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If you have sold or transferred all your shares in Xinte Energy Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 TRANSACTIONS
UNDER THE EQUITY TRANSFER AND
CAPITAL INJECTION AGREEMENTS;
PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR
AND
NOTICE OF THE SECOND EXTRAORDINARY
GENERAL MEETING OF 2025**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

SUNWAH KINGSWAY

新華滙富

Kingsway Capital Limited

A letter from the Board is set out on pages 6 to 24 of this circular. A letter from the Independent Financial Adviser, Kingsway Capital Limited containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 41 of this circular and a letter from the Independent Board Committee is set out on page 25 of this circular.

The notice convening the EGM to be held at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Tuesday, 29 April 2025 at 11:00 a.m., is set out on pages EGM-1 to EGM-3 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited and for holders of Domestic Shares, the form of proxy should be returned to the Company's Board secretary office not less than 24 hours before the time fixed for holding the EGM (i.e. no later than 11 a.m. on Monday, 28 April 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

3 April 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	25
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	26
APPENDIX I — GENERAL INFORMATION	42
APPENDIX II — SUMMARY OF THE VALUATION REPORT OF SHENGYU.....	49
APPENDIX III — SUMMARY OF THE VALUATION REPORT OF SHENGDING ...	57
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2025	EGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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 “ 1GW PV Storage Project in Zhundong ”) 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 “ 2GW Wind Energy Storage Project in Zhundong ”)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning as ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) with par value of RMB1.00 each in the share capital of the Company, which are subscribed for and paid up in Renminbi
“EGM”	the second extraordinary general meeting of 2025 of the Company to be held at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Tuesday, 29 April 2025 at 11:00 a.m.

DEFINITIONS

“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 approximately 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
“H Shares”	foreign shares listed overseas with a par value of RMB1.00 per share in the share capital of the Company, which are subscribed and traded in Hong Kong dollars, and listed on the Stock Exchange
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the transactions contemplated under the Equity Transfer and Capital Injection Agreements
“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 Equity Transfer and Capital Injection Agreements

DEFINITIONS

“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Independent Shareholders”	Shareholders other than TBEA Group
“Latest Practicable Date”	1 April 2025, being the latest practicable date before printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to that term in Chapter 14 of the Listing Rules
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PV”	photovoltaic
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“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 Latest Practicable Date
“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

DEFINITIONS

“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 Latest Practicable Date
“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 Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning 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 Latest Practicable Date
“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 on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089)
“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

DEFINITIONS

“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 Latest Practicable Date, TBEA directly holds 85.78% of its equity interest

“%”

per cent

* *For identification purpose only*

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Zhang Jianxin (*Chairman*)

Mr. Yang Xiaodong

Mr. Hu Weijun

Non-executive Directors:

Mr. Zhang Xin

Mr. Huang Hanjie

Independent Non-executive Directors:

Mr. Cui Xiang

Mr. Chen Weiping

Mr. Tam, Kwok Ming Banny

Registered office:

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang, the PRC

Headquarters and

principal place of business in the PRC:

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang, the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

3 April 2025

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTIONS
UNDER THE EQUITY TRANSFER AND
CAPITAL INJECTION AGREEMENTS;
PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR
AND
NOTICE OF THE SECOND EXTRAORDINARY
GENERAL MEETING OF 2025**

INTRODUCTION

Reference is made to the announcement of the Company dated 7 March 2025 in relation to, amongst others, connected transactions under the Equity Transfer and Capital Injection Agreements and the announcement of the Company dated 31 March 2024 in relation to the proposed appointment of an executive Director.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, inter alia, (i) further information of the Equity Transfer and Capital Injection and other information prescribed by the Listing Rules; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advise from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) further information of the proposed appointment of an executive Director; and (v) notice of the EGM, to enable you to make informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

A. CONNECTED TRANSACTIONS UNDER THE EQUITY TRANSFER AND CAPITAL INJECTION AGREEMENTS

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.

LETTER FROM THE BOARD

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 II to this circular.

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:

Within 15 working days after the Shengyu Agreement comes into effect, Xinjiang Tianchi shall pay the consideration of RMB46,745,600 for equity transfer to each of Silicon New Material and Sunoasis and pay up its capital contribution in the same proportion as the capital contribution paid up by other shareholders of Shengyu (i.e. RMB93,333,200) to Shengyu with its monetary funds in one lump sum. 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. The portion of capital contribution to be paid at each stage of the 1GW PV Storage Project in Zhundong and the expected timing thereof are set out as follows:

	Around May 2025	Around June 2025	Around August 2025	Around November 2025
Timing				
Completion progress of the project	30%	50%	75%	90%
Proportion of paid-up share capital to subscribed capital (<i>Note</i>)	64%	92%	95%	100%

LETTER FROM THE BOARD

Note :

The actual progress of capital paid-up will be in accordance with the payment notice to be issued by Shengyu in a timely manner based on the construction progress of the project and its actual capital need.

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		Immediately following the Equity Transfer and Capital Injection		
			Change in		
	Subscribed capital contribution ⁽¹⁾	Shareholding percentage	subscribed capital contribution	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%
Total	83,888.70	100.00%	20,972.18	104,860.88	100.00%

Notes:

- (1) As at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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:

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

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 III to this circular.

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.

LETTER FROM THE BOARD

Payment of Equity Transfer
Consideration and Capital
Injection:

Within 15 working days after the Shengding Agreement comes into effect, Xinjiang Tianchi shall pay the consideration of RMB24,100 for equity transfer to each of Silicon New Material and Sunoasis with its monetary funds in one lump sum. 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. The portion of capital contribution to be paid at each stage of the 2GW Wind Energy Storage Project in Zhundong and the expected timing thereof are set out as follows:

	Around May 2025	Around October 2025	Around April 2026	Around September 2026
Timing				
Completion progress of the project	5%	35%	70%	85%
Proportion of paid-up share capital to subscribed capital (<i>Note</i>)	44%	65%	85%	100%

Note :

The actual progress of capital paid-up will be in accordance with the payment notice to be issued by Shengding in a timely manner based on the construction progress of the project and its actual capital need.

