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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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)

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS
FACTORING SERVICES FRAMEWORK AGREEMENT
REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2024
REPORT OF THE SUPERVISORY BOARD FOR THE YEAR 2024
FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2024
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2024
ANNUAL REPORT FOR THE YEAR 2024
DIRECTORS' AND SUPERVISORS' ALLOWANCE PLAN FOR THE YEAR 2025
RE-APPOINTMENT OF AUDITOR FOR THE YEAR 2025 AND GRANT OF
AUTHORITY TO THE BOARD TO DETERMINE ITS REMUNERATION
PROVISION OF GUARANTEES FOR SUBSIDIARIES
GENERAL MANDATE TO ISSUE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF 2024 ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 6 to 27 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 29 to 41 of this circular and a letter from the Independent Board Committee is set out on page 28 of this circular.

A notice convening the annual general meeting of 2024 of the Company (the "AGM") to be held physically at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Wednesday, 18 June 2025 at 11:00 a.m. is set out on pages 49 to 53 in this circular.

If you intend to appoint a proxy to attend the AGM, 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 AGM (i.e. no later than 11:00 a.m. on Tuesday, 17 June 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 AGM or at any other adjourned meeting should you so wish.

27 May 2025

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DEFINITIONS

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

“Accounts Receivable”	accounts receivable and related interests of the Group against the relevant payment obligors under the contracts entered into in the ordinary and usual course of business
“Accounts Receivable Transfer Agreements”	collectively, the accounts receivable transfer agreements entered into, amongst others, subsidiaries of the Company, and the Factoring Company respectively dated 21 November 2024
“AGM”	the annual general meeting for the year 2024 to be held physically by the Company at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC on Wednesday, 18 June 2025 at 11:00 a.m.
“Articles” or “Articles of Association”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	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 ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary shares in the Company’s share capital with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Domestic Shares Shareholder(s)”	holder(s) of the Domestic Shares
“Electricity Tariff Subsidies”	national renewable energy subsidies obtained by the Group as a result of wind power and PV power plants of the Group in operation which constitutes part of its power generation income
“Factoring Company”	Tianjin Sanyang Silu Commercial Factoring Co., Ltd.* (天津三陽絲路商業保理有限公司), a company incorporated in the PRC with limited liability on 26 January 2022, a wholly-owned subsidiary of TBEA and a connected person of the Company as at the Latest Practicable Date
“Factoring Services Framework Agreement”	the factoring services framework agreement dated 31 March 2025 entered into between the Company and the Factoring Company in respect of the provision of Non-recourse Factoring Services by the Factoring Company to the Group
“Group”	the Company and its subsidiaries
“GW”	gigawatt, a unit of power. 1GW = 1,000MW
“H Shares”	overseas listed foreign shares in the Company’s share capital with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
“H Shares Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent board committee comprising all Independent Non-executive Directors established to advise the Independent Shareholders in respect of the transactions completed under the Factoring Services Framework Agreement
“Independent Financial Adviser”	Kingsway Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the transactions completed under the Factoring Services Framework Agreement
“Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Independent Shareholders”	Shareholders other than TBEA Group
“Latest Practicable Date”	22 May 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	Nomination Committee of the Board of Directors
“Non-recourse Factoring Services”	the Factoring Company shall assume full commercial credit risk in respect of the accounts receivable provided by the Group based on its contract(s) with certain purchaser(s). In the absence of commercial disputes and when the purchaser(s) fails to fulfil its payment obligations, the Factoring Company waives its right of recourse against the Group and bears the corresponding bad debt risk on its own
“percentage ratios”	has the meaning ascribed to that term in Chapter 14 of the Listing Rules

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Caps”	the maximum consideration for the transfer of Accounts Receivable to be paid by the Factoring Company to the Group pursuant to the Factoring Services Framework Agreement
“PV”	photovoltaic
“Remuneration and Assessment Committee”	Remuneration and Assessment Committee of the Board of Directors
“Renminbi” or “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
“Shareholder(s)”	holder(s) of Shares
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Board”	the board of supervisors of the Company
“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 its shares are listed on the Shanghai Stock Exchange (stock code: 600089)
“TBEA Group”	TBEA and its associates (excluding the Group)

DEFINITIONS

“Xinjiang Tebian”

Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), a company incorporated in the PRC with limited liability on 27 January 2003

“%”

per cent

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

Ms. Huang Fen

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

27 May 2025

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS
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LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcements of the Company dated 21 November 2024, 31 March 2025 and 20 May 2025 in relation to, amongst others, (i) Accounts Receivable Transfer Agreements; (ii) the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps; and (iii) proposed amendments to the Articles.

The Board will propose resolutions at the AGM to consider and approve, amongst others, (i) the transactions contemplated under the Factoring Services Framework Agreement entered into between the Company and Factoring Company on 31 March 2025 and the Proposed Annual Caps; (ii) the report of the Board of Directors for the year 2024; (iii) the report of the Supervisory Board for the year 2024; (iv) the final financial accounts for the year 2024; (v) the profit distribution plan for the year 2024; (vi) the annual report for the year 2024; (vii) the Directors' and Supervisors' allowance plan for the year 2025; (viii) the re-appointment of auditor for the year 2025 and grant of authority to the Board to determine its remuneration; (ix) the provision of guarantees for subsidiaries; (x) the general mandate to issue Shares; and (xi) the proposed amendments to the Articles.

The purpose of this circular is to provide you with information regarding the above resolutions to enable you to make an informed decision on whether to vote for or against or abstain from voting in respect of those resolutions, including but not limited to: (i) further information of the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) relevant information, the notice of the AGM and other information required under the Listing Rules in respect of the above resolutions to be proposed at the AGM.

A. FACTORING SERVICES FRAMEWORK AGREEMENT

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

Date: 31 March 2025

Parties: The Factoring Company; and

The Company (on behalf of the Group)

LETTER FROM THE BOARD

- Term:** The Factoring Services Framework Agreement shall be effective upon signing with official seals by the authorized representatives of the parties, and after the date on which it was considered and approved at the AGM. The term of the Factoring Services Framework Agreement is from the effective date to 31 December 2026.
- Subject matter:** The Factoring Company shall provide the Group with the Non-recourse Factoring Services for its accounts receivable, whereby the Group shall transfer its accounts receivable to the Factoring Company. The Factoring Company shall assume full commercial credit risk in respect of the accounts receivable provided by the Group based on its contract(s) with certain purchaser(s). In the absence of commercial disputes and when the purchaser(s) fails to fulfil its payment obligations, the Factoring Company waives its right of recourse against the Group and bears the corresponding bad debt risk on its own.
- The Group is not required to provide asset guarantee or other guarantee for the factoring business under the Factoring Services Framework Agreement.
- Pricing principle:** The consideration for the transfer of accounts receivable to be paid by the Factoring Company to the Group shall be equal to the book value of the accounts receivable less the factoring fees to be paid by the Group to the Factoring Company.
- The Group shall, after arm's length negotiations with the Factoring Company and taking into account the prevailing market conditions, enter into specific contracts with the Factoring Company on agreed terms during the term of the Factoring Services Framework Agreement to determine the consideration for the transfer of the accounts receivable, the specific calculation method and payment terms of the factoring fees and other details.

LETTER FROM THE BOARD

The transactions under the Factoring Services Framework Agreement shall follow the fair market principle and be conducted on terms no less favorable than the relevant terms offered under similar categories, tenors, and conditions by (i) an independent third party to the Group; and (ii) the Factoring Company to the TBEA Group.

