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 ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY

ACQUISITION

The Board announces that, on 26 September 2025, Sunoasis entered into the Equity Interest Transfer Agreement with TBEA, the Controlling Shareholder of the Company, whereby TBEA agreed to transfer 100% equity interest in Xuyi High Drive to Sunoasis, at a consideration of RMB136,800,000, which was determined after arm's length negotiations with reference to the Xuyi High Drive Valuation Report. Upon completion of the Acquisition, the Target Company will become a subsidiary of the Company and the financial results of Xuyi High Drive will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA directly and indirectly holds approximately 66.61% of the total issued share capital of the Company and is a Controlling Shareholder and a Connected Person of the Company, hence the transaction contemplated under the Equity Interest Transfer Agreement constitutes a Connected Transaction of the Company. As the highest applicable percentage ratio in respect of the transaction contemplated under the Equity Interest Transfer Agreement exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements but is exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement dated 28 April 2023 of the Company in relation to the entering into of the Former Equity Interest Transfer Agreement.

Equity Interest Transfer Agreement

The Board announces that, Sunoasis entered into the Equity Interest Transfer Agreement with TBEA, the principal terms of which are summarised as follows:

Parties:	Sunoasis; and TBEA
Date:	26 September 2025
Subject matter:	100% equity interest in Xuyi High Drive and all rights, obligations and responsibilities attached.
Consideration:	The consideration of RMB136,800,000 was determined after arm's length negotiations with reference to the Xuyi High Drive Valuation Report. Sunoasis, using the internal cash reserve of the Group, will pay in cash (i) 60% of the consideration after the signing of the Equity Interest Transfer Agreement and no later than 30 September 2025; and (ii) the remaining 40% of the consideration upon completion of the industrial and commercial change of the equity interest in Xuyi High Drive and no later than 30 October 2025.
Effective date:	The agreement shall come into effect after it being signed and stamped with official seals by authorized representatives of both parties.
Closing date:	The signing date of the Equity Interest Transfer Agreement.

Profit Forecast Based on the Income Approach Adopted in the Valuation Report

The value of the total shareholders' equity of the Target Company was RMB136,800,000 as set out in the Valuation Report prepared by the Valuer based on the income approach with 30 June 2025 as the benchmark date. As the value of the Target Company was evaluated based on the income approach, it is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

A summary of the Valuation Report containing, among other things, the key assumptions, valuation model and input parameters of the valuation is set out in Appendix I to this announcement.

The Board confirms that it has made the profit forecast after due and careful enquiry. Please refer to the letter from the Board set out in Appendix II to this announcement.

The Auditor has reviewed the accounting policies and calculations of the profit forecast in the Valuation Report and has reported on the calculations of the income approach on which the Valuation was based. Please refer to the letter from the Auditor set out in Appendix III to this announcement.

EXPERTS AND CONSENTS

The following are the qualifications of the experts who provided opinion and advice in this announcement:

Name	Qualification
SHINEWING Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥))	Certified Public Accountants
Shanghai Shenwei Assets Valuation Co., Ltd.* (上海申威資產評估有限公司)	Independent Valuer

All such experts are third parties independent of the Group and its Connected Persons. As at the date of this announcement, each of the experts:

(i) has given, and has not withdrawn, its written consent to the publication of this announcement that includes its letter and all references to its name in the form and context in which they appear; and

(ii) does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any member of the Group.

INFORMATION ON THE TARGET COMPANY

Xuyi High Drive is a company incorporated in the PRC with limited liability and is principally engaged in sales of wind power generation, wind power equipment, electrical and electronic control equipment. As at the date of this announcement, it is wholly owned by TBEA.

The following table provides the financial information of Xuyi High Drive for the periods as stated below:

	For the year ended 31 December 2023 (audited) *RMB ('0000)*	**For the year ended 31 December 2024 (audited)** *RMB ('0000)*
Net profit before tax and non-recurring profit and loss items	83.57	1,460.31
Net profit after tax and non-recurring profit and loss items	363.64	1,034.29

According to the audited financial information, the total assets and net assets of Xuyi High Drive as at 30 June 2025 are approximately RMB824,179,000 and RMB136,783,400, respectively.

