchi shall enjoy the corresponding rights stipulated and conferred by laws, regulations and articles of association of Shengding and undertake the corresponding obligations as a shareholder. Shengding shall complete the registration of its shareholders, change of registered capital, amendment of its articles of association and other industrial and commercial registration procedures within one month after the Shengding Agreement comes into effect, and shall issue the capital contribution certificate and provide the amended business license to its shareholders.

## INFORMATION ON THE TARGET COMPANIES

### Shengyu

Shengyu is a company incorporated in the PRC with limited liability on 10 July 2023. As at the date of this announcement, its registered capital is RMB838,887,000, of which RMB373,333,300 has been paid, and it is a non-wholly owned subsidiary of the Company. The principal businesses of Shengyu are the generation, transmission, supply and distribution of electricity. Shengyu is established primarily for the purpose of investing in the construction of the 1GW PV Storage Project in Zhundong, which has a construction period of 12 months. As at the date of this announcement, approximately 20% of the total construction work for this project has been completed, and the project is expected to be completed and connected to the grid by the end of December 2025, with an operation period of 25 years.

Shengyu's financial information during the following periods is set out as follows:

	<b>For the year ended 31 December 2023 (audited) RMB(0'000)</b>	<b>For the year ended 31 December 2024 (audited) RMB(0'000)</b>
Operating revenue	0.00 <sup>(1)</sup>	0.00 <sup>(1)</sup>
Net profit before tax (net loss is represented by “-”)	-29.01	-24.55
Net profit after tax (net loss is represented by “-”)	-215.35	169.83

*Note:* (1) As the 1GW PV Storage Project in Zhundong invested by Shengyu has yet been put into production and operation, Shengyu had no revenue in 2023 and 2024.



Based on the audited financial information, the total assets and net assets of Shengyu were approximately RMB1,006,895,600 and RMB373,964,600 as at 31 December 2024, respectively.

## Shengding

Shengding is a company incorporated in the PRC with limited liability on 10 July 2023. As at the date of this announcement, its registered capital is RMB1,551,696,000, which has yet been paid, and it is a non-wholly owned subsidiary of the Company. The principal businesses of Shengding are the generation, transmission, supply and distribution of electricity. Shengding is established primarily for the purpose of investing in the construction of the 2GW Wind Energy Storage Project in Zhundong. As at the date of this announcement, it is undergoing the preliminary procedures, inviting and participating in tender and other work for this project. The construction period of the project is 20 months, and it is expected to be completed and connected to the grid by the end of 2026, with an operation period of 20 years.

Shengding's financial information during the following periods is set out as follows:

	<b>For the year ended 31 December 2023 (audited) RMB(0'000)</b>	<b>For the year ended 31 December 2024 (audited) RMB(0'000)</b>
Operating revenue	0.00 <sup>(1)</sup>	0.00 <sup>(1)</sup>
Net profit before tax (net loss is represented by “-”)	-0.06	0.05
Net profit after tax (net loss is represented by “-”)	-0.05	-0.93

*Notes:* (1) As the 2GW Wind Energy Storage Project in Zhundong invested by Shengding has yet been put into production and operation, Shengding had no revenue in 2023 and 2024.

Based on the audited financial information, the total assets and net assets of Shengding were approximately RMB30,993,500 and RMB192,500 as at 31 December 2024, respectively.

## **INFORMATION ON THE PARTIES**

### **Xinjiang Tianchi**

Xinjiang Tianchi is a company incorporated in the PRC with limited liability on 29 November 2002 and is a subsidiary of TBEA. As at the date of this announcement, TBEA, a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 600089) and a controlling shareholder of the Company, directly holds 85.78% of the equity interest in Xinjiang Tianchi. The principal businesses of Xinjiang Tianchi are the mining and sales of coal and generation and sales of electricity and heat.

### **Sunoasis**

Sunoasis is a company incorporated in the PRC with limited liability on 30 August 2000. As at the date of this announcement, the Company and CECEP Solar Energy Technology Co., Ltd.\* (中節能太陽能科技有限公司), an independent third party of the Company, hold 99.49% and 0.51% of the interest of Sunoasis respectively and Sunoasis is a non-wholly owned subsidiary of the Company. Its principal business is the development, construction and operation of wind energy and photovoltaic resources; and the research and development, manufacturing and sale of inverters, flexible direct current transmission converter valves, static volt-ampere reactive (VAR) generators and other products.

### **Silicon New Materials**

Silicon New Materials is a company incorporated in the PRC with limited liability on 17 February 2022 and a wholly-owned subsidiary of the Company as at the date of this announcement. Its principal business is production and sale of polysilicon.

## **INFORMATION ABOUT THE COMPANY**

The Company is a leading global polysilicon manufacturer and a developer and operator of wind power and PV resources. Its principal businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for PV and wind power projects, and it 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.