Payment term:

The Factoring Company shall pay the transfer price of Accounts Receivable with monetary funds within 15 working days after the payment conditions stipulated in the specific contract are satisfied, unless otherwise agreed between both parties.

Having considered (i) payment terms for factoring services provided by independent third parties, which generally require consideration of accounts receivable to be settled with monetary funds within 15–20 working days after the payment conditions stipulated in the specific contract are satisfied, and (ii) payment practice terms adopted historically in factoring services arrangement provided by the Factoring Company to seven other member companies of TBEA in the past six months, are the same payment practice and terms adopted in the Factoring Services Framework Agreement, the Board is of the view that the payment term under the Factoring Services Framework Agreement is fair and reasonable and on normal commercial terms or better.

Historical Transactions under the Accounts Receivable Transfer Agreements

Pursuant to the Accounts Receivable Transfer Agreements, the Company transferred accounts receivable with a book value of approximately RMB429.6 million to the Factoring Company, which was raised from the construction of new energy power stations and the sales of supporting inverter products. The Factoring Company carried out the commercial factoring accounts receivable asset securitization business with the above-mentioned accounts receivable and has paid the consideration of RMB410.7 million (after deducting the factoring fee of RMB18.9 million calculated at the rate of 3% per year).

LETTER FROM THE BOARD

Proposed Annual Caps and its Basis of Determination

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

The Proposed Annual Caps was determined with reference to, among other things, the current overall status, the recovery status upon maturity and anticipated increase of the Group's accounts receivable, as well as the actual needs of the operation of the Group. The Group's total accounts receivable as at 31 December 2024 of approximately RMB5.06 billion, which was mainly due to (1) the long recovery cycle of Electricity Tariff Subsidies; (2) the long construction and settlement cycle of the wind power and PV power plants construction business of the Group, which requires a certain period of time for payment collection; and (3) delivery payment, acceptance payment, warranty deposit and others of the Group's electrical equipment products.

The formation reasons, payment arrangements and estimated increase of the above receivables of the Group are as follows:

1. Increase in accounts receivable from the Group's new energy power station power generation business

The electricity tariff of new energy power generation such as PV and wind power consists of basic electricity tariff and Electricity Tariff Subsidies.

After the PV and wind power projects generate electricity and are connected to the grid, the Group settles the grid electricity consumption of the previous month with the local power grid company each month, and an invoice will be issued by the relevant group company based on the settlement results. The power grid company then directly pays the fee, i.e. the basic electricity tariff, to the Company. The payment cycle is usually within 1-3 months.

According to the relevant policies on electricity subsidy issuance formulated by regulatory agencies such as the National Development and Reform Commission, the Ministry of Finance, and the National Energy Administration, PV and wind power generation projects need to meet the qualifications for electricity subsidy and be included in the qualified lists of the State Grid and the Southern Grid before they can obtain electricity subsidy qualifications. According to projects of the Group included in the first batch of qualified lists and the Group's self-assessment, the installed capacity of the Group's new energy power stations entitled to receiving Electricity Tariff Subsidies is approximately 1GW. The electricity subsidy is allocated by the Ministry of Finance to

LETTER FROM THE BOARD

the power grid company, which then transfers the same to the Company operating the power plant. Affected by the progress of fund allocation, the settlement cycle is usually more than 1 year, which is relatively longer than that for basic electricity tariff.

The PRC government has begun to orderly promote new projects to gradually reduce the intensity of Electricity Tariff Subsidies in 2018, and has not granted any Electricity Tariff Subsidies since 2021. The newly approved PV projects and onshore wind power were fully connected to the grid at parity prices. Therefore, the wind and PV power plants built by the Company after 2021 were not entitled to receive any Electricity Tariff Subsidies, and power generated by such stations will all be settled in a market-based manner.

By the end of 2024, the Group achieved approximately 3.5GW for the wind power and PV operational power plant projects for grid-connected power generation, including approximately 1GW of projects involving Electricity Tariff Subsidies. These projects were all invested and constructed before 2021 and their power generation has been relatively stable in recent years. These projects could enjoy Electricity Tariff Subsidies for 20 years according to relevant policies, which will be settled by Ministry of Finance of the PRC in accordance with the relevant government procedures and principles. Therefore, based on the historical power generation and the historical accounts receivable attributed from Electricity Tariff Subsidies arising from 1GW of projects involving electricity subsidies in 2023 and 2024, which amounted to approximately RMB790 million and RMB780 million respectively, and in the absence of the change of the applicable policies, rules and regulations regarding the Electricity Tariff Subsidies, the fact that projects will continue to receive Electricity Tariff Subsidies from Ministry of Finance with reference to the stable power generated during their operation period, it is expected that the Group's long-term Accounts Receivable arising from the electricity subsidies will increase by RMB800 million each year in 2025 and 2026.

2. Increase in accounts receivable from the Group's new energy power station construction business

The time required to build a wind power plant or PV power plant varies depending on the project size, technology type, geographic location, etc. Generally, the construction period for a PV power plant is 6-12 months, and the construction period for a wind power plant is 9-24 months. Contractual payments for the wind power and PV power plants construction business are divided into prepayment, progress payment, acceptance payment and warranty payment, which usually account for 10%, 80%, 5% and 5% of the total contract price respectively. Among them, the progress payment is settled in batches according to the progress of project construction, and the acceptance payment is generally settled after the project is completed and accepted and the final

LETTER FROM THE BOARD

settlement audit is completed. The warranty deposit is generally paid after 2 years from the date on which the project is completed and accepted (determined based on the warranty period for wind power and PV power plants construction business).

In line with national policy directions and seizing opportunities in the renewable energy sector, the Group is intensifying efforts to acquire wind and PV resources. Before constructing a wind and PV power plant the Group will obtain information of relevant wind power and PV resource, conduct relevant benefit calculations, and handle necessary pre-construction compliance procedures such as approval, grid access, and land use approval after initially meeting the development conditions. After the procedures were completed, a final assessment will be conducted to decide whether to start construction. Therefore, before the Group decides to invest in the construction of a new energy power plant, extensive project tracking and formalities were carried out to ensure that there are sufficient resources that can eventually be converted into the Group's wind power and PV power plant construction and operated power plants.

The completed total annual installed capacity of PV and wind power construction projects which will be recognized by the Group as revenue in 2025 and 2026 is expected to be approximately 3-4GW. The Group's revenue per watt is approximately RMB2-3. Based on the project acceptance payment and warranty deposits ratio of approximately 10%, and considering the historical recovery situation, about 85% of the Accounts Receivable generated by acceptance payment and warranty deposit can be recovered faster by issuing quality guarantee letters to customers, it is expected that the Group's new accounts receivable for more than one year due to PV and wind power plants construction projects will exceed RMB100 million in 2025 and 2026.

3. Increase in accounts receivable from the Group's electrical equipment products business

Payment for the electrical equipment is divided into advance payment, delivery payment, acceptance payment (for overseas sales, acceptance payment will be combined with delivery payment) and warranty deposit, which usually account for 10%, 55%, 25% and 10% of the total contract price respectively. Advance payment and payment on delivery are usually paid immediately after the contract is signed and the product is delivered, which will be settled within a relatively short period of time. The acceptance payment is generally settled after the acceptance of the product, and the warranty deposit is generally paid after 2 years from the date of product acceptance (determined according to the warranty period), and the settlement cycle is relatively longer.