LETTER FROM THE BOARD

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 ⁽¹⁾	Shareholding percentage	Change in subscribed capital		Subscribed capital contribution
			contribution	contribution	
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%
Total	155,169.60	100.00%	38,792.40	193,962.00	100.00%

Notes:

- (1) As at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

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.

The Directors have assessed the qualification, experience and the track record of the Valuer and are of the view that the Valuer, which is experienced in the valuation profession and has conducted valuation for similar transactions in the past, is qualified, experienced and competent in performing the valuation. The Directors understood that the asset-based approach, as the principal approach, is commonly used for conducting similar valuation and the key assumptions are commonly adopted in the market, which are considered as appropriate and necessary. The Directors concurred with the Valuer that the valuation based on asset-based approach was appropriate and considered that the methodology and assumptions used in the Valuation Reports are fair, reasonable and appropriate.

Information on the Target Companies

Shengyu

Shengyu is a company incorporated in the PRC with limited liability on 10 July 2023. As at the Latest Practicable Date, 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

LETTER FROM THE BOARD

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 Latest Practicable Date, 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:

	For the year ended 31 December 2023 (audited) RMB(0'000)	For the year ended 31 December 2024 (audited) RMB(0'000)
Operating revenue	0.00 ⁽¹⁾	0.00 ⁽¹⁾
Net profit before tax (net loss is represented by “-”)	-29.01	-24.55
Net profit after tax (net loss is represented by “-”)	-215.35 ⁽²⁾	169.83 ⁽²⁾

Notes:

- (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.
- (2) Shengyu recorded a net loss after tax for the year ended 31 December 2023 and recorded a net profit after tax for the year ended 31 December 2024, which was mainly due to that in 2023, Shengyu leased long-term land in photovoltaic array area for the preparation of the 1GW PV Storage Project in Zhundong and recognised the right-of-use assets, which resulted in an increase in income tax expense as a result of the recognition of deferred income tax liabilities in accordance with the applicable accounting standards. This led to Shengyu recording a net loss after tax for the year ended 31 December 2023. In 2024, Shengyu prepaid the rent for the lease term in accordance with the relevant lease agreement. Pursuant to the applicable accounting standards, it resulted in a reversal of the deferred income tax liabilities recognised in 2023 and therefore a decrease in income tax expense. Consequently, Shengyu recorded a net profit after tax for the year ended 31 December 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 Latest Practicable Date, 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

LETTER FROM THE BOARD

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 Latest Practicable Date, 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:

	For the year ended 31 December 2023 (audited) RMB(0'000)	For the year ended 31 December 2024 (audited) RMB(0'000)
Operating revenue	0.00 ⁽¹⁾	0.00 ⁽¹⁾
Net profit before tax (net loss is represented by “-”)	-0.06 ⁽²⁾	0.05 ⁽²⁾
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.
- (2) Shengding recorded a net loss before tax for the year ended 31 December 2023 and recorded a net profit before tax for the year ended 31 December 2024, which was mainly due to Shengding's advance of social insurance contribution for certain female employees during maternity leave in 2023 recognised under other receivables and the corresponding provision for credit impairment losses. As a result, Shengding recorded a net loss before tax for the year ended 31 December 2023. As at 31 December 2024, the aforesaid advance payments were recovered, and the credit impairment loss provided in the prior year was reversed in accordance with the applicable accounting standards, so that Shengding recorded a net profit before tax of approximately RMB500 for the year ended 31 December 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date. Its principal business is production and sale of polysilicon.

Information About the Company

The Company is an industry-leading 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.

LETTER FROM THE BOARD

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 Group has attempted to introduce an independent third party to participate in the investment of the 3GW New Energy Projects in Zhundong, but due to the relatively large scale of investment and long construction period of the project, suitable independent third party investors could not be found in the short term, Xinjiang Tianchi finally agreed to transfer the equity interest of the Target Companies and injected the capital to the Target Companies. The Equity Transfer and Capital Injection will provide part of the capital required for the 3GW New Energy Projects in Zhundong 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. The remaining investment amount of the 1GW PV Storage Project in Zhundong and the 2GW Wind Energy Storage Project in Zhundong will be funded by Shengyu and Shengding through bank loans.

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

LETTER FROM THE BOARD

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 premium amount of the respective appraised net assets of Shengyu and Shengding as of the valuation benchmark date (i.e. RMB373,964,600 and RMB192,500) over their respective paid-up share capital (i.e. RMB373,333,300 and RMB0), multiplied by the total proportion of equity interest to be transferred by the Company through Silicon New Material and Sunoasis (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 Latest Practicable Date, 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

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 disposals of assets and 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.

B. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules, the Independent Board Committee (comprising all independent non-executive Directors) has been formed to advise the Independent Shareholders on the proposed transactions under the Equity Transfer and Capital Injection Agreements. The members of the Independent Board Committee are Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny. Kingsway Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Equity Transfer and Capital Injection Agreements and the proposed transactions thereunder are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and make recommendation(s) on voting.

LETTER FROM THE BOARD

C. PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 31 March 2025 in relation to the proposed appointment of Ms. Huang Fen (“**Ms. Huang**”) as an executive Director (the “**Proposed Appointment**”). An ordinary resolution will be proposed at the EGM to approve the Proposed Appointment.

The biography of Ms. Huang is as follows:

Ms. Huang, aged 47, holds a bachelor’s degree and is a senior accountant, certified public accountant, and U.S. certified management accountant. Ms. Huang is currently the chief accountant of the Company. She previously served as the cashier and cost accountant of the finance department and head of the audit and supervision department of Xinjiang transformer factory of TBEA Co., Ltd.* (特變電工股份有限公司新疆變壓器廠), and deputy financial director and chief accountant of Xinjiang Tianchi, etc.

As at the Latest Practicable Date, Ms. Huang holds 507,000 shares in TBEA, a controlling shareholder (as defined under the Listing Rules on the Stock Exchange) of the Company, representing approximately 0.01% of the total issued shares of TBEA.