INFORMATION ON THE PARTIES TO THE EQUITY INTEREST TRANSFER AGREEMENT

Sunoasis is a joint stock company incorporated in the PRC with limited liability on 30 August 2000 and is a non-wholly owned subsidiary of the Company as at the date of this announcement, in which the Company holds 91.26% equity interest in Sunoasis. Sunoasis is principally engaged in the development, construction and operation of wind and PV resources; the research and development, manufacture and sales of inverters, flexible direct current transmission converter valves, static volt-ampere reactive (VAR) generators and other products.

TBEA is a joint stock company incorporated in the PRC with limited liability on 26 February 1993, which listed on Shanghai Stock Exchange (stock code: 600089), and directly and indirectly holds approximately 66.61% of the total issued share capital of the Company as at the date of this announcement, and is the Controlling Shareholder and Connected Person of the Company. TBEA and its associates (excluding the Group) are principally engaged in (i) the production and sales of transformers, reactors, wires, cables and other electrical and mechanical devices; (ii) contracting for the construction of domestic and overseas power transmission projects, hydropower and thermal power plant projects; (iii) mining and sales of coal; and (iv) production and sales of electricity and heat.

INFORMATION ON THE COMPANY

The Company is an industry-leading manufacturer of polysilicon and a developer and operator of wind and PV resources. The Company's 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 converter valve and static VAR generators).

FINANCIAL IMPACT OF THE ACQUISITION ON THE GROUP

Upon completion of the Acquisition, Xuyi High Drive will become a subsidiary of the Company and the financial results of Xuyi High Drive will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In 2023, due to the land use defects of the Xuyi Project operated by the Target Company, in order to expedite the progress of the A Share Offering, the Company temporarily divested the Xuyi Project to TBEA. As of the date of this announcement, the land use defects have been rectified. The Target Company's main business falls within the scope of the new energy power station operation business sector of the Company. Upon completion of the Acquisition, the financial results of Xuyi High Drive will be consolidated into the financial statements of the Group, which is conducive to further expanding the scale of the new energy power station operation business of the Group and enhancing the overall competitiveness and profitability.

CONFIRMATION BY THE BOARD

As Mr. Zhang Xin and Mr. Huang Hanjie, holds a position and/or an interest in TBEA, they are deemed to have material interests or potential conflicts of interest in the Acquisition and are required to abstain from voting on the relevant Board resolutions. Save for the above Directors, none of other Directors has been or is deemed to be materially interested in the Acquisition.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Interest Transfer 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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA directly and indirectly holds approximately 66.61% of the total issued share capital of the Company and is a Controlling Shareholder and a Connected Person of the Company, hence the transaction contemplated under the Equity Interest Transfer Agreement constitutes a Connected Transaction of the Company. As the highest applicable percentage ratio in respect of the transaction contemplated under the Equity Interest Transfer Agreement exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements but is exempt from the circular and Independent Shareholders' approval requirements 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:

"A Share Offering"	the Company's proposal to conduct an initial public offering of A Shares, which was terminated in December 2024
"Auditor"	SHINEWING Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)), the auditor of the Company
"Acquisition"	the acquisition of the 100% equity interest in the Target Company by Sunoasis from TBEA pursuant to the Equity Interest Transfer Agreement at a consideration of RMB136,800,000
"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 company with limited liability 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