The Group is also vigorously expanding its electrical equipment manufacturing business, including inverters, SVGs, and flexible direct current transmission converter valves. In 2023 and 2024, the Group's shipment of inverters exceeded 15GW and 20GW respectively. In 2024, the inverter products won more than 30 bids of large central enterprises and state-owned enterprises,

LETTER FROM THE BOARD

ranking among the top in terms of bidding rate and bidding capacity, and shipment of the Group's inverter in overseas market increased significantly, accounting for approximately 35% of the Group's orders. According to the Renewable Energy Report 2024 released by the International Energy Agency (IEA), the annual installed capacity of global renewable energy is expected to continue to grow from 666GW in 2024 to nearly 935GW in 2030, which provides good development opportunities for the development of new energy industries such as PV in the world, and it is expected that the market demand of electrical equipment products such as inverters will further increase.

The Group will continuously improve the production capacity, market competitiveness and market share of inverters and other products by expanding production scale and increasing market development. The Group invested in the construction of new automatic inverter production lines and warehousing and logistics systems at the beginning of 2024, which are expected to be completed and put into operation in the first half of 2025, and the Group's domestic and foreign inverter production lines will have a total production capacity of over 60GW after its completion.

Accounts receivable of more than 1 year are mainly due to the long settlement period of acceptance payments and warranty deposit. Before 2023, the Group's production and sale of electrical equipment was smaller in scale, with weak profitability. In recent years, the Group has strengthened its market development and R&D investment in electrical equipment, significantly improving its competitiveness and increasing the sales scale of its electrical equipment business, and obtaining the qualification to bid for centralized procurement by large state-owned enterprises and central enterprises, which significantly improved its profitability. According to forecast in the Renewable Energy Report 2024 released by the International Energy Agency on global new energy market installed capacity, the Group's electrical equipment capacity layout, contract signing and management strategic planning, it is expected that the Group's shipment of electrical equipment such as inverters will grow by more than 50% in 2025 and 2026, that is, the shipment of inverters in 2025 and 2026 will exceed 30GW and 45GW. The composition of the accounts receivable generated from the Group's electrical equipment products business comprises certain elements, including inter alia, (i) acceptance payment and (ii) warranty deposit collected based on the sales revenue, which is taken into account to composition of the domestic sales and overseas sales (where applicable) and calculated based on the unit price per watt and total wattage of the inverter products. Assuming the unit price of inverter products per watt being RMB0.1 and RMB0.13 in 2025 and 2026 respectively, and the overseas sales accounting for 35% of the Group's total sales in 2025 and 2026, it is expected that the new accounts receivable for more than 1 year due to the sales of electrical equipment products, being the acceptance payment and warranty deposit, is expected to exceed RMB700 million and RMB1.5 billion.

As summarized above, it is expected that the Group's accounts receivable will increase not less than RMB1.6 billion and RMB2.4 billion year-on-year in 2025 and 2026, respectively.

LETTER FROM THE BOARD

Internal Control Measures

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

- (i) The finance department of the Company shall collect and review contemporaneous prices and other relevant terms offered by at least two independent third parties (if any) before entering into a specific factoring agreement separately and ensure that the terms offered by the Factoring Company are fair and reasonable and comparable to those offered by at least two independent third parties. The Company will accept the services of an independent third party if the terms offered by the independent third party are more favourable to the Company;

Before entering into a specific factoring contract separately, the finance department of the Company will require the Factoring Company to provide and compare the services and charges of the same type, term and conditions provided to members of the TBEA Group in the recent 6 months to ensure that the terms provided by the Factoring Company are no less favourable to the relevant terms provided by the Factoring Company to other member units of the TBEA Group. The Factoring Company has also promised that the factoring fees for the factoring services it provides to the Group will not be higher than (1) the quotations of at least two independent third parties for factoring services of the same type and term; and (2) the fee quotations of factoring services provided by the Factoring Company to members of the TBEA Group;

- (ii) The finance department of the Company shall regularly review and verify the transaction process of the relevant continuing connected transactions. In particular, they shall verify and assess whether the proposed transactions to be entered into are expected to exceed the amount of, and, where necessary, bring the matter to the attention of the Board together with the proposed revised annual caps and other relevant information, to enable the Board to consider and comply with the applicable Listing Rules (if applicable) in relation to the revised annual caps;
- (iii) After entering into specific factoring agreements separately pursuant to the Factoring Services Framework Agreement, the Company will review annually the pricing of the transactions and the factoring service rates charged under such specific factoring agreements separately entered into to ensure that such pricing and charges are conducted in accordance with the principles under the Factoring Services Framework Agreement;

LETTER FROM THE BOARD

- (iv) the Company shall convene a meeting on an annual basis to discuss any issues in the transactions contemplated under the Factoring Services Framework Agreement and suggestions for improvement; and
- (v) The Independent Non-executive Directors shall review the transactions under the Factoring Services Framework Agreement (including the fees charged for the transactions) annually and provide annual confirmations in the annual report of the Company in accordance with the Listing Rules that the transactions are on normal commercial terms or better, the terms are fair and reasonable and in the interests of the Shareholders as a whole.

Information on the Parties

The Factoring Company is a company incorporated in the PRC with limited liability on 26 January 2022 with a registered capital of RMB400 million as at the Latest Practicable Date, which is principally engaged in the operation of commercial factoring business. The Factoring Company is a commercial factoring company established with the approval of the Tianjin Municipal Financial Regulatory Bureau* (天津市地方金融管理局), and possesses relevant licenses for the provision of factoring services.

The Factoring Company is a wholly-owned subsidiary of TBEA and TBEA, a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 600089) and is the Controlling Shareholder of the Company. TBEA and its close associates (excluding the Group) are principally engaged in: (i) the manufacturing and sale of power transformers, reactors, wires, cables and other electrical and mechanical equipment; (ii) domestic and overseas engineering and construction contracting for power transmission projects, water power and thermal power station projects; (iii) mining and sale of coal; and (iv) production and sale of electric power and heating power, etc.

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

LETTER FROM THE BOARD

Financial Impact of Entering into the Factoring Services Framework Agreement and Use of Proceeds

It is estimated that the factoring fees payable by the Group for the transactions contemplated under the Factoring Service Framework Agreement will not exceed 3.5% of the book value of the accounts receivable to be transferred to the Factoring Company.

The estimation is determined based on the Group's preliminary enquiry with the Factoring Company and (i) the indicative range of fee quotes obtained from three independent financial institutions regarding the fees for similar factoring services, i.e. nonrecourse factoring business with a term of 3 years and more, which generally requires an annualized rate level of 3.5%–3.8%, (ii) the recent interest rate level of specialized products backed by accounts receivable assets in the open market in China ranging from 2% to 4% for the past six months, and the plan manager of each product publishes a product announcement on the websites of Shanghai Stock Exchange and Shenzhen Stock Exchange on the day the product is established, including information about the issuance rate. The market usually uses systems such as Wind Financial Terminal to instantly query information about the issued products, and (iii) the Factoring Company has provided non-recourse factoring services to seven other units of TBEA in the past six months, all of which are for accounts receivable with a collection period of 1.5 years, and the annualized interest rate of factoring fees is 3%. If the collection period of the factoring business is extended, the rate will be increased accordingly. As the factoring fee will be no less favourable than the abovementioned benchmarks, the Directors are of the view that the maximum factoring fee is fair and reasonable and on normal commercial terms or better.

