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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 TRANSACTION

DEEMED DISPOSAL IN RELATION TO INTRODUCTION OF A THIRD PARTY INVESTOR FOR CAPITAL INJECTION TO A SUBSIDIARY

CAPITAL INJECTION AGREEMENT

On 26 June 2025, Sunoasis, ICBC Financial and Fengsheng Power Generation entered into the Capital Injection Agreement, pursuant to which ICBC Financial agreed to inject RMB500 million to Fengsheng Power Generation with monetary funds, of which RMB469,652,000 will be credited to the registered capital of Fengsheng Power Generation and RMB30,348,000 will be credited to the capital reserve of Fengsheng Power Generation. Upon completion of the Capital Injection, Sunoasis and ICBC Financial will hold 60.95% and 39.05% equity interests in Fengsheng Power Generation, respectively, and Fengsheng Power Generation will remain a non-wholly owned subsidiary of the Company.

SHAREHOLDERS' AGREEMENT

On 26 June 2025, Sunoasis, ICBC Financial and Fengsheng Power Generation also entered into the Shareholders' Agreement, pursuant to which the exit arrangements of ICBC Financial are agreed (among others) as follows: (i) with the unanimous consent of all parties, ICBC Financial may exit through the Capital Market Approach; and (ii) in the event of any specific circumstances stipulated in the Shareholders' Agreement, Sunoasis shall have the right (but no obligation) to choose to exercise the Option to Acquire Capital Injection Equity to acquire the Capital Injection Equity from ICBC Financial.

LISTING RULES IMPLICATIONS

CAPITAL INJECTION

Upon completion of the Capital Injection, the equity interests held by the Company through Sunoasis in Fengsheng Power Generation will be reduced from 91.26% to 55.62%. Accordingly, the Capital Injection will constitute a deemed disposal under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Injection exceeds 5% but is less than 25%, the Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

OPTION TO ACQUIRE CAPITAL INJECTION EQUITY

Pursuant to the Listing Rules, the grant of the Option to Acquire Capital Injection Equity to the Group under the Shareholders' Agreement constitutes a transaction under Chapter 14 of the Listing Rules and is subject to classification based on the percentage ratios as stipulated in the Listing Rules. In respect of the grant of the Option to Acquire Capital Injection Equity, the exercise of which is at the discretion of the Group, only the premium paid at the time of the grant is taken into account in calculating the percentage ratios. As the Group is not required to pay a premium for the grant of the Option to Acquire Capital Injection Equity, the transaction in relation to the grant of the Option to Acquire Capital Injection Equity to the Group does not constitute a notifiable transaction of the Company.

The Group will comply with the applicable Listing Rules when it exercises the Option to Acquire Capital Injection Equity.

CAPITAL INJECTION AGREEMENT

On 26 June 2025, Sunoasis, ICBC Financial and Fengsheng Power Generation entered into the Capital Injection Agreement, the principal terms of which are summarized as follows:

Date: 26 June 2025

Parties: (a) Sunoasis

(b) ICBC Financial

(c) Fengsheng Power Generation

Capital Injection and Consideration:

ICBC Financial agreed to inject RMB500 million to Fengsheng Power Generation with monetary funds, of which RMB469,652,000 will be credited to the registered capital of Fengsheng Power Generation and RMB30,348,000 will be credited to the capital reserve of Fengsheng Power Generation.

The consideration of the Capital Injection was determined after arm's length negotiations between all parties with reference to the audited net asset value per share of Fengsheng Power Generation as at 31 December 2024.

The shareholding structure of Fengsheng Power Generation before and after the completion of the Capital Injection is set out as follows:

Unit: RMB0'000

Shareholder	Before the Capital Injection		New capital contribution	Immediately following the Capital Injection	
	Subscribed capital contribution ⁽¹⁾	Shareholding percentage		Subscribed capital contribution	Shareholding percentage
Sunoasis	73,293.89	100.00%	—	73,293.89	60.95%
ICBC Financial	—	—	46,965.20	46,965.20	39.05%
Total	<u>73,293.89</u>	<u>100.00%</u>	<u>46,965.20</u>	<u>120,259.09</u>	<u>100.00%</u>

Note:

- (1) As of the date of this announcement, Sunoasis has completed the paid-in capital contribution in an amount of RMB732,938,900.