"Director(s)"	the director(s) of the Company
"Equity Interest Transfer Agreement"	the equity interest transfer agreement entered into by Sunoasis and TBEA on 26 September 2025 in relation to the acquisition of 100% equity interest in Xuyi High Drive by Sunoasis from TBEA
"Former Equity Interest Transfer Agreement"	the equity interest transfer agreement entered into by Sunoasis and TBEA on 28 April 2023 in relation to the sale of 100% equity interest in Xuyi High Drive by Sunoasis to TBEA at a consideration of RMB138,700,000
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, subscribed and traded in Hong Kong dollars and listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MW"	megawatt, unit of power. The capacity of a power generation project is generally indicated in MW
"percentage ratio(s)"	has the meaning ascribed to it in Chapter 14 of the Listing Rules
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"PV"	photovoltaic
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Sunoasis"	TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 30 August 2000 and a non-wholly owned subsidiary 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 with limited liability on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089)
"Valuation"	the valuation of the total shareholders' equity in the Target Company with 30 June 2025 as the benchmark date prepared by the Valuer using the income approach
"Valuer"	Shanghai Shenwei Assets Valuation Co., Ltd.* (上海申威資產評估有限公司)
"Xuyi High Drive" or "Target Company"	Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電新能源有限公司), a company incorporated in the PRC with limited liability on 16 April 2014 and a wholly-owned subsidiary of TBEA as at the date of this announcement
"Xuyi High Drive Valuation Report"	the valuation report for Xuyi High Drive dated 19 September 2025 prepared by the Valuer for the acquisition of equity interest in Xuyi High Drive
"Xuyi Project"	the 80MW Wind Power Project at Guanyin Temple Sanhe Farm Guantan Wind Power Plant of Xuyi High Drive

"%"	per cent

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

Xinjiang, the PRC
26 September 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*

I. VALUATION SUBJECT AND VALUATION SCOPE

The valuation subject is the value of the total shareholders' equity of the Target Company as at 30 June 2025 (the "**Valuation Benchmark Date**").

The valuation scope covers all the assets and liabilities of the Target Company in the valuation scope as at the Valuation Benchmark Date. As at the Valuation Benchmark Date, the audited book value of total assets of the Target Company was RMB824,179,000; the book value of liabilities of the Target Company was RMB687,395,600 and the book value of net assets of the Target Company was RMB136,783,400. Among them, current assets of the Target Company amounted to RMB149,369,600 and non-current assets of the Target Company amounted to RMB674,809,400; current liabilities of the Target Company amounted to RMB394,095,500 and non-current liabilities of the Target Company amounted to RMB293,300,200.

The above information on assets and liabilities is extracted from the financial statement of the Target Company for the six months ended 30 June 2025, audited by Xi'an Branch of SHINEWING Certified Public Accountants LLP. The valuation was carried out based on the audited financial statement of the Target Company.

II. PRINCIPAL ASSUMPTIONS

(I) General Assumptions

1. Transaction assumption: It is assumed that the assets are in the trading process, and the appraiser performs the simulated valuation based on the transaction conditions of the appraised assets;

2. Open market assumption: It is assumed that transactions of the appraised assets are conducted under open market conditions. The open market refers to fully developed and improved market conditions, and is a competitive market with voluntary buyers and sellers. Buyers and sellers are equal in this market and both have opportunities and time in acquiring ample market information; and the transactions between them are made on a voluntary, rational, non-compulsory and unrestricted condition;

3. Ongoing concern assumption of the enterprise: It is assumed that the production and operation of the Target Company will be continued under current conditions and will not undergo significant changes in the foreseeable future, regardless the impact of the economic behaviors involved in the appraisal purpose on business operation of enterprises;

4. Assumption about the use of an asset for an existing purpose: It refers to the assets of the Target Company currently in use shall continue to be used in accordance with their current purposes and methods after this economic activity occurs;

5. External environment assumption: It is assumed that there are no significant changes in the relevant laws, regulations and policies in force in the PRC in the future; there are no significant changes in the political, economic and social environment of the regions in which the parties are located in the future; and there are no significant changes in the relevant interest rates, exchange rates, taxation bases and rates, policy levies, etc. in the future;

6. It is assumed that the management of the Target Company has responsibly performed its obligations for the operation of the business and has competently implemented effective management of the relevant assets. The Target Company has fully complied with all relevant laws and regulations in the course of the operations;

7. The impact of possible mortgages, guarantees, as well as the possible additional price to be paid for special transaction methods on the appraisal conclusion is not considered;