The final factoring fee will be determined after arm's length negotiation with reference to the types and the amount of receivables, the term, the prevailing market rate, the creditworthiness of the relevant debtors and other factors, in accordance with the specific factoring contract to be entered into.

The proceeds received by the Group from the transactions contemplated under the Factoring Services Framework Agreement will be used to replenish its working capital.

Reasons for and Benefits of the Transactions Contemplated Under the Factoring Services Framework Agreement

The Group's accounts receivable relating to Electricity Tariff Subsidies, wind and PV power station construction, electrical equipment sales and other businesses have a long recovery cycle. Through making use of the factoring services provided the Factoring Company, the recovery of the Group's accounts receivable will be sped up, thereby decreasing the amount of receivables,

LETTER FROM THE BOARD

optimize the asset structure, accelerate the asset turnover rate, reduce the cost of managing accounts receivable, improve operating cash flows, increase the efficiency of capital utilization and enhance operational capabilities, broaden the financing channels and reduce the financing costs.

The Factoring Company, being a wholly-owned subsidiary of TBEA, has a deep understanding of the business operations of the Group and is capable of providing more convenient, efficient and customized factoring services than other financial institutions. Additionally, it is more convenient for the Factoring Company to integrate the resources of the TBEA Group at all levels and lower the factoring fees as compared with the Group carrying out its own commercial factoring business.

Board Confirmation

Each of Mr. Zhang Xin and Mr. Huang Hanjie, being a Director, holds a position at and/or interests in TBEA. As such, each of them is or may be regarded as having interest in the transactions contemplated under the Factoring Services Framework Agreement. For good corporate governance practice, Mr. Zhang Xin and Mr. Huang Hanjie have abstained from voting on the relevant Board resolutions. Save for the above Directors, none of the Directors had or may be regarded as having a material interests in the aforementioned transactions.

The Directors (including the Independent Non-executive Directors, after taking into account the recommendations from the Independent Financial Adviser) are of the view that the transactions contemplated under the Factoring Services Framework Agreement (including the Proposed Annual Caps) are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of which are determined after arm's length negotiations on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

As at the Latest Practicable Date, TBEA holds the entire equity interest in the Factoring Company, while TBEA directly and indirectly holds approximately 66.61% of the total issued share capital of the Company and is a Controlling Shareholder of the Company. Therefore, the Factoring Company is a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Services Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As subsidiaries of the Company entered into the Accounts Receivable Transfer Agreements with the Factoring Company on 21 November 2024 and commenced the accounts receivable factoring business, the Proposed Annual Caps are required to be aggregated with the transactions

LETTER FROM THE BOARD

under the Accounts Receivable Transfer Agreements pursuant to the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Annual Caps on an aggregated basis is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, such transactions are subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps. 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 Factoring Services Framework Agreement and the Proposed Annual Caps 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.

B. REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Directors for the year 2024, the full text of which is set out in the Company's annual report for the year 2024, which was published on 28 April 2025 on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinteenergy.com).

C. REPORT OF THE SUPERVISORY BOARD FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Board for the year 2024, the full text of which is set out in the Company's annual report for the year 2024, which was published on 28 April 2025 on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinteenergy.com).

LETTER FROM THE BOARD

D. FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the final financial accounts of the Company for the year 2024. A summary of the report relating to the Company's 2024 final financial accounts prepared under the China Accounting Standards for Business Enterprises is as follows:

1. *Income and loss*

In 2024, pursuant to the consolidated financial statements, the Company's operating revenue was RMB21,212.98 million. Operating cost amounted to RMB19,851.62 million. Total loss was RMB4,079.37 million, and the net loss attributable to shareholders of the listed company was RMB3,904.88 million.

2. *Cash flow*

In 2024, pursuant to the consolidated financial statements, the Company's net cash flow generated from operating activities was RMB1,754.58 million, net cash outflow from investing activities was RMB9,500.03 million and net cash flow generated from financing activities was RMB1,371.49 million. As at 31 December 2024, the balance of cash and cash equivalents of the Company at the end of the period was RMB5,494.51 million.

3. *Assets and liabilities*

As at 31 December 2024, pursuant to the consolidated financial statements, the Company's total assets amounted to RMB81,680.59 million, of which current assets amounted to RMB28,632.84 million, non-current assets amounted to RMB53,047.75 million. Total liabilities amounted to RMB46,386.86 million. As at 31 December 2024, the total Shareholders' equity of the Company amounted to RMB35,293.73 million.

E. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the profit distribution plan of the Company for the year 2024. Details are as follows:

In 2024, due to the imbalance between supply and demand in various links of the PV industrial chain, the market price of polysilicon products fell sharply, and the Group suffered a large loss. It is expected that the price of polysilicon will not be able to rebound significantly in the short term, and thus the future operation and profitability will face significant pressure. In order to reduce the adverse impact of polysilicon market price fluctuations on the results, the

LETTER FROM THE BOARD

Group actively deployed a new profit contribution unit. The Company held a general meeting in January 2025 to consider and approve the transfer of 49% equity interest of Xinjiang Zhundong TBEA Energy Co., Ltd.* (新疆准東特變能源有限責任公司). At the same time, in order to reduce the cost of electricity, realize the manufacturing of “green products” by use of “green power”, and fully utilize the advantages of the new energy circular economy industry chain, the Group will invest in the construction of 3GW new energy power station project in Zhundong in 2025 and 2026, and the capital expenditure required for the above-mentioned equity transfer and new energy power station investment is relatively large.

Taking into account the current development of the polysilicon industry, the Group’s production and operation, future strategic planning and capital requirements, the Board recommended that no final dividend be declared for the year ended 31 December 2024, in order to enhance the Group’s profitability and risk resilience, ensure the smooth implementation of the Group’s medium and long-term development strategies and maximize the interests of the Group and its shareholders.

In the future, the Company will continue to take into account the Company’s business development and various factors related to profit distribution, with the aim of benefiting both the Group’s development and investor returns, and to share the results of the Group’s continuous development with the broad investor base.

F. ANNUAL REPORT FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the annual report for the year 2024. The Company’s annual report for the year 2024 has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinteenergy.com).

G. DIRECTORS’ AND SUPERVISORS’ ALLOWANCE PLAN FOR THE YEAR 2025

An ordinary resolution will be proposed at the AGM to approve the allowance plan for the Directors and Supervisors for the year ending 31 December 2025, details of which are as follows:

1. The Company will pay each independent non-executive Director RMB200,000 (before tax) as allowance;
2. The Company will pay each Director (excluding the independent non-executive Directors) RMB160,000 (before tax) as allowance; and
3. The Company will pay each Supervisor RMB80,000 (before tax) as allowance.

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The above allowances for Directors and Supervisors are paid on a quarterly basis, and the Company is responsible for withholding and paying personal income tax.

The above allowances for Directors and Supervisors do not include their remunerations for other management positions in the Company, which are implemented in accordance with the relevant remuneration systems of the Company.

Travel expenses incurred by Directors and Supervisors in attending Board meetings, meetings of the Supervisory Board, general meetings of the Company and relevant activities organized by the Company will be borne by the Company.