Upon approval of the Proposed Appointment of Ms. Huang at the general meeting of the Company, the Company will enter into a service contract with her and handle all other relevant matters immediately upon the effective date of her appointment. Her term of service shall begin from the date of approval at the general meeting of the Company, until the expiration of the term of the fifth session of the Board. Her allowance standard as a Director will be determined in accordance with the allowance plan for Directors and supervisors of the Company for the year 2025, that is, to pay each director (other than independent non-executive directors) an allowance of RMB160,000 (before tax), the aforesaid allowance does not include her remuneration for other management positions in the Company, which is implemented in accordance with the relevant remuneration system of the Company. The allowance plan for Directors and supervisors of the Company for the year 2025 is subject to the consideration and approval at the 2024 annual general meeting.

As at the Latest Practicable Date, save as disclosed above, Ms. Huang has confirmed that (i) she is not connected with any Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) she does not have any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporation within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong); (iii) she is not involved in any matters required to be disclosed pursuant to the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; (iv) there is no other matter in relation

LETTER FROM THE BOARD

to the Proposed Appointment that shall be brought to the attention of the shareholders of the Company or the Stock Exchange; and (v) she has neither held any directorships of any listed companies nor any other positions of the Company and its subsidiaries in the past three years.

D. EGM

The EGM will be held at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Tuesday, 29 April 2025 at 11:00 a.m., to consider and, if thought fit, to approve the matters contained in this circular. The notice of the EGM and a form of proxy for use at the EGM are enclosed with this circular.

Any shareholder and his or her or its associates with a material interest in the resolutions will abstain from voting on the resolutions on the entering into of the Equity Transfer and Capital Injection Agreements at the EGM. As at the Latest Practicable Date, TBEA holds directly and indirectly approximately 64.52% in aggregate of the total issued share capital of the Company, including 921,286,161 Domestic Shares and 1,223,200 H Shares held through TBEA (HONGKONG) CO., LIMITED (“**TBEA (HONG KONG)**”), and is the Controlling Shareholder and a connected person of the Company. As such, TBEA Group shall abstain from voting on the resolutions on the entering into of the Equity Transfer and Capital Injection Agreements at the EGM.

Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM.

In order to determine the Shareholders who are eligible to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 24 April 2025 to Tuesday, 29 April 2025, both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Tuesday, 29 April 2025 shall be entitled to attend and vote at the EGM. In order for the Shareholders to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office (in case of holders of Domestic Shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H share registrar (in case of holders of H Shares), Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 23 April 2025 for registration.

LETTER FROM THE BOARD

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, the form of proxy should be returned to the Company's Board secretary office, at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, in person or by post not less than 24 hours before the time fixed for holding the EGM (i.e. no later than 11 a.m. on Monday, 28 April 2025) or any adjourned meeting thereof.

Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she/it is a Shareholder) to attend and vote at the EGM (or any adjournment thereof) on his/her/its behalf. The proxy needs not be a Shareholder.

Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing ("**power of attorney**"). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or signed by the Directors or any other person duly authorised by that corporate Shareholder as required by the articles of association of the Company.

E. VOTING BY POLL AT EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders of a listed issuer at the issuer's general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for the resolution put to the vote at the EGM pursuant to the articles of association of the Company.

On a poll, every Shareholder present in person or by proxy to attend the EGM (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all he/she/its votes in the same manner.

LETTER FROM THE BOARD

F. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on page 25 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 26 to 41 of this circular, considers that the transactions under the Equity Transfer and Capital Injection Agreements are in the interests of the Company and the Shareholders as a whole and are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the proposed transactions under the Equity Transfer and Capital Injection Agreements.

The Board also considers that the proposed appointment of an executive Director is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution in relation to the proposed appointment of an executive Director to be proposed at the EGM.

G. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

3 April 2025

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS UNDER THE EQUITY TRANSFER AND CAPITAL INJECTION AGREEMENTS

We refer to the circular issued by the Company to the Shareholders dated 3 April 2025 (the “**Circular**”) to which this letter forms a part of. Terms defined in the Circular shall have the same meanings as those used in this letter unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the proposed transactions under the Equity Transfer and Capital Injection Agreements and to advise the Independent Shareholders in respect of the transactions under the Equity Transfer and Capital Injection Agreements. Kingsway Capital Limited has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from the Independent Financial Adviser” as set out in the Circular. Having considered the principal factors and reasons, and the advice of the Independent Financial Adviser as set out in their letter of advice, we are of the opinion that despite the entering into the Equity Transfer and Capital Injection Agreements and the transactions contemplated thereunder was not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer and Capital Injection Agreements and the transactions contemplated thereunder are (i) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the proposed transactions under the Equity Transfer and Capital Injection Agreements are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolutions approving the proposed transactions under the Equity Transfer and Capital Injection Agreements at the EGM.

Yours faithfully,

Independent Board Committee

Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Kingsway Capital to the Independent Board Committee and the Independent Shareholders prepared related to the connected and discloseable transactions for the purpose of inclusion in this circular.



3 April 2025

The Independent Board Committee and the Independent Shareholders of Xinte Energy Co., Ltd.

Dear Sirs,

CONNECTED TRANSACTIONS UNDER THE EQUITY TRANSFER AND CAPITAL INJECTION AGREEMENTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the equity transfer and capital injection agreements dated 7 March 2025 entered into between 新疆天池能源有限責任公司 (Xinjiang Tianchi Energy Co., Ltd.*), the subsidiaries of the Company, namely 新特硅基新材料有限公司 (Xinte Silicon New Materials Co., Ltd.*), TBEA Xinjiang Sunoasis Co., Ltd. and 昌吉州盛裕新能源發電有限公司 (Changji Prefecture Shengyu New Energy Power Generation Co., Ltd.*) and 昌吉州盛鼎新能源發電有限公司 (Changji Prefecture Shengding New Energy Power Generation Co., Ltd.*) 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. Details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the circular of the Company dated 3 April 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reference is made to the announcement of the Company dated 7 March 2025 in relation to, amongst others, connected transactions under the Equity Transfer and Capital Injection Agreements.