8. It is assumed that the information provided by the client and the Target Company is true, complete and lawful.

(II) Special Assumptions

1. It is assumed that the accounting policies to be adopted by the Target Company in the future will be substantially consistent with those adopted in the preparation of this report in all material respects;

2. It is assumed that there will be no significant changes in the enterprise scale of the Target Company in the future operating period;

3. It is assumed that forecast of future income is based on the existing management methods and management standards, and the business scope and methods are consistent with the current ones;

4. It is assumed that the core team of the Target Company will continue to serve in the Target Company in future years, and will not engage in external business that competes with the businesses of the Target Company;

5. It is assumed that the Target Company operates in compliance with laws and regulations, and the electric power business license and business certificate it currently obtained can be renewed normally upon expiry;

6. It is assumed that the Target Company can raise the required funds according to its business needs, and the business operation will not be affected by financing issues;

7. The calculation of net cash flow is on an accounting year basis, assuming that the cash flow of the Target Company occurs evenly during the accounting year;

8. It is assumed that after the ending of preferential policy of "three-year full exemption followed by a three-year half exemption", the corporate income tax will be levied at 25%;

9. Given that no wind power enterprise in China has renewed project after its operating period, it is assumed that the operating period is 20 years without considering renewal;

10. It is assumed that there are no other force majeure factors and unforeseeable factors that would have material adverse impact on the enterprises;

11. Repayment for borrowings shall follow the agreed repayment order: finance lease payments, borrowings (interest rate calculated based on the LPR of 3.50% on the Valuation Benchmark Date), and equity payments. Furthermore, the shareholders of the Target Company have undertaken that if current cash flow is insufficient to repay finance lease payments, the shareholders will advance repayments, with interest calculated based on the LPR on the Valuation Benchmark Date.

III. SCOPE OF WORK

In conducting this valuation, the Valuer has performed the following:

1. Co-ordinated with the representatives of the Company and the Target Company to obtain the necessary information and documents for valuation;

2. Gathered the relevant information of the Target Company, including the legal documents, financial statements, etc.;

3. Discussed with the Company and the Target Company to understand the history, business model, operation, business development plans, etc. of the Target Company for valuation purpose;

4. Carried out research in the relevant sectors and collected the relevant information from reliable sources for analysis;

5. Studied the available information of the Target Company and considered the basis and assumptions of valuation conclusion; and selected an appropriate valuation method to analyze the relevant data; estimated the value of the total shareholders' equity of the Target Company as at the Valuation Benchmark Date and prepared the Valuation Report.

IV. VALUATION APPROACHES AND VALUATION ANALYSIS

Based on the analysis of the Target Company's corporate nature, asset size, and historical operating conditions, the expected income can be quantified, the expected income period can be forecasted, the risk of expected return closely related to discount can be predicted, and the available information is relatively sufficient. Therefore, income approach is applicable to this valuation.

The Target Company is in the new energy sector, which is supported by national policies. The wind power industry has good future development prospects and a high and stable return on assets. The asset-based approach cannot reasonably reflect the market value of the enterprise. Therefore, this valuation does not adopt the asset-based approach.

Since the information on comparable companies with similar asset size and structure, scope of operation and profitability can be found in the capital market, the market approach is applicable to this valuation.

In summary, based on relevant asset valuation standards, the appraisers fully considered the specific characteristics of the valuation purpose, valuation subject and scope. Through on-site inspections of the valuation subject and the collection and analysis of relevant data, the appraisers used the income approach and the market approach to conduct valuations, respectively. The appraisers analyzed the various preliminary value conclusions formed, and based on a comprehensive consideration of the rationality of different evaluation methods and preliminary value conclusions, as well as the quality and quantity of the data used, reaching a reasonable valuation conclusion.

