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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)

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS FACTORING SERVICES FRAMEWORK AGREEMENT

FACTORING SERVICES FRAMEWORK AGREEMENT

On 31 March 2025, the Company entered into the Factoring Services Framework Agreement with the Factoring Company, pursuant to which, the Factoring Company agreed to provide the Non-recourse Factoring Services to the Group during the term of the Factoring Services Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA holds 100% equity interest in the Factoring Company, while TBEA directly and indirectly holds approximately 64.52% of the total issued share capital of the Company and is the controlling shareholder of the Company. Therefore, the Factoring Company is a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Services Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the subsidiaries of the Company entered into the Accounts Receivable Transfer Agreements with the Factoring Company on 21 November 2024 and commenced the accounts receivable factoring business, the proposed annual cap for the year ending 31 December 2025 under the Factoring Services Framework Agreement is required to be aggregated with the transactions under the Accounts Receivable Transfer Agreements pursuant to Rules 14.22 and 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the proposed annual cap for the transactions contemplated under the Factoring Services Framework Agreement on an aggregated basis is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, such transactions are subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and 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 proposed annual caps under the Factoring Services Framework Agreement. 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 transactions contemplated under the Factoring Services Framework Agreement; (ii) a letter of advice issued by the Independent Financial Adviser; (iii) the recommendation of 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 24 April 2025 in accordance with the Listing Rules.

References are made to the announcement of the Company dated 21 November 2024 in relation to the Accounts Receivable Transfer Agreements.

FACTORING SERVICES FRAMEWORK AGREEMENT

On 31 March 2025, the Company entered into the Factoring Services Framework Agreement with the Factoring Company, pursuant to which, the Factoring Company agreed to provide Non-recourse Factoring Services to the Group. The principal terms of the Factoring Services Framework Agreement are set out below:

Date: 31 March 2025

Parties: (1) Factoring Company; and
(2) The Company

Term of agreement:	<p>The Factoring Services Framework Agreement shall come into effect upon signing with official seals by the authorized representatives of the Company and the Factoring Company, and after the date on which it was considered and approved at the EGM of the Company. The term of the Factoring Services Framework Agreement is from the effective date to 31 December 2026.</p>
Factoring service details:	<p>The Factoring Company shall provide the Group with the Non-recourse Factoring Services for its accounts receivable, whereby the Group shall transfer its accounts receivable to the Factoring Company. The Factoring Company shall assume full commercial credit risk in respect of the accounts receivable provided by the Group based on its contract(s) with certain purchaser(s). In the absence of commercial disputes and when the purchaser(s) fails to fulfil its payment obligations, the Factoring Company waives its right of recourse against the Group and bears the corresponding bad debt risk on its own.</p> <p>The Group is not required to provide asset guarantee or other guarantee for the factoring business under the Factoring Services Framework Agreement.</p>
Pricing principles	<p>The transfer consideration of the accounts receivable to be by the Factoring Company to the Group shall be equal to the book value of the accounts receivable minus the factoring fees to be paid by the Group to the Factoring Company. The Group shall, after arm's length negotiations with the Factoring Company and taking into account the prevailing market conditions, enter into specific contracts with the Factoring Company on agreed terms during the term of the Factoring Services Framework Agreement to determine the consideration for the transfer of the accounts receivable, the specific calculation method and payment terms of the factoring fees and other details.</p> <p>The transactions under the Factoring Services Framework Agreement shall follow the fair market principle and be conducted on terms not less favorable than the relevant terms offered under similar categories, tenors, and conditions by (i) an independent third party to the Group; and (ii) the Factoring Company to the TBEA Group (excluding the Group).</p>

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION UNDER THE FACTORING SERVICES FRAMEWORK AGREEMENT

The annual caps in respect of the transactions contemplated under the Factoring Services Framework Agreement for the years ending 31 December 2025 and 2026 are estimated to be RMB1.2 billion and RMB1.7 billion, respectively.

The above proposed annual caps are determined by the Board with reference to, among other things, the current overall status, the recovery status upon maturity and the anticipated future increase of the Group's accounts receivable and the actual needs of the operation of the Group, the details of which are as follows:

As at 31 December 2024, the total amount of accounts receivable of the Group was approximately RMB5.06 billion, which was mainly due to (1) the long recovery cycle of the national renewable energy subsidies in the power generation income of the wind power and PV operational power plants of the Group; (2) the long construction and settlement cycle of the wind power and PV power plants construction business of the Group, which requires a certain period of time for payment collection; (3) payments related to the Group's electrical equipment products, such as inverters, including delivery payments, acceptance payments, and quality assurance deposits.