## **REASONS AND BENEFITS FOR THE EQUITY TRANSFER AND CAPITAL INJECTION**

In order to seize market opportunities and accelerate the development of wind and solar resources, upon review and approval by the Board on 29 August 2024, the Company has invested in the construction of the 1GW PV Storage Project in Zhundong with Shengyu as the investment entity, and the 2GW Wind Energy Storage Project in Zhundong with Shengding as the investment entity. According to the assessment of the feasibility study report, the total investment in the 1GW PV Storage Project in Zhundong and the 2GW Wind Energy Storage Project in Zhundong amounted to RMB3,495,362,500 and RMB6,655,615,200, respectively, and the project capital amounted to RMB1,048,608,800 and RMB1,939,620,000, respectively. The 3GW New Energy Projects in Zhundong are expected to be fully connected to the grid in 2026, which will further expand the operation scale of the Group's wind energy and PV power plants and generate long-term stable electricity charge revenue for 20 to 25 years. The Equity Transfer and Capital Injection will provide part of the project capital required and facilitate the supporting loans from financial institutions being in place in full and on schedule, ensuring the successful completion of construction of the projects and the commencement of their operation to realize profits as soon as possible.

Solving the problem of power consumption after the commencement of operation of the 3GW New Energy Projects in Zhundong is an important factor affecting the realization of the expected benefits. According to the assessment of the feasibility study report, upon full completion and operation, the total annual average power generation of the 3GW New Energy Projects in Zhundong will exceed 6.7 billion kWh. Although part of the power generated can be used for the polysilicon production of the Group through market-based transactions, there will still be part of the surplus power remaining. Xinjiang Tianchi owns state-approved open-pit coal mines with a capacity of tens of millions of tons, and is dedicated to the mining and sales of coal and the green development and transformation of coal resources, and has a certain demand for green power in the production and operation. Upon completion and commencement of operation of the 3GW New Energy Projects in Zhundong, Xinjiang Tianchi can, subject to power dispatch and power transaction policies, use the green power produced by the 3GW New Energy Projects in Zhundong for its production and operation through market-based transactions, which can further ensure consumption of the power generated by the 3GW New Energy Projects in Zhundong.

## **FINANCIAL IMPACT OF THE EQUITY TRANSFER AND CAPITAL INJECTION ON THE GROUP AND USE OF PROCEEDS**

Upon completion of the Equity Transfer and Capital Injection, the registered capital of Shengyu will increase from RMB838,887,000 to RMB1,048,608,800 whereas the registered capital of Shengding will increase from RMB1,551,696,000 to RMB1,939,620,000 and the Company's interest in the Target Companies will both reduce from 99.81% to 59.90%. The Target Companies will remain as non-wholly owned subsidiaries of the Company and their financial results will continue to be consolidated in that of the Group. It is expected that a gain of approximately RMB206,000 will be recorded by the Group from the equity transfer, which is calculated based on the amount of appreciation of appraised net assets of the Target Companies over its share capital multiplied by the total proportion of equity interest to be transferred (25%).

The Group intends to use the net proceeds from the equity transfer to replenish the operating liquidity of Silicon New Material and Sunoasis. The capital injection amount from Xinjiang Tianchi to the Target Companies will all be used for the capital of the 3GW New Energy Projects in Zhundong.

## **BOARD CONFIRMATION**

As at the date of this announcement, as each of the Directors, namely Zhang Xin, Huang Hanjie and Yang Xiaodong, holds a position at and/or interests in TBEA and/or Xinjiang Tianchi, they are deemed to have material interests in the Equity Transfer and Capital Injection and are required to abstain from voting on the relevant Board resolutions. Save for the above Directors, none of the other Directors have or are deemed to have any material interests in the aforementioned connected transactions.

The Directors (excluding the Independent Non-executive Directors, who will express their opinion after taking into account the recommendations from the Independent Financial Adviser) are of the view that the terms of the Equity Transfer and Capital Injection Agreements are determined after arm's length negotiations on normal commercial terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole, although they are not conducted in the ordinary and usual course of business of the Company due to the transaction nature.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xinjiang Tianchi is a subsidiary of TBEA, while TBEA directly and indirectly holds approximately 64.52% of the total issued share capital of the Company and thus is the controlling shareholder of the Company. As such, Xinjiang Tianchi is a connected person of the Company. Therefore, the transactions contemplated under the Equity Transfer and Capital Injection Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Upon completion of the Equity Transfer and Capital Injection, the Company's interest in the Target Companies will be both reduced from 99.81% to 59.90%. Accordingly, the Equity Transfer and Capital Injection will constitute deemed disposals under Chapter 14 of the Listing Rules. As both the Shengyu Agreement and the Shengding Agreement were entered into within a 12-month period and are related to each other, the transactions contemplated under each of them are required to be aggregated and treated as one transaction pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as aggregated) in respect of the transactions contemplated under the Equity Transfer and Capital Injection Agreements exceeds 5% but is less than 25%, therefore, the Equity Transfer and Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Equity Transfer and Capital Injection is subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Company will seek approval from the Independent Shareholders at the EGM in respect of the Equity Transfer and Capital Injection. Such resolution will be put forward by way of an ordinary resolution and decided by way of poll at the EGM. TBEA Group shall abstain from voting on the resolution at the EGM relating to the approval of the Equity Transfer and Capital Injection. The Independent Board Committee comprising of all Independent Non-executive Directors has been established to advise the Independent Shareholders in respect of the Equity Transfer and Capital Injection. 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 Equity Transfer and Capital Injection; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) the EGM notice; and (v) other information prescribed by the Listing Rules is expected to be sent to shareholders of the Company on or before 28 March 2025 pursuant to the Listing Rules.