As at the Latest Practicable Date, 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 disposals of assets and 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%, 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.

The Independent Board Committee comprising Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny (all being the independent non-executive Directors), has been established to advise the Independent Shareholders as to matters related to the proposed transactions under the Equity Transfer and Capital Injection Agreements. We, Kingsway Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are independent pursuant to Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer and Capital Injection. As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. Within the two years prior to the Latest Practicable Date, we have acted as Independent Financial Adviser to the Independent Shareholders of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company in relation to connected transaction, continuing connected transaction and connected transaction of the Company, details of which are set out in the circulars of the Company dated 23 December 2024, 14 November 2023 and 24 April 2023. Apart from normal professional fees paid to us in connection with the aforesaid appointments, no arrangements exist whereby we have received any fees or benefits from the Company or any other party to the transactions during the two years prior to the Latest Practicable Date, therefore we consider such relationship would not affect our independence.

BASIS OF OUR OPINION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered, amongst other things, (i) the information and facts contained or referred to in the Circular; (ii) the opinions expressed by and the representations of the management of the Group; and (iii) our review of the relevant public information. We have assumed that all information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible for are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so as at the date of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the management of the Company in the Circular were reasonably made after due enquires and careful consideration by the Directors and the management of the Company and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We have also assumed that the information referred to in the Circular will continue to be true, accurate and complete as at the date of the Circular and if there is any material change of information in the Circular up to the date of the EGM, we will inform the Shareholders as soon as practicable. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company nor have we conducted any independent investigation into the business, financial conditions and affairs or the prospect of the Group or any of their associates.

The Directors have collectively and individually accepted full responsibility for all information given with regard to the Company including particulars given in compliance with the Listing Rules. The Directors have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with the Equity Transfer and Capital Injection Agreements, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:

1. Background information of the parties

Information of the Company

The Company is an industry-leading 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 photovoltaic (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 volt-ampere reactive (VAR) generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

The table below sets forth a summary of the financial highlights of the Group for the three years ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”) and the annual results announcement of the Company for the year ended 31 December 2024 (the “**2024 Annual Results Announcement**”):

	For the year ended 31 December		
	2022	2023	2024
	(RMB'000) (Adjusted)	(RMB'000) (Adjusted)	(RMB'000) (Audited)
Revenue from main business	36,831,400	30,751,796	21,212,980
Net profit/(loss) attributable to shareholders of the listed company	13,314,828	4,345,035	(3,904,879)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison between the years ended 31 December 2023 and 2024

The total revenue of the Group from main businesses decreased from approximately RMB30,752 million for the year ended 31 December 2023 to approximately RMB21,213 million for the year ended 31 December 2024, representing a decrease of approximately 31.0%. According to the 2024 Annual Results Announcement and discussion with the management of the Company, the decrease of total revenue of the Group from main businesses was mainly attributable to the significant decline in the price of polysilicon.

The net profit attributable to shareholders of the listed company decreased from profit of approximately RMB4,345 million for the year ended 31 December 2023 to loss of RMB3,905 million for the year ended 31 December 2024. According to the 2024 Annual Results Announcement and discussion with the management of the Company, the decrease was mainly due to the significant decrease in the Group's profit as a result of a significant decrease in the sales prices of polysilicon and the provision made for impairment of assets by the Group.

Comparison between the years ended 31 December 2022 and 2023

The total revenue of the Group from main businesses decreased from approximately RMB36,831 million for the year ended 31 December 2022 to approximately RMB30,752 million for the year ended 31 December 2023, representing a decrease of approximately 16.5%. According to the 2023 Annual Report and discussion with the management of the Company, the decrease of total revenue of the Group from main businesses were mainly due to (i) the significant decrease of approximately 60% in the average selling price of polysilicon although the sales in polysilicon increased by approximately 90%; and (ii) a slight decline in the business scale of the Group's wind and PV power station construction, and an increase in owners' pure construction bidding and equipment designated procurement models, resulting in a decrease in per-watt revenue from power station construction.

The net profit attributable to shareholders of the listed company decreased from approximately RMB13,314 million for the year ended 31 December 2022 to RMB4,345 million for the year ended 31 December 2023, representing a decrease of approximately 67.4%. According to the 2023 Annual Report and discussion with the management of the Company, the decrease was mainly due to the significant decrease in the sales prices of polysilicon.

Information of Sunoasis

Sunoasis is a company incorporated in the PRC with limited liability on 30 August 2000. As at the Latest Practicable Date, the Company and 中節能太陽能科技有限公司 (CECEP Solar Energy Technology Co., Ltd.*), an independent third party of the Company, hold 99.49% and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 VAR generators and other electrical equipment.

Information of 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 Latest Practicable Date. Its principal business is production and sale of polysilicon.

Information of 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 Latest Practicable Date, 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.

Information of the Target Companies

Shengyu

Shengyu is a company incorporated in the PRC with limited liability on 10 July 2023. As at the Latest Practicable Date, 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. It 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 Latest Practicable Date, 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.

As at 31 December 2024, the audited total assets and net assets of Shengyu amounted to approximately RMB1,006.9 million and RMB374.0 million, respectively. Please refer to the Letter from the Board for the detail of the financial information of Shengyu.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shengding

Shengding is a company incorporated in the PRC with limited liability on 10 July 2023. As at the Latest Practicable Date, 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. It is established primarily for the purpose of investing in the construction of the 2GW Wind Energy Storage Project in Zhundong. As at the Latest Practicable Date, 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.

As at 31 December 2024, the audited total assets and net assets of Shengding amounted to approximately RMB31.0 million and RMB0.2 million, respectively. Please refer to the Letter from the Board for the detail of the financial information of Shengding.

