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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)

ANNOUNCEMENT REVISION OF ANNUAL CAP FOR EXISTING CONTINUING CONNECTED TRANSACTION

As the Group's demand for miscellaneous services from TBEA Group increased as a result of the investment and construction of the 3GW New Energy Projects in Zhundong, it is anticipated that the annual cap for the year ending 31 December 2025 under the Existing Miscellaneous Services Framework Agreement would not be sufficient. Therefore, the Board has resolved to revise the corresponding annual cap, and entered into the Supplemental Framework Agreement on 14 October 2025. Except for revising the annual cap, all other terms of the Existing Miscellaneous Services Framework Agreement remain unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA is directly and indirectly interested in approximately 66.61% of the total issued share capital of the Company. Thus, TBEA is a Controlling Shareholder and Connected Person of the Company, and the transactions between the Company and TBEA constitute connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules when it revises the annual cap under the Existing Miscellaneous Services Framework Agreement. As the Existing Framework Agreements are entered into between the same parties, according to Rule 14A.81 of the Listing Rules, the respective transactions contemplated thereunder are required to be aggregated and treated as if they were one transaction.

As the highest applicable percentage ratio in respect of the Revised Annual Cap (after aggregated with the annual caps under other Existing Framework Agreements) exceed 5%, it is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Revised Annual Cap under the Supplemental Framework Agreement. Kingsway Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Revised Annual Cap under the Supplemental Framework Agreement; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) the notice of EGM; and (v) other information required by the Listing Rules is expected to be despatched to the Shareholders on or before 5 November 2025 in accordance with the Listing Rules.

Reference is made to (i) the announcement of the Company dated 17 October 2023; (ii) the circular of the Company dated 14 November 2023; and (iii) the announcement of poll results of the general meeting of the Company dated 29 November 2023 in relation to, inter alia, the Existing Framework Agreements.

REVISION OF ANNUAL CAP UNDER THE EXISTING MISCELLANEOUS SERVICES FRAMEWORK AGREEMENT

On 17 October 2023, the Company entered into the Existing Miscellaneous Services Framework Agreement with TBEA with a term from 1 January 2024 to 31 December 2026, under which TBEA Group will provide the Group with miscellaneous services, such as services for construction of the substation and booster stations.

TBEA has rich experience in engineering construction based on its large number of power transmission and transformation full-package construction projects and strong advantage in terms of service quality and price as well as delivery schedule. Miscellaneous services provided by TBEA Group to the Group mainly include construction of substation and booster stations for polysilicon projects, PV and wind power projects, which were key to ensure the stable power supply for polysilicon production and the connection of PV and wind power stations to the main power grid.

It is anticipated that the annual cap for the year ending 31 December 2025 under the Existing Miscellaneous Services Framework Agreement would not be sufficient. Therefore, the Board has resolved to revise the Existing Annual Cap, and entered into the Supplemental Framework Agreement on 14 October 2025. Except for revising the annual cap, all other terms of the Existing Miscellaneous Services Framework Agreement remain unchanged.

REASONS FOR REVISING THE EXISTING ANNUAL CAP

In order to seize market opportunities, and accelerate the development of wind and solar resources, while manufacturing “green products” with “green electricity”, thereby further enhancing the competitiveness and recognition of the Group's polysilicon products in the market, the Group invested in the 3GW New Energy Projects in Zhundong in the second half of 2024, with plans to gradually connect to the grid for power generation by the end of 2026.

The Group, through a bidding process, determined that a subsidiary of TBEA shall undertake the construction of three booster stations (the “**Booster Stations**”) to support the 3GW New Energy Projects in Zhundong, and the transaction amount for miscellaneous services for this project will be approximately RMB240 million. According to the original construction plan, the Booster Stations would be gradually completed by the end of 2026, in line with the grid connection and power generation schedule of the 3GW New Energy Projects in Zhundong. Due to adjustments in the grid connection arrangements for the 3GW New Energy Projects in Zhundong, and in order to facilitate the smooth transmission of power from the already connected sections, the construction schedule for the Booster Stations has been correspondingly adjusted, and the construction will be completed by the end of 2025.

For the nine months ended 30 September 2025, the actual transaction amount under the Existing Miscellaneous Services Framework Agreement was approximately RMB390 million, among which, the transaction amount incurred for constructing the Booster Stations was approximately RMB100 million. Taking into account the transaction amount incurred during such period, the expected completion progress for the construction of the Booster Stations and the demand for miscellaneous services for other new energy projects, it is anticipated that the Existing Annual Cap for 2025 will not be sufficient to meet the needs of the Group. Therefore, the Company proposes to revise the annual cap under the Existing Miscellaneous Services Framework Agreement for 2025 from RMB450 million to RMB600 million.