Conditions Precedent:

The obligation in relation to the payment of capital injection consideration by ICBC Financial is subject to the satisfaction and/or waiver of the following conditions precedent:

- 1) All necessary registrations, filings or approvals as required in accordance with laws, regulations and normative documents in respect of the Capital Injection have been obtained (if necessary);

- 2) Fengsheng Power Generation and Sunoasis have agreed to disclose the information in accordance with laws, regulations and normative documents (if necessary);
- 3) All contracts, agreements, and other legal documents related to the Capital Injection have been duly executed by the relevant parties and have taken effect, with no breach occurring since their execution, or if any breach has occurred, it has been resolved or waived to the satisfaction of ICBC Financial;
- 4) The capital injection escrow account of Fengsheng Power Generation has been opened;
- 5) As of the Completion Date, the representations, warranties and undertakings made by Fengsheng Power Generation and Sunoasis under the Capital Injection Agreement remain true, complete and accurate;
- 6) As of the Completion Date, there is no material adverse change in the financial, business operation and asset conditions of Fengsheng Power Generation and Sunoasis from those at the time of execution of the Capital Injection Agreement;
- 7) Fengsheng Power Generation and Sunoasis have provided written confirmation and relevant supporting documents to ICBC Financial that all the conditions precedent have been satisfied.

If such conditions precedent are not fully satisfied or waived in writing by ICBC Financial within 30 days from the date of entering into the Capital Injection Agreement, ICBC Financial shall have the right to choose by written notice: (1) to extend the aforesaid period; or (2) to terminate the Capital Injection Agreement.

Payment:	After the Capital Injection Agreement becomes effective and provided that the conditions precedent are fulfilled (or fully or partially waived), ICBC Financial shall pay the consideration of the Capital Injection to Fengsheng Power Generation in one lump sum with monetary funds in accordance with the payment notice issued by Fengsheng Power Generation.
Completion and Procedures:	The date on which the consideration of the Capital Injection is paid shall be the Completion Date. From the Completion Date, ICBC Financial shall enjoy the corresponding rights as a shareholder and undertake the corresponding obligations as a shareholder in proportion to its capital contribution pursuant to the provisions of laws, regulations, the Capital Injection Agreement, articles of association of Fengsheng Power Generation and other transaction documents. Fengsheng Power Generation shall issue a capital contribution certificate and its updated register of members within 5 working days from the Completion Date to ICBC Financial. Within 60 working days from the Completion Date, Fengsheng Power Generation shall complete the registration of changes in the relevant entities and obtain a new business license.
Corporate Governance Arrangement:	After the completion of the Capital Injection, the board of directors of Fengsheng Power Generation will comprise a total of three directors, of which ICBC Financial is entitled to nominate one.
Performance Expectations:	Upon the Capital Injection Agreement taking effect, during any financial year when ICBC Financial holds equity interests in Fengsheng Power Generation, Fengsheng Power Generation's annual audited distributable profits (i.e. the net profit for the current year after making up for the losses of the previous years or after making provision for the statutory surplus reserve, plus the opening balance of the undistributed profit) shall not be lower than RMB71,138,900.

Profit Distribution:	<p>During the period in which ICBC Financial holds the equity interests in Fengsheng Power Generation, in the years when Fengsheng Power Generation has distributable profits, each shareholder of Fengsheng Power Generation shall be entitled to the distributable profits in accordance with the proportion of their paid-in capital contribution and profit distribution plan passed by way of resolution at the general meeting, and the proportion of cash dividend of Fengsheng Power Generation's distributable profits achieved for the current year shall be not less than 90% of the value of performance expectations.</p> <p>The annual expected dividend amount to ICBC Financial = Fengsheng Power Generation's expected audited distributable profits for the year × cash dividend ratio × ICBC Financial's paid-in capital contribution proportion under the Capital Injection</p>
Pre-emptive Rights and Anti-dilution Rights:	<p>From the Completion Date, the introduction of new investors by any means by Fengsheng Power Generation shall be subject to the approval of all its shareholders by vote. In the event that ICBC Financial agrees to the introduction of new investors by way of capital increase, ICBC Financial or its designated third party shall have the pre-emptive rights to subscribe for such new registered capital of Fengsheng Power Generation under the same conditions in proportion to the equity interests in Fengsheng Power Generation held by it at that time.</p> <p>After the signing of the Capital Injection Agreement, whenever Fengsheng Power Generation conducts any new equity financing, if the financing price, conditions or terms of the new financing are more favourable than those under the Capital Injection, ICBC Financial shall be entitled to such more favourable financing price, conditions or terms automatically.</p>
Transfer Restriction:	<p>During the period in which ICBC Financial holds the equity interests in Fengsheng Power Generation, Sunoasis shall not, except with the approval of ICBC Financial or otherwise agreed in the Capital Injection Agreement, sell, gift, pledge, encumber or otherwise dispose of any equity interests it held in Fengsheng Power Generation.</p>