H. RE-APPOINTMENT OF AUDITOR FOR THE YEAR 2025 AND GRANT OF AUTHORITY TO THE BOARD TO DETERMINE ITS REMUNERATION

An ordinary resolution will be proposed at the AGM to approve the re-appointment of SHINEWING Certified Public Accountants LLP as the Company's auditor for the year 2025 to hold office until the conclusion of the next annual general meeting of the Company and to approve the grant of authority to the Board to determine its remuneration.

I. PROVISION OF GUARANTEES FOR SUBSIDIARIES

An ordinary resolution will be proposed at the AGM to approve the provision of guarantees by the Company to its subsidiaries. Details are as follows:

In order to meet the daily operation and business development needs of the Company and its subsidiaries, improve the efficiency in conducting business and making financing decisions, based on the overall production and operation, funding needs and financing situation of the Group, the Company intends to provide guarantees to its subsidiaries for financing and bank loan and borrowings and guarantees provided among subsidiaries. The Company expects that the total amount of guarantees will not exceed RMB2.5 billion, and the validity period of the guarantees is from the date of the resolution of the AGM to the date of the annual general meeting of 2025 of the Company. The total amount of guarantees is available on a rolling basis within the validity period. The chairman of the Board and chief accountant of the Company have full authority to handle all specific matters involved in the above-mentioned guarantee limit, including but not limited to document signing and approval by and filing with relevant regulatory agencies.

The Board is of the view that providing guarantees for subsidiaries (and among subsidiaries) is beneficial for promoting business development and financing efficiency, expanding financing channels, reducing financing costs, improving capital turnover, facilitating the expansion of new business, and continuously enhancing market competitiveness. The Company will strictly review

LETTER FROM THE BOARD

the subject qualifications, credit status and performance ability of the subsidiaries before providing guarantees, and reduce guarantee risks by improving guarantee management, strengthening financial internal control, monitoring the contract performance by the subsidiaries and timely tracking the economic operation of the subsidiaries.

J. GRANT OF GENERAL MANDATE TO ISSUE SHARES

To enhance the flexibility and efficiency of the Company's operation and provide discretion to the Board to issue new Shares, the Company proposed to grant the new general mandate to the Board by way of a special resolution to be passed by the Shareholders at the AGM to allot, issue and deal with additional Domestic Shares and/or H Shares not exceeding 20% of the total number of the Domestic Shares and/or H Shares in issue on the date of passing such resolution and to make or grant such offer, agreement and option in connection with thereof, and to authorise the Board to make such amendments to the Articles as it thinks fit so as to reflect the new share capital structure upon the allotment or issue of additional shares pursuant to such mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,053,829,244 Domestic Shares and 376,170,756 H Shares. Subject to the passing of the resolution related to the granting of the general mandate and assuming that no new Shares will be issued or no Shares will be repurchased before the AGM, the Company will be allowed to issue a maximum of 210,765,848 Domestic Shares and 75,234,151 H Shares in accordance with the general mandate.

The general mandate shall be effective from the time when the resolution is passed until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the 12 months after the date of passing this resolution by way of a special resolution at the AGM; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders at the general meeting.

Any exercise of the power by the Board under the general mandate shall comply with relevant requirements of the Listing Rules, the Articles and relevant laws and regulations of the PRC.

LETTER FROM THE BOARD

K. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 20 May 2025 in relation to the proposed amendments to the Articles.

Based on the Company's actual conditions and in light of the relevant provisions of the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies issued by the China Securities Regulatory Commission, the Company proposed to amend the Articles. The Company will seek approval from shareholders by way of special resolution for the proposed amendments to the Articles at the AGM.

The details of the proposed amendments to the Articles are as follows:

Before amendment	After amendment
<p>Article 1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), <u>the Securities Law of the People's Republic of China, Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings and Other Matters Applicable to Overseas Listed Companies</u>, the Listing Rules of Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant laws and regulations in order to protect the legal interest of Xinte Energy Co., Ltd. (the "Company"), the Shareholders and creditors and standardize the organization and activities of the Company.</p>	<p>Article 1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), <u>the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies</u>, the Listing Rules of Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant laws and regulations in order to protect the legal interest of Xinte Energy Co., Ltd. (the "Company"), the Shareholders and creditors and standardize the organization and activities of the Company.</p>

LETTER FROM THE BOARD

<p>Article 20 The Company's total share capital is 1,430,000,000 Shares, including 1,053,829,244 Domestic Shares, representing 73.69% of the total share capital; and 376,170,756 H Shares, representing 26.31% of the total share capital.</p>	<p>Article 20 The Company's total share capital is 1,430,000,000 Shares, including 1,053,829,244 Domestic Shares, representing 73.69% of the total share capital; and 376,170,756 H Shares, representing 26.31% of the total share capital.</p> <p><u>Shareholders of Domestic Shares of the Company who convert all or part of their unlisted domestic shares into shares listed and traded on overseas stock exchange(s) shall conform to relevant regulations promulgated by the securities regulatory authorities of the State Council, and authorize the Company to file with the securities regulatory authorities of the State Council on their behalf. They shall also comply with the regulatory procedures, provisions and requirements of the overseas securities market. The conversion of unlisted domestic shares into overseas-listed shares for trading is not subject to the holding of a general meeting or class shareholders' meeting for voting. The overseas-listed shares converted from Domestic Shares shall be of the same class as the original overseas-listed shares.</u></p>
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There are a total of two proposed amendments to the Articles. Save for the proposed amendments above, there will be no change in the contents of the other articles in the Articles. The existing Articles remain effective before the passing of the relevant resolution at the AGM.

L. AGM

The Company will convene the AGM physically at 11:00 a.m. on Wednesday, 18 June 2025 at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC. The notice of the AGM is set out on pages 49 to 53 in this circular.

LETTER FROM THE BOARD

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 transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps. As at the Latest Practicable Date, TBEA holds directly and indirectly approximately 66.61% in aggregate of the total issued share capital of the Company, including 951,226,161 Domestic Shares and 1,223,200 H Shares held through TBEA (HONGKONG) CO., LIMITED, 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 transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps at the AGM.

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

In order to determine the Shareholders who are eligible to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 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 Wednesday, 18 June 2025 shall be entitled to attend and vote at the AGM. Shareholders who intend to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant share certificates with the Company's Board secretary office (in case of Domestic Shares Shareholders), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company's H share registrar (in case of H Shares Shareholders), 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 Thursday, 12 June 2025 for registration.

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For H Shares Shareholders, 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 Domestic Shares Shareholders, 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 AGM (i.e. no later than 11:00 a.m. on Tuesday, 17 June 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 is a Shareholder) to attend and vote at the AGM (or any adjournment thereof) on his/her/its behalf. A proxy need not be a Shareholder.

LETTER FROM THE BOARD

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 authorized by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Shareholder appoints a person other than its legal representative to attend the AGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or duly signed by its director or any other person duly authorized by that corporate Shareholder as required by the Articles of Association.

M. VOTING BY POLL AT AGM

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 AGM will therefore demand a poll for every resolution put to the vote at the AGM pursuant to Articles of Association. On a poll, every Shareholder present in person or by proxy to attend the AGM (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 his/her/its votes in the same way.

N. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 28 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 29 to 41 of this circular, considers that the transactions contemplated under the Factoring Services Framework Agreement 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 AGM to approve the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps.

The Board considers that all the other resolutions set out in the notice of the AGM for Shareholders’ consideration and approval are in the best interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favour of all the other resolutions set out in the notice of the AGM which are to be proposed at the AGM.