2. Background, reasons and benefits of the Equity Transfer and Capital Injection

Background

As mentioned in the Letter from the Board, 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 and 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons and benefits of the Equity Transfer and Capital Injection and use of proceeds

According to the feasibility study report and discussion with the management of the Company, the aggregate investment for the abovementioned two projects is approximately RMB10,151 million and the projects capital required is around 30% while the remaining capital will be funded by Shengyu and Shengding through bank loans or other means. As such, the aggregated capital required would be approximately RMB2,988.2 million. We noted from the 2024 Annual Results Announcement, the cash and cash equivalents was approximately RMB5,495 million. As further discussed with the management of the Company, it would maintain the cash on hand at sufficient level for the daily operations of the Group due to the large operation scale of the Company with average annual revenue of approximately RMB29,599 million for the three years ended 31 December 2024.

Due to the long construction period which are over 20 months and time required for the connection to the grid by 2026 for better profitability, the Group intended to identify potential investor by the first quarter of 2025 in order to ensure the timely completion of the 3GW New Energy Projects in Zhundong. As discussed with the management of the Company, apart from the Equity Transfer and Capital Injection, the Company had considered the possibility from other independent investors, however, those independent investors generally avoid (i) large capital commitment and (ii) the long return period. Furthermore, the Company considered that the base of the number of shareholders should be limited for the purpose of effective business decision, especially on the project with long construction period, and the Group has also maintained a long-term relationship with TBEA, who is the controlling shareholder of Xinjiang Tianchi, of more than 20 years and did not have any material disputes or complaints.

Additionally, as stated in the Letter from the Board, there is surplus power from the 3GW New Energy Projects in Zhundong after satisfying the electricity for polysilicon production by the Group, Xinjiang Tianchi owns state-approved open-pit coal mines with a capacity of tens of millions 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. As discussed with the management of the Group, once the completion of 3GW New Energy Projects in Zhundong, the Group is able to have an option to sell to Xinjiang Tianchi for the surplus power from the 3GW New Energy Projects in Zhundong if terms offered by Xinjiang Tianchi is not less favourable than the terms offered by independent third parties to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered the factors, including (i) the recent business development of Group and the related financing demand; (ii) the priority of using of the power generated by the 3GW New Energy Projects in Zhundong for the polysilicon production; (iii) sufficient financial capacity of Xinjiang Tianchi to fulfill its obligation under the Equity Transfer and Capital Injection Agreements; (iv) long-term relationship with TBEA; and (v) potential economic benefit from the sale of surplus power generated from the 3GW New Energy Projects in Zhundong in the future, we are of the view that although the Equity Transfer and Capital Injection is not conducted in the ordinary and usual course of business of the Group, entering into the Equity Transfer and Capital Injection Agreements is reasonable and in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Equity Transfer and Capital Injection Agreements

Shengyu Agreement

(i) Parties

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

(ii) Equity Transfer and Consideration

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.

(iii) 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iv) Shareholding structure after the completion of Equity Transfer and Capital Injection

Shareholder	Subscribed capital contribution (RMB0'000)	Shareholding
Silicon New Material	41,944.35	40.0%
Sunoasis	20,972.17	20.0%
Xinjiang Tianchi	41,944.35	40.0%
Total	104,860.88	100.0%

(v) Corporate governance arrangement

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.

Shengding Agreement

(i) Parties

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

(ii) Equity Transfer and Consideration

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) 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.

(iv) Shareholding structure after the completion of Equity Transfer and Capital Injection

Shareholder	Subscribed capital contribution (RMB0'000)	Shareholding
Silicon New Material	77,584.80	40.0%
Sunoasis	38,792.40	20.0%
Xinjiang Tianchi	77,584.80	40.0%
Total	193,962.00	100.0%

(v) Corporate governance arrangement

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.

According to the above, the shareholding structure of Shengyu and Shengding after the completion of the Equity Transfer and Capital Injection are based on the registered contribution from the shareholders. As discussed with the management of the Company, both Shengyu and Shengding do not have material operation. We have reviewed the audited account of Shengyu and Shengding and noted that there is no material operation or any revenue generated.

Although Xinjiang Tianchi allow to appoint two director to each of the board of the directors of Shengyu and Shengding, the majority of their board of directors is still by the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Valuation

We have interviewed with the Valuer regarding the Valuer's qualification, experience and independence in relation to the performance of the valuation of the Target Companies (the "**Valuation**"). We noted that the execution team of the Valuer has experience in performing valuation services for numerous enterprises covering a wide range of industries in the PRC. The Valuer confirmed that it is an independent third party to the Group, Xinjiang Tianchi, the Target Companies or their respective connected persons and all relevant material information provided by the Target Companies had been incorporated in the valuation report of Shengyu and Shengding (the "**Shengyu Valuation Report**", the "**Shengding Valuation Report**", collectively the "**Valuation Reports**"). In addition, by reviewing the Valuer's engagement letter and the Valuation Reports, we also noted that the scope of work is appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might have an adverse impact on the degree of assurance given by the Valuation Reports. As confirmed by the Valuer, neither the Group nor the another party to the transaction has made formal or informal representations to the Valuer. Based on the above, we are of the view that the scope of work of the Valuer is appropriate and the Valuer is qualified to perform the Valuation.

Selection of valuation methodology

According to the Valuation Reports, the valuation of the net assets of the Target Companies were conducted by one or more of the three generally accepted valuation approaches, namely (i) asset-based approach; (ii) market approach; and (iii) income approach.

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. We have discussed with the Valuer and noted that it is inapplicable to adopt the income approach because the projects developed by Shengyu and Shengding are under construction, it is impossible to obtain sufficient income forecast information, and future cash flows cannot be reliably predicted.

The market approach evaluates the value of valuation subject based on the market price of the comparable reference objects by comparing the valuation subject with comparable reference objects. We have also discussed with the Valuer that the market approach is not applicable for the Valuation because it is difficult to collect a sufficient number of reference objects that are comparable to Shengyu and 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The asset-based approach evaluates the value of a company based on the value of identifiable assets and liabilities on and off the balance sheet. As Shengyu and Shengding have relatively complete financial data, and each element of assets can continue to be used and brings economic benefits to the shareholder. Therefore, the Valuer advised that the assets-based approach is the most appropriate valuation approach for the Valuation and adopted the asset-based approach for the appraisal of the net assets of the Target Companies.