Tag-along Right: In the event that Sunoasis sells its equity interests in Fengsheng Power Generation to a third party, ICBC Financial shall have the right to require Sunoasis to arrange the sale of the equity interests in Fengsheng Power Generation held by ICBC Financial together on the same terms and conditions in accordance with the Capital Injection Agreement.

SHAREHOLDERS' AGREEMENT

On 26 June 2025, Sunoasis, ICBC Financial and Fengsheng Power Generation also entered into the Shareholders' Agreement, the principal terms of which are summarized as follows:

Date: 26 June 2025

Parties: (a) Sunoasis
(b) ICBC Financial
(c) Fengsheng Power Generation

Capital Market Approach for Investment Exit: With the unanimous consent of all parties, ICBC Financial may choose to exit through the capital market approach (including but not limited to the listing of Fengsheng Power Generation or the issuance of a publicly traded real estate investment trust fund of Fengsheng Power Generation) (the “**Capital Market Approach**”), the exit plan of the Capital Market Approach shall be considered and implemented by the general meeting of Fengsheng Power Generation after negotiation among all parties.

Option to Acquire Capital Injection Equity for Investment Exit: Upon the occurrence of any of the following specific circumstances, Sunoasis shall have the right (but no obligation) to, on its own or by a designated third party, exercise the Option to Acquire Capital Injection Equity to acquire the Capital Injection Equity from ICBC Financial, and the exercise of such option is at the sole discretion of the Group. No premium is payable for the grant of the Option to Acquire Capital Injection Equity to the Group.

“Specific Circumstances” include:

- (a) After 72 months from the Completion Date, ICBC Financial fails to exit through the Capital Market Approach and the parties fail to reach an agreement on the extension of the investment period.
- (b) During the period in which ICBC Financial holds the equity interests in Fengsheng Power Generation, Fengsheng Power Generation’s performance in any two years fails to meet the performance expectations or the shareholders of Fengsheng Power Generation fail to reach an agreement on dividends, or the total profit in any year decreases by 20% compared with the total profit in the previous year, unless otherwise agreed by all parties.
- (c) During the period in which ICBC Financial holds the equity interests in Fengsheng Power Generation, the audited gearing ratio of Fengsheng Power Generation during any year exceeds 70% and it is not properly resolved within the grace period given by ICBC Financial; if the Completion Date is later than 30 June 2025 (excluding the date), the gearing ratio of Fengsheng Power Generation in 2025 exceeds 73%.
- (d) Fengsheng Power Generation or Sunoasis breaches the Capital Injection Agreement, the Shareholders’ Agreement or the escrow account supervision agreement in relation to the opening of an escrow account of Fengsheng Power Generation, and fails to properly solve such issue within the grace period then given by ICBC Financial or as required; unless otherwise waived in writing by ICBC Financial.
- (e) Risks of bankruptcy or liquidation have arisen in Fengsheng Power Generation, including but not limited to any involuntary or voluntary bankruptcy, suspension, liquidation, revocation, closure, striking off or deregistration procedures.

- (f) Significant risk events, material illegal acts or circumstances that would seriously affect Sunoasis' ability to acquire the equity interests in Fengsheng Power Generation have occurred in respect of Fengsheng Power Generation or Sunoasis.
- (g) The investment objectives of ICBC Financial cannot be achieved due to other statutory or contractual reasons.

Upon the occurrence of any one of the above specific circumstances, ICBC Financial may issue a written notice to Sunoasis, informing Sunoasis to consider the exercise of the Option to Acquire Capital Injection Equity by Sunoasis or a designated third party. The exit price will be calculated according to the following formula.