LETTER FROM THE BOARD

O. 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)

27 May 2025

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS FACTORING SERVICES FRAMEWORK AGREEMENT

We refer to the circular issued by the Company to the Shareholders dated 27 May 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 transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps and to advise the Independent Shareholders in respect of the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps. 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 (i) entering into the transactions contemplated under the Factoring Services Framework Agreement is in the ordinary and usual course of business of the Group; (ii) the terms of the Factoring Services Framework Agreement and the Proposed Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions approving the transactions contemplated under the Factoring Services Framework Agreement and the Proposed Annual Caps at the AGM.

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 continuing connected transactions for the purpose of inclusion in this circular.



27 May 2025

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

Dear Sirs,

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS FACTORING SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the factoring services framework agreement dated 31 March 2025 entered into between the Company and 天津三陽絲路商業保理有限公司 (Tianjin Sanyang Silu Commercial Factoring Co., Ltd.*), pursuant to which, the Factoring Company agreed to provide Non-recourse Factoring Services to the Group during the term of the Factoring Services Framework Agreement. 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 27 May 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.

Reference is made to the announcement of the Company dated 31 March 2025 in relation to, amongst others, continuing connected transactions under the Factoring Services Framework Agreement.

As at the Latest Practicable Date, TBEA holds 100% equity interest in Factoring Company, while TBEA directly and indirectly holds approximately 66.61% of the total issued share capital of the Company and is the controlling shareholder of the Company. Therefore, the Factoring Company is a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Services Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

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 transactions contemplated under the Factoring Services Framework Agreement. 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 Non-recourse Factoring Services. 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 Company in relation to connected transaction, connected transaction, continuing connected transaction and connected transaction of the Company, details of which are set out in the circulars of the Company dated 3 April 2025, 23 December 2024 and 14 November 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 AGM, 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.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with the Factoring Services Framework Agreement, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”):

	For the year ended 31 December		
	2022	2023	2024
	(RMB'000)	(RMB'000)	(RMB'000)
	(Adjusted)	(Audited)	(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)

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 Report 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.

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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 Report 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 provision 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 Factoring Company

The Factoring Company is a company incorporated in the PRC with limited liability on 26 January 2022 with a registered capital of RMB400 million as at the Latest Practicable Date, which is principally engaged in the operation of commercial factoring business. The Factoring Company is a commercial factoring company established with the approval of 天津市地方金融管理局 (Tianjin Municipal Financial Regulatory Bureau*), and possesses relevant licenses for the provision of factoring services.

The Factoring Company is a wholly-owned subsidiary of TBEA and TBEA, a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 600089) and is the Controlling Shareholder of the Company. TBEA and its close associates (excluding the Group) are principally engaged in: (i) the manufacturing and sale of power transformers, reactors, wires, cables and other electrical and mechanical equipment; (ii) domestic and overseas

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engineering and construction contracting for power transmission projects, water power and thermal power station projects; (iii) procurement and sale of coal; and (iv) production and sale of electric power and heating power, etc.

2. Reasons and benefits of the transactions contemplated under the Factoring Services Framework Agreement

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

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

As discussed with the management of the Company, the Group has maintained a long-term relationship with TBEA Group of more than 18 years and did not have any material disputes or complaints against TBEA Group on their services provided, including the factoring services provided by the Factoring Company during the year ended 31 December 2024. As further discussed with the management of the Company, it would maintain the cash on hand at a 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 respectively, as the business operated by the Group is capital intensive in nature and the Group has been exploring various financing channels to enhance its financing capability to cope with the development needs of the Group. The average accounts receivable of the Group of approximately RMB5,056 million for the three years ended 31 December 2024 and the factoring of accounts receivable with the Factoring Company will enable the Group to receive the accounts receivable in advance and satisfy and support the capital requirement of the business development of the Group.

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Having considered the factors, including (i) the long-term business relationship with TBEA and no material disputes or complaints against Factoring Company on their services provided; (ii) factoring of accounts receivable enabling the Group to receive cash in advance; (iii) the Factoring Services Framework Agreement do not restrict the Group to have limited selection of other factoring services providers; and (iv) the Factoring Services Framework Agreement allow the Group to enhance its financing capability and satisfy their business needs, we are of the view that entering into the Factoring Services Framework Agreement is conducted in the ordinary and usual course of business of the Group, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Factoring Services Framework Agreement

Pricing principles

The transactions contemplated under the Factoring Services Framework Agreement shall follow the fair market principle and be conducted on terms not less favorable than the relevant terms offered under similar categories, tenors, and conditions by (i) an independent third party to the Group; and (ii) the Factoring Company to the TBEA Group (excluding the Group).

For due diligence purpose, we have obtained the contract between the Group and the Factoring Company for the factoring services conducted during the year ended 31 December 2024 and obtained and reviewed three fee quotations (including term sheet for the factoring services) from the independent third parties to the Group during the year ended 31 December 2024. We noted that the fee offered by the Factoring Company were not less favourable than those of the fee quoted from independent third parties. Taking into accounts that limited offer from independent third parties to the Group as factoring services is not as popular as other financing services due to the lower interest rate of factoring, we considered that the samples selected are sufficient, fair and representative.

We also obtained and reviewed three fee quotations (including term sheet for the factoring services) from the independent third parties to the Group from January to April 2025 and noted the fee is generally 1 year loan prime rate plus 50 points to 70 points, taking into account that the latest 1 year loan prime rate (e.g. 3.1%) and the rate of 1 year loan prime rate is relatively stable in nature, we consider that the maximum of 3.5% for the fee to the Factoring Company is fair and reasonable.

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Payment terms

The Factoring Company shall pay the transfer price of Accounts Receivable with monetary funds within 15 working days after the payment conditions stipulated in the specific contract are satisfied, unless otherwise agreed between both parties.

For due diligence purpose, we have obtained the contract between the Group and the Factoring Company for the factoring services conducted during the year ended 31 December 2024 and obtained and reviewed three fee quotations (including term sheet for the factoring services) from the independent third parties to the Group with payment term of 15 to 20 working days during the year ended 31 December 2024. We noted that the payment terms offered by the Factoring Company were not less favourable than those of the offered by independent third parties. We also obtained and reviewed three fee quotations (including term sheet for the factoring services) from the independent third parties to the Group from January to April 2025 and noted the payment term is generally 15 to 20 working days, taking into accounts that the limited offer from independent third parties to the Group for the factoring services, we considered that the payment with 15 working days (which is the lowest payment term offer from independent third parties) is fair and reasonable.

Annual caps and its basis of determination

The proposed annual caps under the Factoring Services Framework Agreement for the two years ending 31 December 2026 are set out in the table below:

	Proposed annual caps for the	
	year ending 31 December	
	2025	2026
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Amounts contemplated under the Factoring Services		
Framework Agreement	1,200,000	1,700,000

As stated in the Letter from the Board, the proposed annual caps are determined by the Board with reference to, among other things, the current overall status, the recovery status upon maturity and the anticipated future increase of the Group's accounts receivable as well as the actual needs of the operation of the Group.

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According to the 2023 Annual Report and 2024 Annual Report, the accounts receivable of the Group were approximately RMB5,207 million, RMB4,902 million and RMB5,058 million as at 31 December 2022, 2023 and 2024 respectively. We noted that the accounts receivable of the Group generally maintain stable with average of approximately RMB5,056 million for the three years ended 31 December 2024.