## DEFINITIONS

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

“3GW New Energy Projects in Zhundong”	including the 1GW PV and supporting energy storage project as a demonstration project in the Zhundong Xinte Silicon Green and Low-carbon Silicon-based Industrial Park (the <b>“1GW PV Storage Project in Zhundong”</b> ) and the 2GW wind power and supporting energy storage project as a demonstration project in the Zhundong Xinte Silicon Green and Low-carbon Silicon-based Industrial Park (the <b>“2GW Wind Energy Storage Project in Zhundong”</b> )
“Board”	the board of Directors of the 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 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)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the general meeting of the Company to be convened and held as soon as practicable to consider and, if thought fit, among others, approve the Equity Transfer and Capital Injection

“Equity Transfer and Capital Injection”	pursuant to the Equity Transfer and Capital Injection Agreements, (1) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengyu to Xinjiang Tianchi for a consideration of RMB46,745,600 and RMB46,745,600 respectively; (2) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengding to Xinjiang Tianchi for a consideration of RMB24,100 and RMB24,100 respectively; and (3) Xinjiang Tianchi agreed to inject RMB209,721,800 to Shengyu and inject RMB387,924,000 to Shengding as their new registered capital respectively
“Equity Transfer and Capital Injection Agreements”	the Shengyu Agreement and the Shengding Agreement
“Group”	the Company and its subsidiaries
“GW”	gigawatt, a unit of power. 1GW = 1,000MW
“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 Equity Transfer and Capital Injection
“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 Equity Transfer and Capital Injection
“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Independent Shareholder(s)”	Shareholder(s) other than TBEA and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shengding”	Changji Prefecture Shengding New Energy Power Generation Co., Ltd.* (昌吉州盛鼎新能源發電有限公司), a company incorporated in the PRC with limited liability on 10 July 2023 and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Shengding Agreement”	the equity transfer and capital injection agreement dated 7 March 2025 entered into between Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, and Shengding
“Shengyu”	Changji Prefecture Shengyu New Energy Power Generation Co., Ltd.* (昌吉州盛裕新能源發電有限公司), a company incorporated in the PRC with limited liability on 10 July 2023 and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Shengyu Agreement”	the equity transfer and capital injection agreement dated 7 March 2025 entered into between Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, and Shengyu
“Silicon New Material”	Xinte Silicon New Materials Co., Ltd.* (新特硅基新材料有限公司), a company incorporated in the PRC with limited liability on 17 February 2022 and a wholly owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“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 as at the date of this announcement
“Target Companies”	Shengyu and Shengding



“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). As at the date of this announcement, TBEA directly and indirectly held 64.52% equity interest of the Company, and is a controlling shareholder of the Company
“TBEA Group”	TBEA and its associates (excluding the Group)
“Valuation Report”	the valuation report on the Target Companies prepared by the Valuer for the purpose of the Equity Transfer and Capital Injection and dated 3 March 2025
“Valuer”	Zhongshenghua Asset Appraisal Co., Ltd. (中盛華資產評估有限公司), an independent third party independent of the Group and its connected persons
“Xinjiang Tianchi”	Xinjiang Tianchi Energy Co., Ltd.* (新疆天池能源有限公司), a company incorporated in the PRC with limited liability on 29 November 2002. As at the date of this announcement, TBEA directly holds 85.78% of its equity interest
“%”	per cent

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

Xinjiang, the PRC  
7 March 2025

*As at the date of this announcement, the Board consists of Mr. Zhang Jianxin, Mr. Yang Xiaodong, Ms. Kong Ying and Mr. Hu Weijun as executive Directors; Mr. Zhang Xin and Mr. Huang Hanjie as non-executive Directors; and Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive Directors.*