As advised by the Valuer, the Valuer considered the following in the valuation of the assets and liabilities of the Shengyu:

Current assets and other non-current assets

In determining the valuation of the current assets and other non-current assets, the Valuer has adopted the book values as at 31 December 2024 as their fair value on the assumption that there exist no material difference between the book values and the fair values of the current assets and other non-current assets.

Construction in progress

As advised by the Valuer, the Valuer has considered cost method to ascertain the values of the construction in progress. The Valuer verified the relevant subsidiary ledgers and entry vouchers, interviewed the relevant personnel and conducted on-site investigation and adopted the books value as at 31 December 2024.

Right-of-use assets

The book balance reasonably reflected the equity value of the relevant right-of-use assets shared by Shengyu after their calculation by using the basic formula stated in the Shengyu Valuation Report. Therefore, the appraised value is recognized by the verified book value.

Deferred income tax assets

As advised by the Valuer, there is no discrepancy being found during the verification process.

Liabilities

After the Valuer verified the actual debtors and debt amounts of various liabilities, there is no discrepancy being found.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Valuer, the Valuer considered the following in the valuation of the assets and liabilities of the Shengding:

Current assets

In determining the valuation of the current assets, the Valuer has adopted the book values as at 31 December 2024 as their fair value on the assumption that there exist no material difference between the book values and the fair values of the current assets.

Construction in progress

As advised by the Valuer, the Valuer has considered cost method to ascertain the values of the construction in progress. The Valuer verified the relevant subsidiary ledgers and entry vouchers, interviewed the relevant personnel and conducted on-site investigation and adopted the books value as at 31 December 2024.

Deferred income tax assets

As advised by the Valuer, there is no discrepancy being found during the verification process after their calculation by using the basic formula stated in the Shengding Valuation Report.

Liabilities

After the Valuer verified the actual debtors and debt amounts of various liabilities, there is no discrepancy being found.

We are advised by the Valuer that the valuation approaches as adopted for valuing each type of assets and liabilities of the Target Companies as specified above are common methodologies used in establishing the valuation of the assets and liabilities under asset-based approach.

During the course of discussion with the Valuer and our review on the valuation report of the Target Companies and the audited accounts of the Target Companies and having considered that (i) the methodologies being applied in the Valuation; (ii) the principle bases and assumptions used in arriving at the valuations; and (iii) the qualification, expertise and experiences of the Valuer, we consider that nothing unusual matter has come to our attention that would lead us not to believe that the Valuation was prepared on a reasonable basis. We are of the view that the methodology and assumptions which had been adopted were arrived at after due and careful consideration and are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that (i) the short operating history of Shengyu and Shengding; (ii) no material operation of Shengyu and Shengding since their establishment; (iii) proportion shareholding structure according to registered capital contributed; and (iv) majority of the board of Shengyu and Shengding controlled by the Group, we are in the view that the terms and considerations of Equity Transfer and Capital Injection Agreements are fair and reasonable.

4. Financial impact of the Capital Injection on the Group

As stated in the Letter from the Board, 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 premium amount of the respective appraised net assets of Shengyu and Shengding as of the valuation benchmark date (i.e. RMB373,964,600 and RMB192,500) over their respective paid-up share capital (i.e. RMB373,333,300 and RMB0), multiplied by the total proportion of equity interest to be transferred by the Company through Silicon New Material and Sunoasis (25%).

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that although Equity Transfer and Capital Injection Agreements is not entered into in the ordinary and usual course of business of the Company, the terms of Equity Transfer and Capital Injection Agreements are on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions in this regard.

Yours faithfully,
For and on behalf of
Kingsway Capital Limited

Stanley Chung
Managing Director

Jack Wan
Responsible officer

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note:

Mr. Stanley Chung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2006. Mr. Jack Wan is a responsible officer of type 6 (advising on corporate finance) regulated activities and has more than nine years of experience in corporate finance and investment banking. Both Mr. Stanley Chung and Mr. Jack Wan have participated in and completed various advisory transactions (including connected transactions of listed companies in Hong Kong).

*The English translation of the Chinese name(s) in this letter, where indicated with * is included for information purpose only and should not be regarded as the official English name(s) of such Chinese names.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY

As at the Latest Practicable Date, as far as the Company is aware, the interests and short positions of the Directors, supervisors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules were as follows:

Name	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation	Approximate percentage of shareholdings in the total share capital of the Company/ associated corporation ⁽¹⁾	Approximate percentage of shareholdings in the relevant class of shares of the Company ⁽²⁾	Long position/ short position
Directors/chief executives						
Mr. Zhang Xin	Interest in a controlled corporation ⁽³⁾	The Company	86,759,908 Domestic Shares	6.07%	8.23%	Long position
	Beneficial owner	TBEA ⁽⁴⁾	528,324 shares	0.01%	N/A	Long position
	Interest in a controlled corporation ⁽⁵⁾	TBEA ⁽⁴⁾	581,077,428 shares	11.50%	N/A	Long position
Mr. Huang Hanjie	Beneficial owner	TBEA ⁽⁴⁾	2,158,234 shares	0.04%	N/A	Long position
Mr. Zhang Jianxin	Interest in a controlled corporation ⁽⁶⁾	The Company	15,955,000 Domestic Shares	1.12%	1.51%	Long position
Mr. Yang Xiaodong	Beneficial owner	TBEA ⁽⁴⁾	1,852,240 shares	0.03%	N/A	Long position

Name	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation	Approximate percentage of shareholdings in the total share capital of the Company/ associated corporation ⁽¹⁾	Approximate percentage of shareholdings in the relevant class of shares of the Company ⁽²⁾	Long position/ short position
Supervisors						
Mr. Han Shu	Beneficial owner	TBEA ⁽⁴⁾	1,375 shares	0.00%	N/A	Long position
Mr. Hu Shujun	Beneficial owner	TBEA ⁽⁴⁾	90,189 shares	0.00%	N/A	Long position
Mr. Guo Hao	Beneficial owner	TBEA ⁽⁴⁾	50,000 shares	0.00%	N/A	Long position
Mr. Wang Shufeng	Beneficial owner	TBEA ⁽⁴⁾	208,000 shares	0.00%	N/A	Long position