The valuation conclusion adopts the valuation result under the income approach for the following specific reasons:

The rational investors estimate equity value based on expected future cash flow returns. In the income approach, the predictions for key parameters are consistent with the scenarios inferred from valuation assumptions. The forecasts of future income are well-substantiated and reasonable. The analysis of the industry's sub-sectors and markets covering historical, current, and future conditions is rigorous, and the projections align with market principles. The valuation procedures were thoroughly implemented, and the potential impact of relevant information obtained between the Valuation Benchmark Date and the reporting date has been properly considered. Therefore, the income approach result effectively reflects the company's expected profitability and embodies the value of its shareholders' equity. The market approach, on the other hand, requires selecting comparable companies, analyzing and comparing financial data between the Target Company and comparable companies, and making necessary adjustments. Compared to the Target Company's own information used in the income approach, business information and financial data of comparable companies used in the market approach are relatively limited. Due to the numerous implicit factors influencing equity value, it is difficult to cover all the influencing factors through adjustment and correction of the value ratios. In comparison, the income approach provides a more accurate reflection of the Target Company's market value as at the Valuation Benchmark Date. Thus, the income approach result is deemed more appropriate.

V. VALUATION MODELAND INPUT PARAMETERS

(1) Valuation Concept and Model of the Income Approach

1. Valuation concept of the income approach

1.1 In respect of assets and principal businesses included in the scope of the financial statements, their expected income (net cash flow) is estimated based on the trend of historical operating conditions in recent years and the types of businesses, and discounted to obtain the value of the operating assets;

1.2 The value is estimated separately for surplus assets existing as at the reference date and non-operating assets (liabilities) defined as existing as at the reference date that would be included in the scope of the financial statements but not taken into account in the estimation of expected income (net cash flow);

1.3 By summing up the values of the two assets abovementioned, the equity value of the valuation subject is derived, resulting in the value of the equity capital (total shareholders' equity) of the valuation subject.

2. *Net Cash Flow Model*

This valuation adopts DCF model. The income caliber is free cash flow of equity ("**FCFE**"), and the corresponding discount rate is derived by adopting CAPM model.

The basic formula is:

Value of the total shareholders' equity = discounted value of free cash flow of equity + value of surplus assets + net value of non-operating assets

Free cash flow of equity = net profit of the enterprise + depreciation and amortization – capital expenditures – net change in working capital – net change in interest-bearing liabilities

The calculation formula of the present value of income approach is:

Valuation = the sum of present values of income for each period of future income, that is:

$$P = \sum_{i=1}^{t} \frac{Fi}{(1+r_i)^i}$$

Where: P — Appraised value (discounted value);

r_i — Discount rate;

i — Life of income (income period);

Fi — Amount not equivalent to the value of projected income in the coming i period of income.

3. *Income period*

Based on the assumptions of this valuation, the Xuyi Project operated by the Target Company consists of two phases. 8MW wind power project of Phase 1 was connected to the grid in January 2019; 72MW wind power project of Phase 2 was connected to the grid on 30 December 2020. Both phases have an operating period of 20 years. Taking into account that the project lifecycle and service life, wear and tear of the equipment, this valuation has determined the income period to be limited years. As of the Valuation Benchmark Date, the future income period for 8MW wind power project of Phase 1 is from July 2025 to December 2038; and the future income period for 72MW wind power project of Phase 2 is from July 2025 to December 2040.

4. *Forecast of expected annual cash flow*

The main business income of the Target Company is wind power generation. Based on the forecast indicators for the future operating period provided by the management of the Target Company, we calculate the net cash flow of the enterprise for each year within the forecast period by understanding the enterprise's financial plans and business plans, and analyzing the composition and changing trends of the enterprise's income, costs and expenses in future years, the turnover of various working capital, the foreseeable investment plans and budgets, and other possible matters that may have a significant impact on the income within the forecast period.

5. *Discount rate*

Different discount rate models are adopted in accordance with different criteria of cash flows.

Since the equity cash flow approach is adopted this time, the capital asset pricing model (CAPM) is adopted to determine the discount rate:

The calculation formula is:

$$r = r_f + \beta_e \times (r_m - r_f) + \varepsilon$$

Wherein:

r_f: risk-free rate of return as at the Valuation Benchmark Date;

r_m-r_f (ERP): the market risk premium;

β_e: the expected market risk coefficient of the equity capital of the valuation subject;

ε: the specific risk adjustment coefficient.