\* *For identification purpose only*

## APPENDIX I — SUMMARY OF THE VALUATION REPORT

### 1. VALUATION SUBJECT AND VALUATION SCOPE

The valuation subject of this asset valuation is the value of the total shareholders' equity in Changji Prefecture Shengyu New Energy Power Generation Co., Ltd.\* (昌吉州盛裕新能源發電有限公司) (“**Shengyu**”) as at 31 December 2024 (the “**Valuation Benchmark Date**”). The valuation scope covers all of the audited assets and liabilities of Shengyu as at the Valuation Benchmark Date. As at the Valuation Benchmark Date, the assets within the valuation scope included current assets, non-current assets (construction in progress, etc.), with the book value of total assets of RMB1,006,895,600; the liabilities mainly included current and non-current liabilities, with the book value of total liabilities of RMB632,931,100; the book value of the total shareholders' equity was RMB373,964,600.

The above information is extracted from the balance sheet of Shengyu as at 31 December 2024, which was audited by Urumqi Branch of SHINEWING Certified Public Accountants LLP. The valuation has been carried out based on the audited financial statements of Shengyu.

### 2. VALUATION APPROACH

The asset-based approach refers to the valuation approach in which, based on the balance sheet of the valuation subject as at the Valuation Benchmark Date, the value of identifiable assets and liabilities on and off the balance sheet shall be evaluated so as to determine the value of the valuation subject. The conditions precedent for application of the asset-based approach include: (1) the valuation subject remains in the continued use state or is assumed to remain in the continued use state; (2) it is capable to determine that the valuation subject has the expected profitable potential; and (3) historical data that can be utilized are available. As Shengyu has relatively complete financial data, and each element of assets can continue to be used and brings economic benefits to the controller, it is appropriate to adopt the asset-based approach.

The income approach refers to a general term for various valuation approaches that determine the value of the valuation subject by capitalising or discounting its expected income. The income approach evaluates the value of a company based on its future profitability, which reflects the basic value of the company to its owners. However, due to the fact that the projects developed by Shengyu are under construction, it is impossible to obtain sufficient income forecast information, and future cash flows cannot be reliably predicted. Therefore, the Valuer believes that the income approach cannot fully reflect the value of the total shareholders' equity in Shengyu.

The market approach refers to the general term for valuation approaches that determine the value of valuation subject based on the market price of the comparable reference objects by comparing the valuation subject with comparable reference objects. Through the understanding and analysis of the own market and relevant industry of Shengyu, the Valuer considered that although the current equity trading market in China is increasingly open, it is difficult to collect a sufficient number of reference objects that are comparable to Shengyu in terms of asset scale, asset characteristics, operational and financial risks, as well as the ability to grow, and there is a lack of comparable listed companies or comparable transaction cases. Therefore, the Valuer believes that the market approach cannot fully reflect the value of the total shareholders' equity in Shengyu.

After considering the reasonability of different valuation approaches and the quality and quantity of information available, and based on the valuation purpose and the specific conditions of Shengyu, the Valuer believes that the asset-based approach is the only appropriate valuation approach in the valuation.

### **3. VALUATION ASSUMPTIONS**

#### **(1) General Assumptions**

##### ***1) Transaction assumption***

The transaction assumption assumes that all assets to be appraised are in the course of transaction and the valuation performed by the Valuer is based on simulated market conditions such as the transaction conditions of the assets to be appraised. The transaction assumption is one of the most basic assumptions for the asset valuation to be conducted.

##### ***2) Open market assumption***

The open market assumption assumes that for the assets to be transacted or intended to be transacted in the market, the parties to asset transaction shall have equal status, and also have the opportunity and time to gain sufficient market information, so as to make a rational judgment on functions, purpose and trading prices of the assets. The open market assumption is based on the fact that the assets can be publicly traded on the market.

### 3) *Ongoing concern assumption*

The ongoing concern assumption of the enterprise assumes that the appraised enterprise carries out operations in compliance with the laws. There will be no unforeseeable factors leading to a disruption of the ongoing operation, and the existing use of assets of the appraised enterprise will remain unchanged and continue to be used on-site.

## (2) **Special Assumptions**

- 1) There will be no major changes in the current national macro-economic, financial and industrial policies;
- 2) The external economic environment will remain unchanged and the prevailing national macro-economy will not change significantly as at the Valuation Benchmark Date;
- 3) There will be no major changes in the social and economic environments where the appraised enterprise operates as well as the applicable policies on taxation and tax rate, etc.;
- 4) Every asset for this valuation is premised on the actual inventory as at the Valuation Benchmark Date, and the current market price of the relevant asset is based on the effective domestic prices as at the Valuation Benchmark Date;
- 5) In this valuation, it is assumed that all basic information and financial information provided by the client and the appraised enterprise are true, accurate and complete;
- 6) The valuation scope is subject to the appraisal declaration form provided by the client and the appraised enterprise, without taking into account the contingent assets and contingent liabilities that may exist outside the list provided by the client and the appraised enterprise; and
- 7) The valuation does not take into account the effect of inflation factor.