The Existing Annual Cap and the Revised Annual Cap (after aggregated with the annual caps under other Existing Framework Agreements) for the year ending 31 December 2025 are as follows:

	Existing Annual Cap (RMB million)	Revised Annual Cap (RMB million)
Amount of miscellaneous services procured by the Group	450	600*
Amount of products purchased by the Group	1,300	1,300
Amount of coal purchased by the Group (including transportation fee)	750	750
Amount of sales of products and services by the Group	400	400
Aggregate annual cap for transactions with TBEA Group (tax exclusive)	<u>2,900</u>	<u>3,050</u>

* As revised by the Supplemental Framework Agreement

PRICING BASIS

As there is neither a government-prescribed price nor a government-guidance price, to ensure that the terms and prices provided by TBEA Group are fair and reasonable and in line with market practice, the Company has and will continue to adopt the following tender and market price comparisons process and principles to determine whether miscellaneous services shall be procured from TBEA Group:

- Business departments of the Company will submit procurement needs to the Company's tender and procurement department based on their business needs.
- Once the Company's tender and procurement department receives the procurement needs, it will extend the tender invitation to Qualified Suppliers to invite them to participate in bidding or market price comparisons based on procurement needs. For further details on the Company's assessment standards for Qualified Suppliers, please refer to the section headed "Assessment of Qualified Suppliers".

- Based on the Company's internal procurement procedure requirements, it will invite no less than five suppliers to participate in bidding. When there are no less than three assessable tenders, the Company will start the assessment process.
- The bid assessment committee (comprised of representatives from the tender and procurement department, the supervisory departments (including the finance, legal compliance and audit monitoring departments), the engineering management department and the integration technical department, other senior management staff (including the general manager, deputy general manager(s) and the chief accountant) and representatives from the department which made the initial procurement needs) will consider factors such as service features and quality requirements, in order to consider the tender which best fits business needs and satisfies the tender requirements.
- Based on the foregoing factors, the bid assessment committee will assess the tender and make the final decision on whether to accept the tender.
- Once a tender is accepted, the tender and procurement department of the Company will contact the bidder and negotiate terms of the agreement. However, the price and quality terms of the services will not be further discussed, and the original bidding terms will be adopted in the final contract. Once the terms are finalised, the Company will enter into a contract with the supplier and arrange for delivery of the services.

ASSESSMENT OF QUALIFIED SUPPLIERS

The Qualified Suppliers assessment committee of the Group's tender and procurement department will conduct regular assessments of the suppliers on the Qualified Suppliers list. The tender and procurement department is responsible for seeking Qualified Suppliers according to the Group's needs, and collect market data (including price trends of raw materials of the relevant products) from the Qualified Suppliers for conducting industrial studies. New suppliers may also approach the Group with a Qualified Supplier application. Upon receiving a new Supplier application, the tender and procurement department will send a requirement list and collect background information of the new applicant. New suppliers shall submit their applications through the information platform according to supplier management regulations, including product specifications and price range from new applicants.

The relevant supplier assessment committee of the Group (including the tender and procurement department, the quality management department, the engineering management department, the equipment management department and the integration technical department and other business demand departments) will consider applications on the basis of technical level and standards assessments, and will arrange on-site inspections, to conduct further due diligence, and suppliers who satisfy such conditions will be added to the Group's Qualified Suppliers list. From the Qualified Suppliers list, the Group will invite not less than five Qualified Suppliers to participate in each bidding. The Group will consider the following factors in selecting the Qualified Suppliers to participate in bidding, including geographical location, ability to satisfy specific requirements of procurement orders, transportation costs and time, and production capacity, in order to determine whether procurement volumes can be satisfied on time.

At the end of each year, the Group will conduct an assessment of existing Qualified Suppliers and new suppliers who made successful bids in the tender process. The Qualified Suppliers assessment committee will ensure that all Qualified Suppliers and suppliers on the Qualified Suppliers list possess the necessary bidding qualifications.

INTERNAL CONTROL MEASURES

To ensure the Group's conformity with the above pricing basis, the Group has adopted a series of internal control measures:

- the Group has adopted a transaction management system on connected transactions. Business departments of the Group are required to conduct updates of separate agreements for the Continuing Connected Transactions, and regularly report the execution status of each connected transaction to the secretary of the Board. The secretary of the Board will then inform the Board of any important information thereof;
- the audit committee of the Board is responsible for the data collection and monitoring of connected transactions, and for conducting evaluation on the fairness of the transaction terms and pricing terms. It will discuss with subsidiaries and business departments to review the execution status of the connected transactions and determine the annual cap. It will also report to the Board and the board of supervisors on the Group's connected transactions on a quarterly basis. If it is anticipated that there is a need to revise the annual cap, the Company will re-comply with the requirements of the Listing Rules, if needed;
- the Group has strengthened training in relation to the review and decision-making processes and information disclosure requirements of connected transactions, promoting awareness among the relevant business departments in the corresponding compliance requirements;

- the independent non-executive Directors have reviewed and will continue to review the non-exempt Continuing Connected Transactions to ensure such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the transaction amount and annual cap of such non-exempt Continuing Connected Transactions;
- all individual connected transactions agreements shall obtain approval from the headquarters of the Company before being entered into. Also, members of the senior management of the Company will collectively monitor the actual transaction amount of the Group's Continuing Connected Transactions;
- the Company will impose control on the actual transaction amount of Continuing Connected Transactions, and focus on controlling the individual amount of each type of Continuing Connected Transactions; and
- the Board secretary will collect data on Continuing Connected Transactions at the beginning of each month, and cross-check the consolidated amount of Continuing Connected Transactions in the previous month with the financial staff of the relevant Connected Person.