Notes:

- (1) The calculation is based on the total number of 5,052,792,571 shares of TBEA in issue and the total number of 1,430,000,000 Shares of the Company in issue as at the Latest Practicable Date.
- (2) The calculation is based on the total number of 1,053,829,244 Domestic Shares of the Company in issue as at the Latest Practicable Date.
- (3) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司), which is wholly-owned by Mr. Zhang Xin. As Xinjiang Hongyuan Innovation Enterprise Management Co., Ltd.* (新疆宏遠創新企業管理有限公司) (“**Xinjiang Hongyuan**”), in which he holds 70% equity interest, acts as a general partner of Xinjiang Xingze Enterprise Management Limited Partnership* (新疆興則企業管理有限合夥企業) (“**Xinjiang Xingze**”), Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze under the SFO. Xinjiang Tebian held 83,863,108 Domestic Shares of the Company as at the Latest Practicable Date; Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.* (新疆遠卓企業管理諮詢有限公司), a wholly-owned subsidiary of Xinjiang Tebian, holds 2,896,800 Domestic Shares of the Company. Therefore, Mr. Zhang Xin holds approximately 6.07% of the total issued Shares of the Company through his interests in the controlled corporations.
- (4) TBEA is the Company’s Controlling Shareholder and therefore an associated corporation of the Company. As at Latest Practicable Date, TBEA held 921,286,161 Domestic Shares (approximately 87.42% of the relevant class of Shares) of the Company, and TBEA (HONGKONG) CO., LIMITED, a wholly-owned subsidiary of TBEA, held 1,223,200 H Shares (approximately 0.33% of the relevant class of Shares) of the Company, which in total accounted for approximately 64.52% of the total number of issued Shares of the Company.
- (5) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司), which is wholly-owned by Mr. Zhang Xin. As Xinjiang Hongyuan, in which he holds 70% equity interest, acts as a general partner of Xinjiang Xingze, Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze under the SFO. Xinjiang Tebian directly holds 581,077,428 domestic shares of TBEA.

- (6) Mr. Zhang Jianxin is a limited partner of Tianjin Xinte Kangrong Enterprise Management Partnership (Limited Partnership)* (天津新特康榮企業管理合夥企業(有限合夥)) (“**Xinte Kangrong**”) and holds 45.87% interest in it, so he is deemed to be interested in the 2,180,000 Domestic Shares of the Company held by Xinte Kangrong; in addition, Mr. Zhang Jianxin is the general partner of 5 partnership enterprises (namely Tianjin Xinte Tongxin Enterprise Management Partnership (Limited Partnership)* (天津新特同心企業管理合夥企業(有限合夥)), Tianjin Xinte Chengxin Enterprise Management Partnership (Limited Partnership)* (天津新特誠信企業管理合夥企業(有限合夥)), Tianjin Xinte Zhuocheng Enterprise Management Partnership (Limited Partnership)* (天津新特卓誠企業管理合夥企業(有限合夥)), Tianjin Xinte Green Energy Enterprise Management Partnership (Limited Partnership)* (天津新特綠能企業管理合夥企業(有限合夥)) and Tianjin Xinte Innovation Enterprise Management Partnership (Limited Partnership)* (天津新特創新企業管理合夥企業(有限合夥))). Mr. Zhang Jianxin (as the general partner) is deemed to be interested in the total 13,775,000 Domestic Shares of the Company held by the aforesaid 5 partnership enterprises under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors and chief executives of the Company had any interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, and to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and had been entered in the register required to be kept by the Company according to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares ⁽¹⁾	Approximate	Long position/ short position
					percentage of shareholdings in the total share capital of the Company ⁽¹⁾	
TBEA	Beneficial owner	Domestic Shares	921,286,161	87.42%	64.43%	Long position
	Interest in a controlled corporation ⁽²⁾	H Shares	1,223,200	0.33%	0.09%	Long position
					64.52%	

Name of Shareholder	Nature of interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares ⁽¹⁾	Approximate	Long position/ short position
					percentage of shareholdings in the total share capital of the Company ⁽¹⁾	
Xinjiang Tebian	Beneficial owner	Domestic Shares	83,863,108	7.96%	5.86%	Long position
	Interest in a controlled corporation ⁽³⁾	Domestic Shares	2,896,800	0.27%	0.20%	Long position
					6.07%	
Shanghai Ningquan Asset Management Co., Ltd. (上海寧泉資產管理有限公司)	Investment manager	H Shares	53,154,400	14.13%	2.37%	Long position

Notes:

- (1) The calculation is based on the total number of 1,430,000,000 Shares of the Company in issue as at the Latest Practicable Date, in which 376,170,756 are H Shares and 1,053,829,244 are Domestic Shares.
- (2) TBEA indirectly holds 1,223,200 H Shares through its wholly-owned subsidiary, TBEA (HONGKONG) CO., LIMITED.
- (3) Xinjiang Tebian indirectly holds 2,896,800 Domestic Shares through its wholly-owned subsidiary, Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.* (新疆遠卓企業管理諮詢有限公司).

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that any other person (other than the Directors, supervisors and chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or had been entered in the register required to be kept by the Company according to Section 336 of the SFO.

4. COMMON DIRECTORS

As at the Latest Practicable Date, the following Directors are directors of certain companies which had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (“**Relevant Companies**”):

Name of Directors	Relevant Companies in which the Director is also a director
Mr. Zhang Xin	TBEA
Mr. Huang Hanjie	TBEA

5. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their close associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group which does not expire or is not terminable within one year without payment of compensation (other than statutory compensation).

7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Group was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Group so far as the Directors are aware.