#### **4. INPUTS AND COMPUTATION PROCESS OF THE VALUATION**

According to the Valuation Report and the valuation methods used in the valuation, the valuation concept is to reasonably determine the value of the total shareholders' equity on the Valuation Benchmark Date after evaluating each individual asset and liability. The calculation formula is: the value of the total shareholders' equity = the sum of the appraised value of each individual asset — appraised value of the liabilities

##### **(1) Current assets**

###### ***1) Valuation of monetary capital***

For RMB-denominated monetary capital, the appraised value is determined based on verified book value.

###### ***2) Notes receivable***

For the appraisal of notes receivable, the appraisers verified whether the subsidiary ledgers were consistent with the general ledgers and statement balances, verified whether they were consistent with the breakdown of inspection valuation commissioned to be evaluated and verified the consistency between the nominal value, time of occurrence, business content and coupon rate of the notes and the accounting records to confirm the authenticity and completeness of notes receivable. The results indicated that amounts in the ledgers, statements, and notes were consistent, the notes receivable is authentic with accurate amount and without unaccrued interest, and the appraised value is determined by the verified book value.

###### ***3) Valuation of debt assets (prepayments, other receivables)***

The historical information and details obtained from investigations during the valuation will be taken into account in combination with alternative appraisal procedures to be performed, including detailed accounts to be checked, and confirmation letters to be served, so that all breakdowns can be verified. The appraised value is determined based on the amount that is likely to be recovered.

In the case of prepayments, the appraised value is determined based on the value of the assets or rights formed by the corresponding goods that can be recovered.

The value of receivables determined as uncollectable under conclusive evidence in the valuation are appraised to be zero. Where no valid evidence is obtained, the aging analysis method shall be adopted to estimate bad debt losses. The appraised value is derived from the estimated recoverable amount on the basis of deducting the expected bad debts.

**4) *Valuation of other current assets***

For the valuation of other current assets, the consistency between valuation breakdown tables and the statements is verified, and the amount of payments, time of occurrence, business content and other accounting records are checked in order to verify the authenticity and completeness of the assets. Upon verification with no discrepancies being found, the appraised value is determined based on verified book value.

**(2) *Non-current assets***

**1) *Construction in progress***

Taking into account the characteristics of the construction in progress, and considering the type and specific circumstances of the construction in progress, the cost method is adopted for the valuation.

When adopting the cost method to appraise the construction in progress, the appraisers verified the relevant subsidiary ledgers and entry vouchers, interviewed the relevant personnel and conducted on-site investigation.

For the 1GW PV Storage Project in Zhundong included in the construction in progress, the book value includes the actual costs incurred in the preliminary construction stage, and therefore the appraised value for this valuation is determined based on the book value after checking and verification.

**2) *Right-of-use assets***

Right-of-use assets represent the rights of using leased assets in the lease term for lessee. The enterprise conducts the accounting in accordance with the provisions of Accounting Standards for Business Enterprises No. 21-Leases (Amendments), and recognizes the right-of-use assets and lease liabilities.

The right-of-use assets subject to this commissioned valuation primarily consist of right-of-use assets arising from land leased to the property holding entity. The appraisers verified the general ledgers, subsidiary ledgers, accounting statements and the breakdown of inspection valuation of the enterprise, reviewed the relevant original vouchers and lease contracts, analyzed the accuracy and reasonableness of the initial measurement and amortization amount of each leased assets, which were in compliance with the accounting provisions of the accounting standards on leasing. The book balance reasonably reflected the equity value of the relevant right-of-use assets shared by Shengyu as of the Valuation Benchmark Date, therefore the appraised value of this valuation is recognized by the verified book value.

### 3) *Deferred income tax assets*

The accounting subject of deferred income tax assets is the temporary difference of deductible amount arising from the provision for bad debts of other receivables and, the provision for bad debts of notes receivable, government grants related to assets for which corporate income tax has been paid and right-of-use assets (difference between fair value and book value). During the verification process, the appraisers verified whether the subsidiary ledgers were consistent with the general ledgers and statement balances, verified whether they were consistent with the breakdown of inspection valuation commissioned to be evaluated and checked the accounting records such as the amount, time of occurrence and business content to confirm the authenticity and completeness of the deferred income tax assets. Upon verification with no discrepancies being found, the appraised value is determined by multiplying the bad debt risk losses ascertained from the evaluation of other receivables together with the, bad debt risk losses recognized from the evaluation of notes receivable, government grants related to assets for which corporate income tax has been paid and right-of-use assets (difference between fair value and book value) by the currently applicable income tax rate of the enterprise.