6. *Determination of surplus assets and non-operating assets (liabilities)*

Surplus assets refer to assets that exceed those required for the normal operation of the enterprise, primarily comprising surplus currency funds. Based on an analysis of the income statement and balance sheet, the Target Company possesses surplus assets, primarily comprising currency funds. The appraised value is determined based on the book value after inventory verification.

Non-operating assets and liabilities encompass two aspects: firstly, assets that do not directly contribute to the enterprise's main business and liabilities that are not generated through operating activities related to the main business; and secondly, the income from certain assets and the expenditure from certain liabilities that are not included in the profit forecast. The appraised value of the non-operating assets (liabilities) is determined based on the book value after inventory verification.

7. *Recovery of assets with residue value and working capital*

Based on the assumption of limited years of operation, this valuation estimated the residual value of buildings, land use rights, equipment assets and working capital balance as of the end of the project period, and made an end-of-period discount and added back treatment.

8. *Interest-bearing liabilities*

Interest-bearing liabilities refer to liabilities that require interest payments, including bank borrowings, issued bonds and long-term payables from finance leases. Interest-bearing liabilities also include other financing capital that should have paid interest due to related parties or other reasons, such as other payables. The Target Company's interest-bearing liabilities primarily include long-term payables, long-term liabilities due within one year and borrowings. The appraised value is determined based on the book value after inventory verification.

(2) Evaluation Parameters

According to the Valuation Report, as of the Valuation Benchmark Date, the valuation of the Target Company was RMB136,800,000. The key valuation parameters for the valuation of the Target Company are set out below:

1. Operating income forecast

1.1 Power forecast

The Target Company's revenue from main business is revenue of electricity charges from the Xuyi Project. According to the Electric Power Business License, the Feasibility Study Report for Guanyin Temple Sanhe Farm Guantan Wind Power Plant Project of Xuyi High Drive (《盱眙高傳觀音寺三河農場官灘風電場項目可行性研究報告》), and the electricity purchase and sales contract, the Xuyi Project has an installed capacity of 80MW, an annual theoretical power generation capacity of 183,920.00MWh, an annual on-grid power generation of 183,920.00MWh, an annual full-load equivalent utilisation hours of 2,299.00h, and a 20-year operating period. The 8MW of Phase 1 from the Xuyi Project was connected to the grid in January 2019, and the remaining 72MW connected to the grid in full capacity in December 2020.

Based on the equivalent hours from 2021 to 2024, the average annual hours for the future period are forecast to be 2,284.57 hours. Based on historical power generation and current conditions, a 5% combined curtailment loss rate is assumed for future years. The project has a capacity of 80MW, resulting in a settlement power output of 173,627,320.00 kWh/year. The projected annual generation capacity for July-December 2025 are 86,813,660.00 kWh, and 173,627,320.00 kWh for 2026. Power generation from 2027 to 2040 remains consistent with the 2026 forecast.

1.2 Electricity price forecast

According to the Electricity Purchase and Sale Contract between State Grid Jiangsu Electric Power Co., Ltd. and Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電新能源有限公司), the national subsidy electricity price for the Xuyi Project is RMB0.219 per kWh.

According to the Notice on Deepening the Market-Oriented New Energy Feed-in Tariff Reform and Promoting the High-Quality Development of New Energy (NDRC Price [2025] No.136), the average comprehensive settlement price for the Xuyi Project is RMB0.315 per kWh.

The settlement electricity price for the future operation period of the Xuyi Project is estimated based on the settlement electricity price of RMB0.315 per kWh, and the national subsidy electricity price of RMB0.219 per kWh.

2. *Forecast of operating costs*

The Target Company is a wind power project company, the main costs of the Xuyi Project operated by it include depreciation and amortization, operation and maintenance costs, etc.

2.1 Forecast of depreciation and amortization

Depreciation and amortization include depreciation of fixed assets and amortization of land use rights. Forecast of depreciation and amortization is amortized at the original value of assets less the residual value according to the enterprise's depreciation and amortization policies.