By the end of 2024, the Group has achieved approximately 3.5GW for the wind power and PV operational power plant projects for grid-connected power generation, including approximately 1GW of projects involving national renewable energy subsidies. Taking into account the expected electricity sales volume of the projects and the historical recovery of subsidy-related accounts receivable, it is estimated that the annual increase in accounts receivable related to national renewable energy subsidies for the Group will be approximately RMB800 million over the next two years. Meanwhile, aligning with national policy directions and seizing opportunities in the renewable energy sector, the Group is intensifying efforts to acquire wind and solar resources while vigorously expanding its electrical equipment manufacturing business, including inverters, SVGs, and flexible direct current transmission converter valves. Over the next two years, the Company expects to complete and recognize revenue from PV and wind power construction projects with an installed capacity of approximately 3–4 GW annually, with shipments of key equipment such as inverters maintaining a growth rate of 50%. It is projected that the annual increase in accounts receivable related to wind and PV power plant construction and electrical equipment sales for the Group in 2025 and 2026 will be not less than RMB800 million and RMB1.6 billion, respectively. In summary, the annual increase in accounts receivable of the Group in 2025 and 2026 is expected to be not less than RMB1.6 billion and RMB2.4 billion, respectively.

Therefore, taking into account the accounts receivable balance by the end of 2024, the recovery status of maturing accounts receivable and increase in accounts receivable on the basis of future business development, the Group considers that the proposed annual caps for the accounts receivable factoring business in 2025 and 2026 aligns with the actual operational needs of the Company.

INTERNAL CONTROL MEASURES

In order to protect the interests of the shareholders (including the minority shareholders) as a whole, the Company will adopt internal approval and monitoring procedures in relation to the transactions under the Factoring Services Framework Agreement, including the following:

- (i) The finance department of the Company shall collect and review contemporaneous prices and other relevant terms offered by at least two independent third parties (if any) before entering into a specific factoring agreement separately and ensure that the terms offered by the Factoring Company are fair and reasonable and comparable to those offered by at least two independent third parties. The Company will accept the services of an independent third party if the terms offered by the independent third party are more favourable to the Company;
- (ii) The finance department of the Company shall regularly review and verify the transaction process of the relevant continuing connected transactions. In particular, they shall verify and assess whether the proposed transactions to be entered into are expected to exceed the annual caps, and, where necessary, bring the matter to the attention of the Board together with the proposed revised annual caps and other relevant information, to enable the Board to consider and comply with the applicable Listing Rules (if applicable) in relation to the revised annual caps;
- (iii) After entering into specific factoring agreements separately pursuant to the Factoring Services Framework Agreement, the Company will review annually the pricing of the transactions and the factoring service rates charged under such specific factoring agreements separately entered into to ensure that such pricing and charges are conducted in accordance with the principles under the Factoring Services Framework Agreement;
- (iv) the Company shall convene a meeting on an annual basis to discuss any issues in the transactions under the Factoring Services Framework Agreement and suggestions for improvement; and

- (v) The Independent Non-executive Directors shall review the transactions under the Factoring Services Framework Agreement (including the fees charged for the transactions) annually and provide annual confirmations in the annual report of the Company in accordance with the Listing Rules that the transactions are on normal commercial terms or better, the terms are fair and reasonable and in the interests of the shareholders as a whole.

INFORMATION ON THE PARTIES

The Factoring Company is a company incorporated in the PRC with limited liability on 26 January 2022 and is a wholly-owned subsidiary of TBEA, a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 600089) and is the controlling shareholder of the Company, as at the date of this announcement, with a registered capital of RMB400 million. The principal business of the Factoring Company is the operation of commercial factoring business.

The Company is an industry leader in the manufacturing of polysilicon as well as in the development and operation of wind and PV power 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 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.

FINANCIAL IMPACT OF ENTERING INTO THE FACTORING SERVICES FRAMEWORK AGREEMENT AND USE OF PROCEEDS

It is estimated that the factoring fees payable by the Group for the transactions contemplated under the Factoring Service Framework Agreement will not exceed 3.5% of the book value of the accounts receivable to be transferred to the Factoring Company per year. The final amount will be determined after arm's length negotiation with reference to the types and the amount of receivables, the term, the prevailing market rate, the creditworthiness of the relevant debtors and other factors, in accordance with the specific factoring contract to be entered into. The proceeds from the transactions contemplated under the Factoring Services Framework Agreement will be used to replenish the working capital of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE FACTORING SERVICES FRAMEWORK AGREEMENT

The Group's accounts receivable relating to national renewable energy subsidies, wind and PV power station construction and other businesses have a long recovery cycle. The factoring of accounts receivable with the Factoring Company will speed up the recovery of the Group's accounts receivable, decrease the amount of receivables, optimize the asset structure, accelerate the asset turnover rate, reduce the cost of managing accounts receivable, improve operating cash flows, increase the efficiency of capital utilization and enhance operational capabilities, broaden the financing channels and reduce the financing costs.