As stated in the Letter from the Board, (i) by the end of 2024, the Group has achieved approximately 3.5GW for the wind power and PV operational power plant projects for grid-connected power generation, including approximately 1GW of projects involving national renewable energy subsidies. It is estimated that the annual increase in accounts receivable related to national renewable energy subsidies for the Group will be approximately RMB800 million for each of the years ending 31 December 2025 and 2026. We have reviewed the related figure for the past project of the Group and noted that approximately RMB700 million to RMB900 million will be generated for 1GW project; (ii) the Group expects to complete and recognize revenue from PV and wind power construction projects with an installed capacity of approximately 3–4GW annually. Its projected annual increase in account receivable for the abovementioned annual installation will exceed RMB100 million for each of the years ending 31 December 2025 and 2026 respectively. We have reviewed the related figure for the past project of the Group and noted that approximately RMB50 million to RMB100 million will be generated for 3GW project; and (iii) the Group will continuously improve the production capacity, market competitiveness and market share of inverters and other products by expanding production scale and increasing market development. The Group invested in the construction of new automatic inverter production lines and warehousing and logistics systems at the beginning of 2024, which are expected to be completed and put into operation in the first half of 2025, and the Group's domestic and foreign inverter production lines will have a total production capacity of over 60GW after its completion. Its projected annual increase in accounts receivable for sales of electrical equipment products will exceed RMB700 million and RMB1.5 billion for the years ending 31 December 2025 and 2026 respectively. According to the 2024 Annual Report, the revenue generated from electrical equipment increased approximately 45.8% from 2023 to 2024. Taking into account the abovementioned expansions, the aggregate annual increase in accounts receivable of the Group in 2025 and 2026 is expected to exceed RMB1.6 billion and RMB2.4 billion (the **“Increment of Accounts Receivable”**), respectively. With reference to the historical figure of similar project and sales of electrical equipment products, we consider that the estimation of the Increment of Account Receivable is fair and reasonable following the abovementioned business expansions.

As discussed with the management of the Company, by considering debtors (including sizable enterprises and state-owned enterprises), its aggregate amount of receivables and its aging of receivable/repayment schedule (such as the collection period for electricity tariff revenue generated by Electricity Tariff Subsidies is generally longer and progress payment is settled in batches according to the progress of project construction), generally approximately 20 to 25% of the

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accounts receivable of the Group is able to transfer to the Factoring Company. We have discussed with the management of the Group and reviewed the breakdown of the accounts receivable of the Group for the three years ended 31 December 2024 and noted the same. Therefore, considering the estimated aggregate of historical amount of accounts receivable and the Increment of Accounts Receivable of the Group with approximately RMB6.6 billion and RMB7.4 billion for the years ending 31 December 2025 and 2026 respectively, approximately RMB1.3 billion and RMB1.9 billion of the accounts receivable annually for the years ending 31 December 2025 and 2026 (the “**Estimated Maximum Amounts**”) is able to be transferred to the factoring companies, including other independent factoring companies, for instant cash for either working capital, business investment or payment to the Group’s suppliers and/or subcontractors. As the Group also consider their latest requirements for operation of the Group and financial cost before entering any agreement with factoring companies, the Estimated Maximum Amounts may not be all transferred to the factoring companies.

Taking into account that (i) the potential annual amount transferred to factoring companies if needed; (ii) the estimated annual increase in accounts receivable by 3.5GW grid-connected projects, business expansion on the annual installation of wind and PV power construction projects and the increasing sales of electrical equipment products; and (iii) various internal control measures will be put in place within the Group to ensure it complies with the terms under the Factoring Services Framework Agreement, we consider that the terms of the Factoring Services Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

4. Internal control measures

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

- (1) The finance department of the Company shall collect and review contemporaneous prices and other relevant terms offered by at least two independent third parties (if any) before entering into a specific factoring agreement separately and ensure that the terms offered by the Factoring Company are fair and reasonable and comparable to those offered by at least two independent third parties. The Company will accept the services of an independent third party if the terms offered by the independent third party are more favourable to the Company;

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Before entering into a specific factoring contract separately, the finance department of the Company will require the Factoring Company to provide and compare the services and charges of the same type, term and conditions provided to members of the TBEA Group in the recent 6 months to ensure that the terms provided by the Factoring Company are no less favourable to the relevant terms provided by the Factoring Company to other member units of the TBEA Group. The Factoring Company has also promised that the factoring fees for the factoring services it provides to the Group will not be higher than (1) the quotations of at least two independent third parties for factoring services of the same type and term; and (2) the fee quotations of factoring services provided by the Factoring Company to members of the TBEA Group.

- (2) The finance department of the Company shall regularly review and verify the transaction process of the relevant continuing connected transactions. In particular, they shall verify and assess whether the proposed transactions to be entered into are expected to exceed the amount of, and, where necessary, bring the matter to the attention of the Board together with the proposed revised annual caps and other relevant information, to enable the Board to consider and comply with the applicable Listing Rules (if applicable) in relation to the revised annual caps;
- (3) After entering into specific factoring agreements separately pursuant to the Factoring Services Framework Agreement, the Company will review annually the pricing of the transactions and the factoring service rates charged under such specific factoring agreements separately entered into to ensure that such pricing and charges are conducted in accordance with the principles under the Factoring Services Framework Agreement;
- (4) The Company shall convene a meeting on an annual basis to discuss any issues in the transactions under the Factoring Services Framework Agreement and suggestions for improvement; and
- (5) The Independent Non-executive Directors shall review the transactions under the Factoring Services Framework Agreement (including the fees charged for the transactions) annually and provide annual confirmations in the annual report of the Company in accordance with the Listing Rules that the transactions are on normal commercial terms or better, the terms are fair and reasonable and in the interests of the Shareholders as a whole.

We have assessed the internal control policy for continuing connected transactions of the Group by (i) reviewing the internal control policy document and the flowchart of the connected transaction approval process; (ii) reviewing the meeting record regarding the continuing connected transaction for the year ended 31 December 2024; and (iii) discussing with the representative of

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the Group in relation to the internal control policy. In addition, we also understand from the representative of the Company that the audit committee (including independent non-executive Directors) was and will review and supervise the effective implementation of the internal control system annually. Also, the auditor of the Company would review each of the continuing connected transactions of the Company and confirm to the Board that (i) the transactions have received the approval by the Board on an annual basis; (ii) the transactions have been entered into in accordance with the pricing policies as set out in the relevant agreements governing such transactions; and (iii) the transactions have been performed in accordance with the terms of the relevant agreements governing such transactions. We believe that such internal control procedure abided by the internal control policy document and the abovementioned monitoring system can effectively ensure that the existing and possible future transactions entered/to be entered with any connected parties are/will be on normal commercial terms and not prejudicial to the interests of the Group and the Independent Shareholders.