2.2 Forecast of operation and maintenance costs

The operation and maintenance of the Xuyi Project is entrusted to a professional operations team. The entrusted operation and maintenance costs mainly include labor costs, fees for wind turbine repairment, collecting power lines operation and maintenance, scheduled inspection and maintenance and technical service, etc. Based on historical annual performance, the operation and maintenance costs are estimated to be RMB9.5 million (tax included) from 2025 to 2040.

(3) Determination of discount rate

3.1 Determination of risk-free rate of return

It is determined based on the annualized yield to maturity for 10-year Chinese government bonds as at the Valuation Benchmark Date. The data source is the China Government Bond Yield Curve published by China Central Depository & Clearing Co., Ltd. on the website of the China Appraisal Society. As of 30 June 2025, the yield to maturity of government bonds with a remaining maturity of 10 years is 1.6469%, that is: r_f=1.6469%.

3.2 Determination of market risk premium

The market risk premium is defined as the difference between the market rate of return and the risk-free rate of return. The market rate of return is calculated using historical data from the CSI 300 Index disclosed by the RoyalFlush System. The historical annual geometric average rate of return is calculated on an annual basis from the index base period to the end of the most recent year. The corresponding risk-free rate of return is the yield to maturity for 10-year Chinese government bonds at the end of each year, and the market risk premium at the end of each year is derived after deduction. Finally, the historical average of recent years is selected to determine the market risk premium on the Valuation Benchmark Date. The market risk premium for this valuation is set at 6.58%.

3.3 Determination of risk coefficient

The risk coefficient is calculated by retrieving the RoyalFlush System and researching the data of comparable companies engaged in the same or related businesses as the Target Company. Six listed companies in similar industries are selected for this valuation, their adjusted β values are retrieved via the RoyalFlush System, and the leveraged β coefficients of the reference companies are converted to unleveraged β coefficients. The adjusted β value after excluding leverage is 0.5365.

3.4 Determination of specific risk adjustment coefficient

The specific risk adjustment coefficient is determined by the appraisers' comprehensive analysis of the Target Company's operating conditions and the risks faced in its financial forecasts for future years. The determination of the enterprise-specific risk adjustment coefficient requires considering the following factors for the Target Company: enterprise scale; historical operating conditions; financial risk of the enterprise; distribution of business operations, products and geographic regions of the enterprise; internal management and control mechanisms of the enterprise; and reliance on major customers and suppliers.

Taking all the above factors into consideration, the enterprise-specific risk adjustment coefficient is set at 1.80%.

VI. LIMITATIONS ON THE USE OF VALUATION REPORT

1. This valuation report can only be used for the valuation purposes and economic behaviors stated herein.

2. This asset valuation report is solely for the use of the client and the designated users specified herein to serve the valuation purpose stated in this report and for submission to the competent asset appraisal authority for review. The client reserves the right to use this asset valuation report. Except for submission to relevant government authorities as required or disclosure required by law, neither the appraisal company nor the client may excerpt, quote, or disclose the contents of this asset valuation report in the public media without the prior permission of the other party.

3. If the client or other users of the asset valuation report fails to use the asset valuation report in accordance with the provisions of laws, administrative regulations and the scope of use stated herein, the asset appraisal institution and its asset appraisal professionals shall not bear any responsibility.

4. Users of the asset valuation report shall correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation subject, and the valuation conclusion shall not be considered as a guarantee of the realizable price of the valuation subject.

5. Validity period of the valuation conclusion: This valuation conclusion is valid for one year, from the Valuation Benchmark Date to 29 June 2026. The conclusion of this valuation report shall not be used to conduct economic behaviors beyond the aforementioned validity period.

APPENDIX II — LETTER FROM THE BOARD OF DIRECTORS

The following is the text of a letter from the Board, for the purpose of inclusion in this announcement

26 September 2025

Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sirs,

Connected Transaction in relation to the Acquisition of Equity Interests in the Target Company by Xinte Energy Co., Ltd.

Reference is made to the announcement of Xinte Energy Co., Ltd. (the "**Company**") dated 26 September 2025 (the "**Announcement**"), of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings as those used in this letter.