Formula 1:

Exit Price = The appraisal price of all the equity interests of Fengsheng Power Generation from an asset appraisal institution \times the proportion of equity interests in Fengsheng Power Generation then held by ICBC Financial.

If all parties fail to reach an agreement on the appraisal price as stated in the abovementioned Formula 1, the exit price shall be calculated according to the Formula 2 below.

Formula 2:

Exit Price = Capital injection amount of ICBC Financial + (the cumulative sum of annual expected dividend amount to ICBC Financial – actual cumulative dividend amount received by ICBC Financial)/0.75 (or 0, if the difference between the total expected dividend amount of ICBC Financial in each year and the actual dividend amount received by ICBC Financial is negative, i.e. Exit Price = Capital injection amount of ICBC Financial).

Extension of Investment Period:	Within 3 months before the expiry date of the term under item (a) of the specific circumstances, ICBC Financial, Fengsheng Power Generation or Sunoasis may initiate a written application for the extension of the investment period. When all parties reach an agreement on the extension of the investment period, it is deemed that no specific circumstances have been triggered and the investment continues. If all parties fail to reach an agreement on the extension of the investment period, or if any of specific circumstances occurs and ICBC Financial fails to exit the investment through the exercise by Sunoasis of the Option to Acquire Capital Injection Equity, ICBC Financial may transfer all or part of the equity interests in Fengsheng Power Generation held by it to a third party.
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INFORMATION ON THE PARTIES

Sunoasis

Sunoasis is a company incorporated in the PRC with limited liability on 30 August 2000. As at the date of this announcement, the Company, ABC Financial Asset Investment Co. Ltd. (農銀金融資產投資有限公司) and CECEP Solar Energy Technology Co., Ltd. (中節能太陽能科技有限公司), independent third parties of the Company, hold 91.26%, 8.28% and 0.46% equity interests in Sunoasis, respectively and Sunoasis is a non-wholly owned subsidiary of the Company. Its principal business is the development, construction and operation of wind energy and photovoltaic resources; and the research and development, manufacturing and sale of inverters, flexible direct current transmission converter valves, static volt-ampere reactive (VAR) generators and other products.

Fengsheng Power Generation

Fengsheng Power Generation is a company incorporated in the PRC with limited liability on 21 January 2015. As at the date of this announcement, Sunoasis holds 100% equity interests in Fengsheng Power Generation and Fengsheng Power Generation is a non-wholly owned subsidiary of the Company. Its principal business is the development and operation of wind power resources. Upon completion of the Capital Injection, Fengsheng Power Generation will be owned as to approximately 60.95% and 39.05% by Sunoasis and ICBC Financial, respectively.

Fengsheng Power Generation's financial information during the following periods is set out as follows:

	For the year ended 31 December 2023 (audited) RMB(0'000)	For the year ended 31 December 2024 (audited) RMB(0'000)
Operating revenue	33,351.75	32,787.36
Net profit before tax	8,375.18	8,636.92
Net profit after tax	8,686.14	6,982.67

Based on the audited financial information, the total assets and net assets of Fengsheng Power Generation were approximately RMB2,926,571,400 and RMB773,016,200 as at 31 December 2024, respectively.

ICBC Financial

ICBC Financial, the third party investor, is a company incorporated in the PRC with limited liability on 26 September 2017, which is wholly-owned by Industrial and Commercial Bank of China Limited (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601398) and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 01398)). ICBC Financial is one of the first batch of market-driven debt-to-equity swap institutions approved to be established in the PRC, and its main businesses include conducting market-oriented and law-based debt-to-equity swaps and supporting business, raising funds from qualified investors in society in accordance with laws and regulations for supporting the implementation of market-oriented debt-to-equity swaps; issuance of financial bonds; financial advisory and consulting business related to debt-to-equity swaps businesses; and other businesses approved by the banking regulatory authority of the State Council.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ICBC Financial and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ABOUT THE COMPANY

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

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

In order to expand the financing channels, increase the capital of Fengsheng Power Generation and lower the gearing ratio, the introduction of ICBC Financial to inject capital in Fengsheng Power Generation is beneficial to the enhancement of the Group's competitiveness and sustainable development capability, and further supporting the expansion, strengthening and optimization of the Group's new energy business.

