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新特能源

XINTE ENERGY CO., LTD.

新特能源股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1799)

CONNECTED TRANSACTION TRANSFER OF ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE TRANSFER AGREEMENTS

The Board is pleased to announce that, on 21 November 2024, Sunoasis and Xi'an Electrical, subsidiaries of the Company, entered into the Sunoasis Accounts Receivable Transfer Agreement and the Xi'an Electrical Accounts Receivable Transfer Agreement, respectively, with the Factoring Company to carry out accounts receivable factoring business, pursuant to which Sunoasis and Xi'an Electrical agreed to transfer, and the Factoring Company agreed to acquire the Accounts Receivable with a total book value of approximately RMB429.6 million at a total consideration after deducting the factoring fees of not less than approximately RMB407.0 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Factoring Company is a wholly-owned subsidiary of TBEA, while TBEA directly and indirectly holds approximately 64.5% of the total issued share capital of the Company and thus is the controlling shareholder of the Company. As such, the Factoring Company is a connected person of the Company. Therefore, the transactions contemplated under the Accounts Receivable Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As both the Sunoasis Accounts Receivable Transfer Agreement and the Xi'an Electrical Accounts Receivable Transfer Agreement were entered into within a 12-month period and are related to each other, the transactions contemplated under each of them are required to be aggregated and treated as one transaction pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio (as aggregated) in respect of the transactions contemplated under the Accounts Receivable Transfer Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Accounts Receivable Transfer Agreements are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

ACCOUNTS RECEIVABLE TRANSFER AGREEMENTS

The Board is pleased to announce that, on 21 November 2024, Sunoasis and Xi'an Electrical, subsidiaries of the Company, entered into the Sunoasis Accounts Receivable Transfer Agreement and the Xi'an Electrical Accounts Receivable Transfer Agreement, respectively, with the Factoring Company to carry out accounts receivable factoring business, pursuant to which Sunoasis and Xi'an Electrical agreed to transfer, and the Factoring Company agreed to acquire the Accounts Receivable with a total book value of approximately RMB429.6 million at a total consideration after deducting the factoring fees of not less than approximately RMB407.0 million.

The principal terms of the Accounts Receivable Transfer Agreements are set out as follows:

	Sunoasis Accounts Receivable Transfer Agreement	Xi'an Electrical Accounts Receivable Transfer Agreement
Date:	21 November 2024	21 November 2024
Parties:	(1) Factoring Company (as the purchaser); and (2) Sunoasis (as the vendor)	(1) Factoring Company (as the purchaser); and (2) Xi'an Electrical (as the vendor)
Accounts Receivable to be Transferred:	Accounts Receivable I consists of certain accounts receivable due from the relevant debtors to Sunoasis under underlying agreements and mainly includes payments for the delivery of goods, acceptance payments and quality guarantee deposits for the construction of new energy power stations and the sale of related products with a book value of approximately RMB419.2 million. As at the date of this announcement, the aging of Accounts Receivable I ranged from 2 to 39 months, and its expected collection period ranged from 5 to 19 months.	Accounts Receivable II consists of certain accounts receivable due from the relevant debtors to Xi'an Electrical under underlying agreements and mainly includes payments for the delivery of goods, acceptance payments, and quality guarantee deposits for the sale of inverters with a book value of approximately RMB10.3 million. As at the date of this announcement, the aging of Accounts Receivable II was 9 months, and its expected collection period was 19 months.

Upon completion of the transfer of Accounts Receivable I, Sunoasis shall transfer the repayments received from the relevant debtors in respect of Accounts Receivable I to the Factoring Company. The Factoring Company shall have no recourse against Sunoasis in respect of Accounts Receivable I if the relevant debtors fail to pay the receivables in full and on time as agreed due to the occurrence of credit risk.

Upon completion of the transfer of Accounts Receivable II, Xi'an Electrical shall transfer the repayments received from the relevant debtors in respect of Accounts Receivable II to the Factoring Company. The Factoring Company shall have no recourse against Xi'an Electrical in respect of Accounts Receivable II if the relevant debtors fail to pay the receivables in full and on time as agreed due to the occurrence of credit risk.