Having considered, in particular, (i) the internal control measures will be in place to ensure all connected transactions of the Company are properly controlled and monitored; and (ii) the ongoing review by, the Audit Committee and the auditors of the Company of the terms of the continuing connected transactions and the relevant annual caps not being exceeded, we are of the view that the Company has established effective internal control procedures to ensure the Factoring Services Framework Agreement will be conducted on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

5. Financial impact of entering into the Factoring Services Framework Agreement

As stated in the Letter from the Board, it is estimated that the factoring fees payable by the Group for the transactions contemplated under the Factoring Service Framework Agreement will not exceed 3.5% of the book value of the accounts receivable to be transferred to the Factoring Company, which is calculated with reference to the general market standard in respect of such transferred accounts receivables; and the estimation is determined based on the Group's preliminary enquiry with the Factoring Company and the indicative range of fee quotes obtained from independent financial institutions regarding the fees for similar factoring services, the recent interest rate level of specialized products backed by accounts receivable assets in the open market in China, and the fees for conducting Accounts Receivable factoring business by the Factoring Company in the history, etc. The final factoring fee will be determined after arm's length negotiation with reference to the types and the amount of receivables, the term, the prevailing market rate, the creditworthiness of the relevant debtors and other factors, in accordance with the specific factoring contract to be entered into.

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RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that Factoring Services Framework Agreement is entered into in the ordinary and usual course of business of the Company and the terms of Factoring Services Framework Agreement 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

Jack Wan

Managing Director

Responsible officer

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 EXECUTIVE 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 executive 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 held	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 executive						
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⁾	1,622,734 shares	0.03%	N/A	Long position
Mr. Yang Xiaodong	Beneficial owner	TBEA ⁽⁴⁾	1,852,240 shares	0.03%	N/A	Long position
Ms. Huang Fen	Beneficial owner	TBEA ⁽⁴⁾	508,000 shares	0.01%	N/A	Long position

Name	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation held	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. 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 (i) directly holds 40.08% equity interest in Xinjiang Tebian, (ii) 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; and (iii) 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; and 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 951,226,161 Domestic Shares (approximately 90.26% 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 66.61% 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 his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司); pursuant to the SFO, as Xinjiang Hongyuan, in which he holds 70% equity interest, acts as the 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, Xinjiang Tebian directly holds 581,077,428 domestic shares of TBEA.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors and chief executive 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 of the 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 percentage of shareholdings in the total share capital of the Company ⁽¹⁾	Long position/ short position
TBEA	Beneficial owner	Domestic Shares	951,226,161	90.26%	66.52%	Long position
	Interest in a controlled corporation ⁽²⁾	H Shares	1,223,200	0.33%	0.09%	Long position
					66.61%	
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%	3.72%	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 executive 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 2024 annual report, 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 advice 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

- (a) As at the Latest Practicable Date, Kingsway Capital Limited 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, Kingsway Capital Limited 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 appear.
- (c) As at the Latest Practicable Date, Kingsway Capital Limited 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 the Factoring Services Framework Agreement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinteenergy.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*

NOTICE OF 2024 ANNUAL GENERAL MEETING

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 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of 2024 (the “**AGM**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held physically at the Conference Room, R&D Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the People's Republic of China (the “**PRC**”) at 11:00 a.m. on Wednesday, 18 June 2025 to consider and approve the following matters:

ORDINARY RESOLUTIONS

To consider and approve the following ordinary resolutions:

1. “**THAT:**

- (a) the factoring services framework agreement entered into between the Company and Tianjin Sanyang Silu Commercial Factoring Co., Ltd.* (天津三陽絲路商業保理有限公司) on 31 March 2025 (the “**Factoring Services Framework Agreement**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, and the transaction contemplated thereunder and the proposed annual caps be and are hereby considered and approved;
- (b) 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 Factoring Services Framework Agreement.”

- 2. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year 2024.
- 3. To consider and approve the report of the board of supervisors of the Company (the “**Supervisory Board**”) for the year 2024.

NOTICE OF 2024 ANNUAL GENERAL MEETING

4. To consider and approve the final financial accounts of the Company for the year 2024.
5. To consider and approve the profit distribution plan of the Company for the year 2024.
6. To consider and approve the Company's annual report for the year 2024.
7. To consider and approve the allowance plan for directors and supervisors of the Company for the year 2025.
8. To consider and approve the re-appointment of SHINEWING Certified Public Accountants LLP as the Company's auditor for the year 2025, and to authorize the Board to determine its remuneration.
9. To consider and approve the provision of guarantees for subsidiaries by the Company.

SPECIAL RESOLUTIONS

To consider and approve the following special resolutions:

10. To consider and approve the granting of a general mandate to the Board to issue, allot and deal with additional domestic shares and/or H shares not exceeding 20% of each of the total number of the domestic shares and H shares of the Company respectively in issue, and to authorize the Board to make amendments to the articles of association of the Company ("**Articles**") as it thinks fit so as to reflect the new share capital structure upon the allotment or issue of additional shares pursuant to such mandate:

"THAT:

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles and relevant laws and regulations of the PRC, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or deal with, either separately or concurrently, additional domestic shares and H shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;

NOTICE OF 2024 ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorize the Board during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) each of the total number of domestic shares and H shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the total number of domestic shares and H shares of the Company respectively in issue as at the date of passing of this resolution;
- (d) the Board will only exercise the above powers in accordance with the Companies Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained; and
- (e) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the 12 months after the date of passing this resolution by way of a special resolution at the AGM; or
 - (iii) the date of revocation or variation of the authority given under this resolution by a special resolution at a general meeting of the Company.
- (B) the Board be authorized to make amendments to the Articles as necessary so as to reflect the new share capital structure of the Company upon the allotment or issue of shares pursuant to this resolution.”

NOTICE OF 2024 ANNUAL GENERAL MEETING

11. To consider and approve the proposed amendments to the Articles.

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

Xinjiang, the PRC

27 May 2025

Notes:

1. **Important:** The shareholders of the Company (the “**Shareholders**”) who wish to appoint a proxy to attend and vote at the AGM shall first read the Company’s annual report for 2024 published on the websites of The Stock Exchange of Hong Kong Limited and the Company, or dispatched to relevant Shareholders. The Company’s annual report for 2024 includes, among others, the report of the Board for the year 2024, the report of the Supervisory Board for the year 2024, the audited financial accounts and the auditor’s report for the year 2024.
2. In order to determine the Shareholders who are eligible to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 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 Wednesday, 18 June 2025 shall be entitled to attend and vote at the AGM. Shareholders who intend to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant share certificates 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 Thursday, 12 June 2025 for registration.
3. 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 AGM (or any adjournment thereof) on his/her behalf. A proxy need not be a Shareholder.
4. 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 authorized by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Shareholder appoints a person other than its legal representative to attend the AGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or duly signed by its director or any other person duly authorized by that corporate Shareholder as required by the Articles.

NOTICE OF 2024 ANNUAL GENERAL MEETING

5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note 4 above must be delivered to the Company's Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, PRC, for holders of domestic shares, or the Company's 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 AGM (or any adjournment thereof) (i.e. no later than 11:00 a.m. on Tuesday, 17 June 2025). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the Meeting thereof should you so wish.
6. A Shareholder or his/her proxy should produce proof of identity when attending the AGM (or any adjournment thereof). If a corporate Shareholder's legal representative or any other person duly authorized by such corporate Shareholder attends the AGM (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 authorization document (as the case may be).
7. The AGM (or any adjournment thereof) is expected to take less than a day. Shareholders or their proxies who attend the AGM (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
8. The contact of the Board secretary office of the Company is as follows:

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

Contact person: Ms. Zhang Juan

Tel: +86-991-3665888

As at the date of this notice, the Board consists of Mr. Zhang Jianxin, Mr. Yang Xiaodong, Ms. Huang Fen 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*