The Directors are of the view that the terms of the Capital Injection Agreement and the Shareholders' Agreement are determined after arm's length negotiations on normal commercial terms and the transaction contemplated thereunder is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole, although it is not conducted in the ordinary and usual course of business of the Company due to the transaction nature.

FINANCIAL EFFECT OF THE CAPITAL INJECTION ON THE GROUP AND USE OF PROCEEDS

Upon completion of the Capital Injection, the registered capital of Fengsheng Power Generation will increase from RMB732,938,900 to RMB1,202,590,900 and the Company's indirect equity interests in the Fengsheng Power Generation will decrease from 91.26% to 55.62%. Fengsheng Power Generation will remain as a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated in that of the Group.

It is expected that the Group will not record any gain or loss from the Capital Injection. Fengsheng Power Generation will use the proceeds from the Capital Injection to repay its existing debts. The Group's liabilities will decrease by RMB500 million, while the equity interest will increase by RMB500 million. The Capital Injection will bring in more capital to the Group, achieve a decrease in the Group's gearing ratio, improve its gearing structure, increase the financing capacity for new projects in the future and mitigate the Group's financial risks.

LISTING RULES IMPLICATIONS

CAPITAL INJECTION

Upon completion of the Capital Injection, the equity interests held by the Company through Sunoasis in Fengsheng Power Generation will be reduced from 91.26% to 55.62%. Accordingly, the Capital Injection will constitute a deemed disposal under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Injection exceeds 5% but is less than 25%, the Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

OPTION TO ACQUIRE CAPITAL INJECTION EQUITY

Pursuant to the Listing Rules, the grant of the Option to Acquire Capital Injection Equity to the Group under the Shareholders' Agreement constitutes a transaction under Chapter 14 of the Listing Rules and is subject to classification based on the percentage ratios as stipulated in the Listing Rules. In respect of the grant of the Option to Acquire Capital Injection Equity, the exercise of which is at the discretion of the Group, only the premium paid at the time of the grant is taken into account in calculating the percentage ratios. As the Group is not required to pay a premium for the grant of the Option to Acquire Capital Injection Equity, the transaction in relation to the grant of the Option to Acquire Capital Injection Equity to the Group does not constitute a notifiable transaction of the Company.

The Group will comply with the applicable Listing Rules when it exercises the Option to Acquire Capital Injection Equity.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Capital Injection”	the capital injection in the amount of RMB500 million with monetary funds by ICBC Financial to Fengsheng Power Generation under the terms and conditions of the Capital Injection Agreement

“Capital Injection Agreement”	the agreement entered into among Sunoasis, ICBC Financial and Fengsheng Power Generation on 26 June 2025 in relation to the Capital Injection by ICBC Financial to Fengsheng Power Generation
“Capital Injection Equity”	the equity issued pursuant to the Capital Injection Agreement, representing approximately 39.05% of the enlarged equity interests of Fengsheng Power Generation, to be held by ICBC Financial upon the completion of the Capital Injection
“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)
“Completion Date”	the date on which the consideration of the Capital Injection is paid by ICBC Financial is the completion date according to the Capital Injection Agreement
“Director(s)”	the director(s) of the Company
“Fengsheng Power Generation”	Zhengxiangbaiqi Fengsheng Power Generation Co., Ltd.* (正鑲白旗風盛發電有限公司), a company incorporated in the PRC with limited liability on 21 January 2015, and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC Financial”	ICBC Financial Asset Investment Co. Ltd. (工銀金融資產投資有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by Industrial and Commercial Bank of China Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Option to Acquire Capital Injection Equity”	the rights granted to Sunoasis to acquire the Capital Injection Equity from ICBC Financial at the exit price under specific circumstances stipulated in the Shareholders’ Agreement pursuant to and subject to the terms and conditions of the Shareholders’ Agreement
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders’ Agreement”	the agreement entered into among Sunoasis, ICBC Financial and Fengsheng Power Generation on 26 June 2025, the details of which are set out in the section headed “Shareholders’ Agreement” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“Sunoasis”	TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a joint stock company incorporated in the PRC on 30 August 2000 with limited liability, and a non-wholly owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Xinjiang, the PRC
26 June 2025

As at the date of this announcement, 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; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive Directors.

* *For identification purpose only*