**Consideration
and Basis of
Determination:**

The consideration to be paid by the Factoring Company to Sunoasis will be not less than approximately RMB397.2 million, which is calculated based on the book value of Accounts Receivable I deducted by the factoring fees (i.e. the book value of Accounts Receivable I multiplied by the factoring fee rate and multiplied by the term).

The consideration to be paid by the Factoring Company to Xi'an Electrical will be not less than approximately RMB9.8 million, which is calculated based on the book value of Accounts Receivable II deducted by the factoring fees (i.e. the book value of Accounts Receivable II multiplied by the factoring fee rate and multiplied by the term).

The factoring has a term of 1.5 years and the factoring fee rate is not more than 3.5% per year. The factoring fees are determined through fair negotiation by the parties with reference to the types and the amount of receivables, the prevailing market rate, the creditworthiness of the relevant debtors and other factors. The factoring fee rate will be reached with reference to the final issuance interest rate of the asset securitization of commercial factoring accounts receivable ^(note) carried out by the Factoring Company with the Accounts Receivable and the corresponding intermediary fees.

Payment:

The Factoring Company shall pay the consideration to Sunoasis upon fulfillment of, among others, the below conditions precedent:

The Factoring Company shall pay the consideration to Xi'an Electrical upon fulfillment of, among others, the below conditions precedent:

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| <ul style="list-style-type: none"> i. there is no occurrence of any event of default under the relevant underlying agreements and the Sunoasis Accounts Receivable Transfer Agreement; | <ul style="list-style-type: none"> i. there is no occurrence of any event of default under the relevant underlying agreements and the Xi'an Electrical Accounts Receivable Transfer Agreement; |
| <ul style="list-style-type: none"> ii. Sunoasis Accounts Receivable Transfer Agreement has been effect, and the registration procedures in relation to the Accounts Receivable I have been completed; and | <ul style="list-style-type: none"> ii. Xi'an Electrical Accounts Receivable Transfer Agreement has been effect, and the registration procedures in relation to the Accounts Receivable II have been completed; and |
| <ul style="list-style-type: none"> iii. there is no occurrence of any certain circumstances that would result in the determination of the Sunoasis Accounts Receivable Transfer Agreement as agreed therein. | <ul style="list-style-type: none"> iii. there is no occurrence of any certain circumstances that would result in the determination of the Xi'an Electrical Accounts Receivable Transfer Agreement as agreed therein. |

Sunoasis agrees that the Factoring Company shall pay the consideration in the form of commercial acceptance bills or other approved forms. After the payment conditions are met and not later than the closing date of the re-transfer of Accounts Receivable between the Factoring Company and the third-party transferee, the Factoring Company shall issue commercial acceptance bills to the designated account of Sunoasis. The maturity date of the commercial acceptance bills shall be no later than the fifth working day after the Factoring Company receives the transfer price of the Accounts Receivable paid by the third-party transferee.

Xi'an Electrical agrees that the Factoring Company shall pay the consideration in the form of commercial acceptance bills or other approved forms. After the payment conditions are met and not later than the closing date of the re-transfer of Accounts Receivable between the Factoring Company and the third-party transferee, the Factoring Company shall issue commercial acceptance bills to the designated account of Xi'an Electrical. The maturity date of the commercial acceptance bills shall be no later than the fifth working day after the Factoring Company receives the transfer price of the Accounts Receivable paid by the third-party transferee.

Note: The Factoring Company expects to transfer the Accounts Receivable, including Accounts Receivable I and Accounts Receivable II, to third-party transferee(s) by carrying out the commercial factoring accounts receivable asset securitization business on the Shanghai Stock Exchange before 31 December 2024.

INFORMATION ON THE PARTIES

Sunoasis is a joint stock company incorporated in the PRC with limited liability on 30 August 2000, and it is owned as to 99.5% and 0.5% by the Company and CECEP Solar Energy Technology Co., Ltd. (中節能太陽能科技有限公司), an independent third party of the Company, respectively, and is a non-wholly owned subsidiary of the Company as at the date of this announcement. The principal businesses of Sunoasis are the development, construction and operation of wind and photovoltaic power resources; the research and development, manufacture and sales of products such as inverters, flexible direct current transmission converter valves and static VAR generators.