Basic formula: appraised value of deferred income tax assets = (evaluated risk loss of other receivables + risk losses from the evaluation of notes receivable + government grants related to assets for which corporate income tax has been paid + difference between fair value and book value of right-of-use assets) × income tax rate

#### **4) *Other non-current assets***

For the valuation of other non-current assets, the appraisers shall carry out the verification of the general ledgers, subsidiary ledgers, accounting statements and the breakdown of inspection valuation to understand the formation of other non-current assets, the authenticity and rationality of the entry basis, and whether the calculation of the book balance is correct.

### **(3) Liabilities**

Liabilities are the economic debts assumed by the enterprise that can be measured in currency and required to be settled by future assets or services.

The appraisers checked and verified the actual debtors and debt amounts of various liabilities after fulfilling the appraisal purpose, and determined the appraised value according to the items and amounts of liabilities that the property owner actually needs to bear after fulfilling the appraisal purpose.



## 5. APPRAISAL CONCLUSION

Upon valuation by the asset-based approach, the book value of total assets of Shengyu as at the Valuation Benchmark Date was RMB1,006,895,600 and the appraised value was RMB1,006,895,600, without any appreciation or depreciation in the appraised value. The book value of total liabilities was RMB632,931,100 and the appraised value was RMB632,931,100, without any appreciation or depreciation in the appraised value. The book value of the total shareholders' equity was RMB373,964,600 and the appraised value was RMB373,964,600, without any appreciation or depreciation in the appraised value. The appraisal results of the asset-based approach are summarized below:

*Unit: RMB0'000*

Items	Carrying amount A	Appraised value B	Increase/ decrease C=A-B	Appreciation rate % D=C/A×100
<b>Current assets</b>	<b>15,225.47</b>	<b>15,225.47</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-current assets</b>	<b>85,464.09</b>	<b>85,464.09</b>	<b>0.00</b>	<b>0.00</b>
Including: Available-for-sale financial assets				
Held to-maturity investments				
Debt investments				
Other debt investments				
Long-term receivables				
Long-term equity investments				
Other equity instrument investments				
Other non-current financial assets				
Investment properties				
Fixed assets				
Construction in progress	76,859.62	76,859.62	0.00	0.00
Productive biological assets				
Oil and gas assets				
Right-of-use assets	5,802.32	5,802.32	0.00	0.00
Intangible assets				
Development expenses				
Goodwill				
Long-term deferred expenses				
Deferred income tax assets	38.84	38.84	0.00	0.00
Other non-current assets	2,763.30	2,763.30	0.00	0.00
<b>Total assets</b>	<b>100,689.56</b>	<b>100,689.56</b>	<b>0.00</b>	<b>0.00</b>
Current liabilities	62,618.99	62,618.99	0.00	0.00
Non-current liabilities	674.11	674.11	0.00	0.00
<b>Total liabilities</b>	<b>63,293.11</b>	<b>63,293.11</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets (owners' equity)</b>	<b>37,396.46</b>	<b>37,396.46</b>	<b>0.00</b>	<b>0.00</b>

## **6. VALIDITY OF VALUATION**

The appraisal conclusion is valid for use for one year commencing from the Valuation Benchmark Date, i.e. from 31 December 2024 to 30 December 2025. Upon expiration, the assets should be reappraised.

## **7. APPRAISAL AGENCY**

The Valuation Report was issued by Zhongshenghua Asset Appraisal Co., Ltd.\* (中盛華資產評估有限公司), a qualified valuer in the PRC. Zhongshenghua Asset Appraisal Co., Ltd. is an independent third party of the Company, and does not have any shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for, or to nominate persons to subscribe for securities in any member of the Group.

## APPENDIX II — SUMMARY OF THE VALUATION REPORT

### 1. VALUATION SUBJECT AND VALUATION SCOPE

The valuation subject of this asset valuation is the value of the total shareholders' equity in Changji Prefecture Shengding New Energy Power Generation Co., Ltd.\* (昌吉州盛鼎新能源發電有限公司) (“**Shengding**”) as at 31 December 2024 (the “**Valuation Benchmark Date**”). The valuation scope covers all of the audited assets and liabilities of Shengding as at the Valuation Benchmark Date. As at the Valuation Benchmark Date, the assets within the valuation scope included current assets, non-current assets (construction in progress, etc.), with the book value of total assets of RMB30,993,500; the liabilities mainly included current liabilities, with the book value of total liabilities of RMB30,800,900; the book value of the total shareholders' equity was RMB192,500.

The above information is extracted from the balance sheet of Shengding as at 31 December 2024, which was audited by Urumqi Branch of SHINEWING Certified Public Accountants LLP. The valuation has been carried out based on the audited financial statements of Shengding.