8. MATERIAL ADVERSE CHANGE

As disclosed in the annual results announcement of the Company for the year ended 31 December 2024 dated 31 March 2025, the Group recorded a net loss attributable to the Shareholders of RMB3.905 billion for the year ended 31 December 2024 as compared to the net profit attributable to the Shareholders of RMB4.345 billion recorded in the corresponding period of 2023. The turnaround from profit to loss attributable to the Shareholders in 2024 was mainly attributable to the significant decrease in polysilicon sales price due to the impact of supply and demand in the PV market and the provision made for impairment of the assets for relevant polysilicon and new energy power station of RMB2,149 million in aggregate for the year ended 31

December 2024. As at the Latest Practicable Date, save as the above, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, save as disclosed herein:

- (a) none of the Directors or supervisors of the Company was materially interested in any contract or arrangement, which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group; and
- (b) so far as the Directors are aware, none of the Directors or supervisors of the Company nor their respective close associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. QUALIFICATION OF EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given its opinions or advise as contained in this circular:

Name	Qualification
Kingsway Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Zhongshenghua Asset Appraisal Co., Ltd. (中盛華資產評估有限公司)	Independent Valuer, an institution which was established upon the approval of the financial department of the PRC and provides asset valuation services in the PRC

- (a) As at the Latest Practicable Date, each of the abovementioned experts does not have any beneficial interest in the share capital of 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.

- (b) As at the Latest Practicable Date, each of the abovementioned experts has given, and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and the reference to its name included herein in the form and context in which they respectively appear.
- (c) As at the Latest Practicable Date, each of the abovementioned experts does not have any interest in any assets which have been since 31 December 2024 (being the date to which the latest published audited annual accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or lease to any member of the Group.

11. DOCUMENTS ON DISPLAY

A copy of each of the Equity Transfer and Capital Injection Agreements will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinteenenergy.com) for a period of 14 days from the date of this circular.

12. MISCELLANEOUS

- (a) The registered address of the Company and the principal place of business of the Company in the PRC is at No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC.
- (b) The joint company secretaries of the Company are Ms. Zhang Juan and Ms. Chan Yin Wah. Ms. Chan Yin Wah is an associate director of SWCS Corporate Services Group (Hong Kong) Limited and a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan Yin Wah is also a fellow member of the Association of Chartered Certified Accountants.
- (c) The principal place of business of the Company in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (d) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The Chinese text of this circular shall prevail over the English text in the event of inconsistency.

* For identification purpose only

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) \times 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.

APPENDIX II SUMMARY OF THE VALUATION REPORT OF SHENGYU

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
Current assets	15,225.47	15,225.47	0.00	0.00
Non-current assets	85,464.09	85,464.09	0.00	0.00
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
Total assets	100,689.56	100,689.56	0.00	0.00
Current liabilities	62,618.99	62,618.99	0.00	0.00
Non-current liabilities	674.11	674.11	0.00	0.00
Total liabilities	63,293.11	63,293.11	0.00	0.00
Net assets (owners' equity)	37,396.46	37,396.46	0.00	0.00

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.

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

APPENDIX III SUMMARY OF THE VALUATION REPORT OF SHENG DING

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
Current assets	431.23	431.23	0.00	0.00
Non-current assets	2,668.12	2,668.12	0.00	0.00
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				
Total assets	3,099.35	3,099.35	0.00	0.00
Current liabilities	3,080.09	3,080.09	0.00	0.00
Non-current liabilities				
Total liabilities	3,080.09	3,080.09	0.00	0.00
Net assets (owners' equity)	19.25	19.25	0.00	0.00

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.

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)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2025

NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2025 (the “**EGM**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Tuesday, 29 April 2025 at 11:00 a.m. to consider and, if thought fit, approve the resolutions set out below.

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the transaction contemplated under the equity transfer and capital injection agreement entered into between Xinjiang Tianchi Energy Co., Ltd.* (新疆天池能源有限責任公司), TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), Xinte Silicon New Materials Co., Ltd.* (新特硅基新材料有限公司) and Changji Prefecture Shengding New Energy Power Generation Co., Ltd.* (昌吉州盛鼎新能源發電有限公司) on 7 March 2025 (the “**Shengding Agreement**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, be and are hereby considered and approved;
- (b) the transaction contemplated under the equity transfer and capital injection agreement entered into between Xinjiang Tianchi Energy Co., Ltd., TBEA Xinjiang Sunoasis Co., Ltd., Xinte Silicon New Materials Co., Ltd. and Changji Prefecture Shengyu New Energy Power Generation Co., Ltd.* (昌吉州盛裕新能源發電有限公司) on 7 March 2025 (the “**Shengyu Agreement**”), a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose, be and are hereby considered and approved;

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2025

- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated therein and the completion of the Shengding Agreement and Shengyu Agreement.”
2. To consider and approve the appointment of Ms. Huang Fen as an executive director of the Company.

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

Xinjiang, the PRC
3 April 2025

Notes:

1. In order to determine Shareholders who are eligible to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 24 April 2025 to Tuesday, 29 April 2025, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 29 April 2025 shall be entitled to attend and vote at the EGM. In order for the Shareholders to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office (in case of holders of domestic shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H share registrar (in case of holders of H shares), Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 23 April 2025 for registration.
2. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the EGM (or any adjournment thereof) on his/her behalf. The proxy needs not be a Shareholder.
3. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or signed by its director or any other person duly authorised by that corporate Shareholder as required by the articles of association.
4. To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant authority (if any) as mentioned in note 3 above must be delivered to the Company’s Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC (for holders of domestic shares), or the Company’s

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2025

H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) no later than 24 hours before the time appointed for the EGM (i.e. no later than 11 a.m. on Monday, 28 April 2025) (or any adjournment thereof).

5. A Shareholder or his/her proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate Shareholder's legal representative or any other person duly authorised by such corporate Shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorisation document (as the case may be).
6. The EGM (or any adjournment thereof) is expected to take less than half a day. Shareholders or their proxies who attend the EGM (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
7. The contact information of the Board secretary office of the Company is as follows:

Address: No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC

Contact person: Ms. Zhang Juan

Tel: +86-991-3665888

As at the date of this notice, the board of directors of the Company 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*