Xi'an Electrical is a company incorporated in the PRC with limited liability on 30 April 2010, and is a wholly-owned subsidiary of Sunoasis as at the date of this announcement. The principal business of Xi'an Electrical is the research and development, manufacture and sales of products such as inverters and static VAR generators.

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

The Company is a global leader in the manufacturing of polysilicon as well as in the development and operation of wind and photovoltaic power 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. The Company is also engaged in the manufacturing of supporting equipment (mainly inverter, flexible direct current transmission converter valve and static VAR generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

FINANCIAL IMPACT OF THE TRANSFER OF ACCOUNTS RECEIVABLE AND THE USE OF PROCEEDS

Upon the transfer of Accounts Receivable, the Group is expected to record a loss before tax of not more than approximately RMB22.6 million based on the difference between the book value of Accounts Receivable and the total consideration. The Group can gain cash flow of not less than approximately RMB407.0 million from the transfer of Accounts Receivable. The proceeds from transfer will be used to supplement the Group's working capital.

REASONS FOR AND BENEFITS OF THE TRANSFER OF ACCOUNTS RECEIVABLE

The transfer of Accounts Receivable is beneficial for speeding up the recovery of accounts receivable of the Group, accelerating capital turnover, optimizing the Group's asset structure, reducing the cost of managing accounts receivable, improving operating cash flows, increasing the efficiency of capital utilization and enhancing operational capabilities.

BOARD CONFIRMATION

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

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Accounts Receivable Transfer Agreements are determined after arm's length negotiations on normal commercial terms, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole, although they are not conducted in the ordinary and usual course of business of the Company due to the nature of the transaction.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Factoring Company is a wholly-owned subsidiary of TBEA, while TBEA directly and indirectly holds approximately 64.5% of the total issued share capital of the Company and thus is the controlling shareholder of the Company. As such, the Factoring Company is a connected person of the Company. Therefore, the transactions contemplated under the Accounts Receivable Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As both the Sunoasis Accounts Receivable Transfer Agreement and the Xi'an Electrical Accounts Receivable Transfer Agreement were entered into within a 12-month period and are related to each other, the transactions contemplated under each of them are required to be aggregated and treated as one transaction pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio (as aggregated) in respect of the transactions contemplated under the Accounts Receivable Transfer Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Accounts Receivable Transfer Agreements are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Accounts Receivable”	collectively, “Accounts Receivable I” and “Accounts Receivable II”
“Accounts Receivable I” and “Accounts Receivable II”	has the meaning set out in the paragraph headed “Accounts Receivable Transfer Agreements — Accounts Receivable to be Transferred” in this announcement
“Accounts Receivable Transfer Agreements”	Sunoasis Accounts Receivable Transfer Agreement and Xi’an Electrical Accounts Receivable Transfer Agreement
“Board”	the board of Directors of the Company
“Company”	Xinte Energy Co., Ltd. (新特能源股份有限公司), a company incorporated in the PRC with limited liability on 20 February 2008, which was converted into a joint stock limited liability company on 16 October 2012, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1799)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Factoring Company”	Tianjin Sanyang Silu Commercial Factoring Co., Ltd.* (天津三陽絲路商業保理有限公司), a company incorporated in the PRC with limited liability on 26 January 2022, and it is held by TBEA as to 100% and is a connected person of the Company as at the date of this announcement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholders”	Shareholders other than TBEA and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“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 and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Sunoasis Accounts Receivable Transfer Agreement”	the accounts receivable transfer agreement entered into between Sunoasis and the Factoring Company for the transfer of Accounts Receivable dated 21 November 2024
“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089). As at the date of this announcement, TBEA directly and indirectly holds 64.5% of the equity interest of the Company and is a controlling shareholder of the Company

“Xi’an Electrical”	TBEA Xi’an Electrical Technology Co., Ltd.* (特變電工西安電氣科技有限公司), a company incorporated in the PRC with limited liability on 30 April 2010 and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Xi’an Electrical Accounts Receivable Transfer Agreement”	the accounts receivable transfer agreement entered into between Xi’an Electrical and the Factoring Company for the transfer of Accounts Receivable dated 21 November 2024
“%”	per cent

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

Xinjiang, the PRC
21 November 2024

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

* *For identification purpose only*