The Factoring Company is a commercial factoring company established with the approval of the Tianjin Municipal Financial Regulatory Bureau* (天津市地方金融管理局), and possesses relevant licenses for the provision of factoring services. The Factoring Company is a wholly-owned subsidiary of TBEA, which has a deep understanding of the business operations of the Group and is capable of providing more convenient, efficient and customized factoring services than other financial institutions. Additionally, it is more convenient for the Factoring Company to integrate the resources of the TBEA Group at all levels and lower the factoring fees as compared with the Group carrying out its own commercial factoring business.

BOARD CONFIRMATION

As at the date of this announcement, each of the Directors, namely Mr. Zhang Xin and Mr. Huang Hanjie, holds a position at and/or interests in TBEA, they are deemed to have material interests in the transactions contemplated under the Factoring Services Framework Agreement and are required to abstain from voting on the relevant Board resolutions. Save for the above Directors, none of the Directors have or are deemed to have any material interests in the aforementioned connected transactions.

The Directors (save for 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 Factoring Services Framework Agreement and the 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 are determined after arm's length negotiations on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA holds 100% equity interest in the Factoring Company, while TBEA directly and indirectly holds approximately 64.52% of the total issued share capital of the Company and is the controlling shareholder of the Company. Therefore, the Factoring Company is a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Services Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the subsidiaries of the Company entered into the Accounts Receivable Transfer Agreements with the Factoring Company on 21 November 2024 and commenced the accounts receivable factoring business, the proposed annual cap for the year ending 31 December 2025 under the Factoring Services Framework Agreement is required to be aggregated with the transactions under the Accounts Receivable Transfer Agreements pursuant to Rules 14.22 and 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the proposed annual cap for the transactions contemplated under the Factoring Services Framework Agreement on an aggregated basis is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, such transactions are subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and 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, among other things, the transactions contemplated under the Factoring Services Framework Agreement as well as the proposed annual caps for the years ending 31 December 2025 and 2026. 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 transactions contemplated under the Factoring Services Framework Agreement as well as the proposed annual caps.

The Independent Board Committee comprising of all Independent Non-executive Directors has been established to advise the Independent Shareholders in respect of the proposed annual caps under the Factoring Services Framework Agreement. 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 transactions contemplated under the Factoring Services Framework Agreement; (ii) a letter of advice issued by the Independent Financial Adviser; (iii) the recommendation of 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 24 April 2025 in accordance with the Listing Rules.

DEFINITIONS

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

“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
“Accounts Receivable Transfer Agreements”	collectively, the accounts receivable transfer agreements entered into between TBEA Xi’an Electrical Technology Co., Ltd.* (特變電工西安電氣科技有限公司), TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), subsidiaries of the Company, and the Factoring Company respectively dated 21 November 2024. For details, please refer to the Company’s announcement dated 21 November 2024.

“EGM”	the extraordinary general meeting of the Company to be convened and held as soon as practicable to consider and, if thought fit, approve, among others, the transactions contemplated under the Factoring Services Framework Agreement as well as the proposed annual caps for the years ending 31 December 2025 and 2026
“Factoring Company”	Tianjin Sanyang Silu Commercial Factoring Co., Ltd.* (天津三陽絲路商業保理有限公司), a company incorporated in the PRC with limited liability on 26 January 2022, and it is held by TBEA as to 100% and is a connected person of the Company as at the date of this announcement
“Non-recourse Factoring Services”	the Factoring Company shall assume full commercial credit risk in respect of the accounts receivable provided by the Group based on its contract(s) with certain purchaser(s). In the absence of commercial disputes and when the purchaser(s) fails to fulfil its payment obligations, the Factoring Company waives its right of recourse against the Group and bears the corresponding bad debt risk on its own
“Factoring Services Framework Agreement”	the factoring services framework agreement entered into between the Company and the Factoring Company in respect of the provision of Non-recourse Factoring Services by the Factoring Company to the Group dated 31 March 2025
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“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 transactions contemplated under the Factoring Services Framework Agreement as well as the proposed annual caps

“Independent Shareholder(s)”	Shareholder(s) other than TBEA and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), 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, TBEA directly and indirectly holds 64.52% of the equity interest of the Company and is a controlling shareholder of the Company
“TBEA Group”	TBEA and its associates (excluding the Group)
“%”	per cent

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

Xinjiang, the PRC
31 March 2025

As at the date of this announcement, the Board consists of Mr. Zhang Jianxin, Mr. Yang Xiaodong 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*