### 2. VALUATION APPROACH

The asset-based approach refers to the valuation approach in which, based on the balance sheet of the valuation subject as at the Valuation Benchmark Date, the value of identifiable assets and liabilities on and off the balance sheet shall be evaluated so as to determine the value of the valuation subject. The conditions precedent for application of the asset-based approach include: (1) the valuation subject remains in the continued use state or is assumed to remain in the continued use state; (2) it is capable to determine that the valuation subject has the expected profitable potential; and (3) historical data that can be utilized are available. As Shengding has relatively complete financial data, and each element of assets can continue to be used and brings economic benefits to the controller, it is appropriate to adopt the asset-based approach.

The income approach refers to a general term for various valuation approaches that determine the value of the valuation subject by capitalising or discounting its expected income. The income approach evaluates the value of a company based on its future profitability, which reflects the basic value of the company to its owners. However, due to the fact that the projects developed by Shengding are under construction, it is impossible to obtain sufficient income forecast information, and future cash flows cannot be reliably predicted. Therefore, the Valuer believes that the income approach cannot fully reflect the value of the total shareholders' equity in Shengding.

The market approach refers to the general term for valuation approaches that determine the value of valuation subject based on the market price of the comparable reference objects by comparing the valuation subject with comparable reference objects. Through the understanding and analysis of the own market and relevant industry of Shengding, the Valuer considered that although the current equity trading market in China is increasingly open, it is difficult to collect a sufficient number of reference objects that are comparable to Shengding in terms of asset scale, asset characteristics, operational and financial risks, as well as the ability to grow, and there is a lack of comparable listed companies or comparable transaction cases. Therefore, the Valuer believes that the market approach cannot fully reflect the value of the total shareholders' equity in Shengding.

After considering the reasonability of different valuation approaches and the quality and quantity of information available, and based on the valuation purpose and the specific conditions of Shengding, the Valuer believes that the asset-based approach is the only appropriate valuation approach in the valuation.

### **3. VALUATION ASSUMPTIONS**

#### **(1) General Assumptions**

##### ***1) Transaction assumption***

The transaction assumption assumes that all assets to be appraised are in the course of transaction and the valuation performed by the Valuer is based on simulated market conditions such as the transaction conditions of the assets to be appraised. The transaction assumption is one of the most basic assumptions for the asset valuation to be conducted.

##### ***2) Open market assumption***

The open market assumption assumes that for the assets to be transacted or intended to be transacted in the market, the parties to asset transaction shall have equal status, and also have the opportunity and time to gain sufficient market information, so as to make a rational judgment on functions, purpose and trading prices of the assets. The open market assumption is based on the fact that the assets can be publicly traded on the market.

### 3) *Ongoing concern assumption*

The ongoing concern assumption of the enterprise assumes that the appraised enterprise carries out operations in compliance with the laws. There will be no unforeseeable factors leading to a disruption of the ongoing operation, and the existing use of assets of the appraised enterprise will remain unchanged and continue to be used on-site.

## (2) **Special Assumptions**

- 1) There will be no major changes in the current national macro-economic, financial and industrial policies;
- 2) The external economic environment will remain unchanged and the prevailing national macro-economy will not change significantly as at the Valuation Benchmark Date;
- 3) There will be no major changes in the social and economic environments where the appraised enterprise operates as well as the applicable policies on taxation and tax rate, etc.;
- 4) Every asset for this valuation is premised on the actual inventory as at the Valuation Benchmark Date, and the current market price of the relevant asset is based on the effective domestic prices as at the Valuation Benchmark Date;
- 5) In this valuation, it is assumed that all basic information and financial information provided by the client and the appraised enterprise are true, accurate and complete;
- 6) The valuation scope is subject to the appraisal declaration form provided by the client and the appraised enterprise, without taking into account the contingent assets and contingent liabilities that may exist outside the list provided by the client and the appraised enterprise; and
- 7) The valuation does not take into account the effect of inflation factor.

#### **4. INPUTS AND COMPUTATION PROCESS OF THE VALUATION**

According to the Valuation Report and the valuation methods used in the valuation, the valuation concept is to reasonably determine the value of the total shareholders' equity on the Valuation Benchmark Date after evaluating each individual asset and liability. The calculation formula is: the value of the total shareholders' equity = the sum of the appraised value of each individual asset — appraised value of the liabilities

##### **(1) Current assets**

###### ***1) Valuation of monetary capital***

For RMB-denominated monetary capital, the appraised value is determined based on verified book value.

###### ***2) Valuation of debt assets (prepayments, other receivables)***

The historical information and details obtained from investigations during the valuation will be taken into account in combination with alternative appraisal procedures to be performed, including detailed accounts to be checked, and confirmation letters to be served, so that all breakdowns can be verified. The appraised value is determined based on the amount that is likely to be recovered.

In the case of prepayments, the appraised value is determined based on the value of the assets or rights formed by the corresponding goods that can be recovered.