Reference is made to the Xuyi High Drive Valuation Report issued by the Valuer in respect of the Valuation of the entire equity interest in Xuyi High Drive using the income approach with 30 June 2025 as the benchmark date, which constitutes a profit forecast defined under Rule 14.61 of the Listing Rules.

We have discussed with the Valuer the various aspects of the bases and assumptions on which the Xuyi High Drive Valuation Report was prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the letter issued by our Accountants, SHINEWING Certified Public Accountants LLP, dated 26 September 2025 in relation to the profit forecast, and we have also considered whether their calculations have been properly prepared, in all material respects, on the bases and assumptions set out in the Xuyi High Drive Valuation Report. We note that the profit forecast in the Xuyi High Drive Valuation Report is accurately calculated and is consistent in all material respects with the accounting policies currently adopted by the Company.

We hereby confirm that, based on the Xuyi High Drive Valuation Report, the profit forecast has been made after due and careful enquiry by the Board.

Yours faithfully

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

The following is the text of a letter from the reporting accountant of the Company, for the purpose of inclusion in this announcement

INDEPENDENT ACCOUNTANT'S REPORT ON THE DISCOUNTED FUTURE CASH FLOW FORECAST FOR THE VALUATION OF XUYI HIGH DRIVE WIND POWER CO., LTD.

To the Board of Xinte Energy Co., Ltd. (the "Company")

Our firm ("**we**") refers to the discounted future cash flows on which the Xuyi High Drive Valuation Report dated 19 September 2025 (the "**Valuation**") was prepared by Shanghai Shenwei Assets Valuation Co., Ltd.* (上海申威資產評估有限公司) in respect of the market value of the total shareholders' equity of Xuyi High Drive Wind Power Co., Ltd. ("**Xuyi High Drive**") as at 30 June 2025 are based. The Valuation is set out in the announcement of the Company dated 26 September 2025 in relation to the acquisition of equity interests in the Target Company. The results of the Xuyi High Drive Valuation Report were prepared on the discounted future cash flows and are therefore regarded as profit forecasts under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibilities

The directors of the Company (the "**Directors**") are responsible for the preparation of the discounted future cash flows on the bases and assumptions determined by the Directors and set out in the Xuyi High Drive Valuation Report. Such responsibilities include performing appropriate procedures and applying appropriate basis of preparation for the discounted future cash flows used in the preparation of the Xuyi High Drive Valuation Report; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other professional ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control, including formulating policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of Reporting Auditor

Our responsibility is to report on the calculation of discounted future cash flows used in the Xuyi High Drive Valuation Report in accordance with the requirements of Rule 14.62(2) of the Listing Rules. The discounted future cash flows do not involve the adoption of any accounting policies.

Basis of Our Opinion

We have conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires us to plan and perform procedures to obtain reasonable assurance as to whether, for the purpose of our calculations, the Directors have properly prepared the discounted future cash flows based on the bases and assumptions adopted by the Directors in the valuation report. We have performed procedures for the arithmetic calculation and preparation of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. The scope of our work was substantially less than the scope of our audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express any audit opinion.

Our Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly prepared, in all material respects, in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other Matters

Without qualifying our opinion, we wish to draw your attention to the fact that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows have been based. Nor does our work constitute any assessment of Xuyi High Drive or an audit or review opinion on the Xuyi High Drive Valuation Report.

The discounted future cash flows are subject to future events and a number of assumptions that cannot be recognized and verified in the same way as historical results, and not all of these assumptions remain valid throughout the period. In addition, as the discounted future cash flows are subject to future events, it is probable that actual results will differ from the discounted future cash flows as a result of the future events and circumstances that do not develop as expected, and that such differences may be material. The work we have performed is intended to be reported solely to you in accordance with paragraph 14.62(2) of the Listing Rules and for no other purpose. We do not assume any liability to any other person for any liability arising from, in connection with or relating to our work.

SHINEWING Certified Public Accountants LLP
Certified Public Accountant

Beijing, China

26 September 2025