INFORMATION OF THE PARTIES

The Company is an industry leading manufacturer of polysilicon as well as developer and operator of wind power and PV resources. Its main businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for PV and wind power projects. The Company is also engaged in the manufacturing of supporting equipment (mainly inverters, flexible direct current converter valve and static VAR generators).

TBEA is 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 is directly and indirectly interested in approximately 66.61% of the issued share capital of the Company. TBEA and its close associates (excluding the Group) are mainly engaged in: (i) production and sales of transformers, inductors, wires, cables and other electrical and machinery equipment; (ii) construction and contracting of domestic and international power transmission and transformation projects, hydro and geothermal power projects; (iii) mining and sales of coal; and (iv) generation and sales of electricity and heat.

BOARD CONFIRMATION

As Mr. Zhang Xin and Mr. Huang Hanjie, being the Directors who hold position(s) at and/or interested in TBEA are deemed to have material interest or potential conflicts of interest and have abstained from voting at the Board meeting with respect to the resolutions on proposed revision of the annual cap under the Existing Miscellaneous Services Framework Agreement.

The Directors (save for the independent non-executive Directors, who will express their opinion after taking into account the recommendations of the Independent Financial Adviser) are of the view that the transactions contemplated under the Supplemental Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of which and the Revised Annual Cap are fair and reasonable and in the interest of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TBEA is directly and indirectly interested in approximately 66.61% of the total issued share capital of the Company. Thus, TBEA is a Controlling Shareholder and Connected Person of the Company, and the transactions between the Company and TBEA constitute connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules when it revises the annual cap under the Existing Miscellaneous Services Framework Agreement. As the Existing Framework Agreements are entered into between the same parties, according to Rule 14A.81 of the Listing Rules, the respective transactions contemplated thereunder are required to be aggregated and treated as if they were one transaction.

As the highest applicable percentage ratio in respect of the Revised Annual Cap (after aggregated with the annual caps under other Existing Framework Agreements) exceed 5%, it is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be held to seek Independent Shareholders' approval for the Revised Annual Cap under the Supplemental Framework Agreement. Such resolution will be put forward and decided by way of a poll at the EGM by way of ordinary resolution, and TBEA Group shall abstain from voting on such resolution.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Revised Annual Cap. Kingsway Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Revised Annual Cap under the Supplemental Framework Agreement; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) the notice of EGM; and (v) other information required by the Listing Rules is expected to be despatched to the Shareholders on or before 5 November 2025 in accordance with the Listing Rules.

DEFINITIONS

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

“3GW New Energy Projects in Zhundong”	the 2GW wind power and supporting energy storage project and the 1GW PV and supporting energy storage project as demonstration projects in the Zhundong Xinte Silicon Green and Low-carbon Silicon-based Industrial Park
“Board”	the board of Directors
“Company”	Xinte Energy Co., Ltd., 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
“Continuing 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
“EGM”	the general meeting of the Company to be convened and held to consider and if thought fit, approve, among other things, the Revised Annual Cap under the Supplemental Framework Agreement
“Existing Annual Cap”	the existing anticipated maximum annual amount for the transaction contemplated under the Existing Miscellaneous Services Framework Agreement for the year ending 31 December 2025
“Existing Framework Agreements”	the Product Procurement Framework Agreement, the Coal Procurement Framework Agreement, the Product Sales Framework Agreement and the Existing Miscellaneous Services Framework Agreement entered into between the Company and TBEA on 17 October 2023
“Existing Miscellaneous Services Framework Agreement”	the miscellaneous services framework agreement entered into between the Company and TBEA on 17 October 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the Revised Annual Cap under the Supplemental Framework Agreement
“Independent Financial Adviser”	Kingsway Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Revised Annual Cap under the Supplemental Framework Agreement

“Independent Shareholders”	Shareholders other than TBEA Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to that term in Chapter 14 of the Listing Rules
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PV”	photovoltaic
“Qualified Supplier(s)”	supplier(s) assessed as qualified and listed as qualified suppliers(s)
“Revised Annual Cap”	the revised anticipated maximum annual amount for the transaction contemplated under the Supplemental Framework Agreement for the year ending 31 December 2025
“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
“Supplemental Framework Agreement”	the supplemental agreement entered into between the Company and TBEA on 14 October 2025 to revise the Existing Annual Cap
“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)

“TBEA Group”

TBEA and its associates (excluding the Group)

“%”

per cent

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

Xinjiang, the PRC

14 October 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.