The value of receivables determined as uncollectable under conclusion evidence in the valuation are appraised to be zero. Where no valid evidence is obtained, the aging analysis method shall be adopted to estimate bad debt losses. The appraised value is derived from the estimated recoverable amount on the basis of deducting the expected bad debts.

###### ***3) Valuation of other current assets***

For the valuation of other current assets, the consistency between valuation breakdown tables and the statements is verified, and the amount of payments, time of occurrence, business content and other accounting records are checked in order to verify the authenticity and completeness of the assets. Upon verification with no discrepancies being found, the appraised value is determined based on verified book value.

## **(2) Non-current assets**

### **1) *Construction in progress***

Taking into account the characteristics of the construction in progress, and considering the type and specific circumstances of the construction in progress, the cost method is adopted for the valuation.

When adopting the cost method to appraise the construction in progress, the appraisers verified the relevant subsidiary ledgers and entry vouchers, interviewed the relevant personnel and conducted on-site investigation.

For the 2GW Wind Energy Storage Project in Zhundong included in the construction in progress, the book value includes the actual costs incurred in the preliminary construction stage, and therefore the appraised value for this valuation is determined based on the book value after checking and verification.

### **2) *Deferred income tax assets***

The accounting subject of deferred income tax assets is the temporary difference of deductible amount arising from the provision for bad debts of other receivables. During the verification process, the appraisers verified whether the subsidiary ledgers were consistent with the general ledgers and statement balances, verified whether they were consistent with the breakdown of inspection valuation commissioned to be evaluated, and checked the accounting records such as the amount, time of occurrence and business content to confirm the authenticity and completeness of the deferred income tax assets. Upon verification with no discrepancies being found, the appraised value is determined by multiplying the bad debt risk losses ascertained from the evaluation of other receivables by the currently applicable income tax rate of the enterprise.

Basic formula: appraised value of deferred income tax assets = evaluated risk loss of other receivables × income tax rate

## **(3) Liabilities**

Liabilities are the economic debts assumed by the enterprise that can be measured in currency and required to be settled by future assets or services.

The appraisers checked and verified the actual debtors and debt amounts of various liabilities after fulfilling the appraisal purpose, and determined the appraised value according to the items and amounts of liabilities that the property owner actually needs to bear after fulfilling the appraisal purpose.

## 5. APPRAISAL CONCLUSION

Upon valuation by the asset-based approach, the book value of total assets of Shengding as at the Valuation Benchmark Date was RMB30,993,500 and the appraised value was RMB30,993,500, without any appreciation or depreciation in the appraised value. The book value of liabilities was RMB30,800,900 and the appraised value was RMB30,800,900, without any appreciation or depreciation in the appraised value. The book value of the total shareholders' equity was RMB192,500 and the appraised value was RMB192,500, without any appreciation or depreciation in the appraised value. The appraisal results of the asset-based approach are summarized below:

*Unit: RMB0'000*

Items	Carrying amount A	Appraised value B	Increase/ decrease C=A-B	Appreciation rate % D=C/A×100
<b>Current assets</b>	<b>431.23</b>	<b>431.23</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-current assets</b>	<b>2,668.12</b>	<b>2,668.12</b>	<b>0.00</b>	<b>0.00</b>
Including: Available-for-sale financial assets				
Held to-maturity investments				
Debt investments				
Other debt investments				
Long-term receivables				
Long-term equity investments				
Other equity instrument investments				
Other non-current financial assets				
Investment properties				
Fixed assets				
Construction in progress	2,668.12	2,668.12	0.00	0.00
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets				
Development expenses				
Goodwill				
Long-term deferred expenses				
Deferred income tax assets				
Other non-current assets				
<b>Total assets</b>	<b>3,099.35</b>	<b>3,099.35</b>	<b>0.00</b>	<b>0.00</b>
Current liabilities	3,080.09	3,080.09	0.00	0.00
Non-current liabilities				
<b>Total liabilities</b>	<b>3,080.09</b>	<b>3,080.09</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets (owners' equity)</b>	<b>19.25</b>	<b>19.25</b>	<b>0.00</b>	<b>0.00</b>



## **6. VALIDITY OF VALUATION**

The appraisal conclusion is valid for use for one year commencing from the Valuation Benchmark Date, i.e. from 31 December 2024 to 30 December 2025. Upon expiration, the assets should be reappraised.

## **7. APPRAISAL AGENCY**

The Valuation Report was issued by Zhongshenghua Asset Appraisal Co., Ltd.\* (中盛華資產評估有限公司), a qualified valuer in the PRC. Zhongshenghua Asset Appraisal Co., Ltd. is an independent third party of the Company, and does not have any shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for, or to nominate persons to subscribe for securities in any member of the Group.