

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING AND

PROPOSED EXTENSION OF VALIDITY PERIOD OF MANDATE GRANTED TO THE BOARD TO HANDLE MATTERS RELATED TO PROPOSED A SHARE OFFERING BY GENERAL MEETING

AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING

As the full implementation of the share issuance registration was effective since 17 February 2023, the CSRC and the SSE issued a number of supporting rules and regulations. On 22 March 2023, the Board considered and approved the proposal to amend the plan for the Proposed A Share Offering to comply with the requirements of the relevant rules and regulations. The Proposed A Share Offering is subject to the approval of the Shareholders at the EGM and the Class Meetings, the approval of the SSE and the registration with the CSRC.

PROPOSED EXTENSION OF VALIDITY PERIOD OF MANDATE GRANTED TO THE BOARD TO HANDLE MATTERS RELATED TO PROPOSED A SHARE OFFERING BY GENERAL MEETING

In view of the fact that the validity period of the mandate granted to the Board to handle matters related to the Proposed A Share Offering will expire on 4 May 2023, and the Proposed A Share Offering is still in progress, in order to ensure the effective and smooth implementation of the Proposed A Share Offering, on 22 March 2023, the Board considered and approved the proposal to extend the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering by the general meeting. The extended validity period is 12 months from the date of consideration and approval of the abovementioned proposal at the EGM.

GENERAL INFORMATION

The Company will convene the EGM and the Class Meetings for the purpose of proposing the above resolutions to the EGM and the Class Meetings respectively to seek approval from the Shareholders, the Domestic Shares Shareholders and the H Shares Shareholders (if applicable). The Company plans to despatch a circular containing, among other things, further information on the amendments to the plan for the Proposed A Share Offering and the extension of the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering, together with the notices of the EGM and the Class Meetings to the Shareholders in due course, in accordance with the requirements of the Listing Rules.

Shareholders and potential investors should note that the Proposed A Share Offering shall be subject to the approval of the Shareholders at the general meeting, the approval of the SSE and the registration with the CSRC, and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) regarding any material updates and progress in relation to the Proposed A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information purpose only, and does not constitute any invitation or offer to acquire, purchase or subscribe for the securities of the Company.

I. AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING

References are made to the announcements of the Company dated 13 January 2021, 15 March 2022, 5 May 2022, 28 June 2022, 4 July 2022, 18 November 2022 and 6 March 2023, and the circular of the Company dated 19 April 2022, which contain, among other things, matters relating to the Proposed A Share Offering. As the full implementation of the share issuance registration was effective since 17 February 2023, the Company has submitted relevant application materials to the SSE in accordance with the latest requirements for the full implementation of the share issuance registration system and such application materials have been accepted. Currently, the Company is responding to the SSE's review inquiries. On 22 March 2023, the Board considered and approved the proposal to amend the plan for the Proposed A Share Offering to comply with the requirements of the relevant rules and regulations and to fulfill the time requirements for the A Share Offering. The amended plan for the Proposed A Share Offering is as follows:

Type of Shares:	RMB ordinary shares (A shares)
Nominal value per Share:	RMB1.00
Place of listing:	Main Board of the SSE
Offering size:	<p>Subject to the regulatory requirements of the place of listing regarding the minimum offering size, the proposed number of A Shares to be issued shall not exceed 300,000,000 Shares (<u>prior to the exercise of the over-allotment option</u>). <u>Subject to the relevant laws, regulations and regulatory requirements, the Company may authorize underwriter(s) to exercise the over-allotment option, and the number of A Shares to be allotted pursuant to the over-allotment option shall not exceed 15% of the number of A Shares issued (prior to the exercise of the over-allotment option)</u>. Upon the occurrence of issue of bonus shares, capitalization of capital reserve or other events prior to the A Share Offering, the number of A Shares to be issued will be adjusted accordingly by the Company. The Proposed A Share Offering will be conducted by issuing new Shares. The actual total offering size <u>and the over-allotment</u> will be determined based on capital requirements of the Company, communications with the regulatory authorities and the prevailing market conditions at the time of the offering.</p>
Target subscribers:	<p>The target subscribers are qualified natural persons and institutional investors (except those prohibited by laws and regulations and other regulatory rules applicable to the Company).</p> <p>If any of the aforesaid target subscribers is a Connected Person of the Company, the Company will take all reasonable measures to comply with the relevant requirements of the listing rules of the stock exchange(s) on which the Company's shares are listed. The issuance of any Shares to a Connected Person is subject to and conditional upon compliance with all applicable requirements under Chapter 14A of the Listing Rules.</p>

<u>Strategic placement:</u>	<u>Subject to the relevant laws, regulations and regulatory requirements, the Company may, according to the needs of business development strategy and financing scale, implement strategic placement at the time of the A Share Offering, and place part of A Shares to investors who meet the requirements of laws and regulations and meet the requirements of the Company's development strategy, and the specific placement ratio will be determined according to the requirements of laws and regulations and market conditions.</u>
Method of issuance:	The Proposed A Share Offering will adopt a combination of offline placing and online capital subscription or through other methods of issuance permitted by the securities regulatory authorities.
Method of pricing:	In accordance with the actual conditions of the domestic and overseas capital markets and the Company at the time of the issuance and comprehensively taking into account the interests of the existing Shareholders as a whole, the issue price of the Proposed A Share Offering will be determined by making enquiries with offline investors or other methods permitted by the securities regulatory authorities in accordance with relevant laws and regulations and the relevant requirements of the SSE.
Method of underwriting:	The Proposed A Share Offering will be underwritten by underwriter(s) on a standby commitment basis. The Company has engaged GF Securities Co., Ltd. (廣發證券股份有限公司) as the sponsor and also the lead underwriter for the Proposed A Share Offering according to the relevant requirements. Upon the Proposed A Share Offering has been approved by the SSE and registered with the CSRC, the Company will, together with the lead underwriter, by taking into the market condition and the proposed offering size, engage other underwriters with reference to their underwriting capabilities, market share and other factors to form an underwriting syndicate for the Proposed A Share Offering.
<u>Distribution of the accumulated profit prior to the A Share Offering and Listing:</u>	Any accumulated profits generated prior to the A Share Offering shall be shared by existing and new shareholders in proportion to their respective shareholdings upon completion of the Proposed A Share Offering.

By taking into holistic factors into account, including the market performance and the liquidity of the A Shares market for the relevant market segment, the Company expects that the issue price of the new A Shares will be determined at a higher level than the existing H Share trading price. With this taking into account, the Company believes it is reasonable and in the interest of the existing Shareholders as a whole to approve the sharing of the accumulated profits generated prior to the A Share Offering with the new A Shares Shareholders as part of the investment incentives by virtue of the following grounds: (i) the new A Share Shareholders are willing to pay a premium to subscribe A Shares which would enhance the net asset value per Share; (ii) it's a market norm to allow new A Shares Shareholders to share the accumulated profits generated prior to the A Share Offering as the basis for distributing dividend to reflect the same voting rights; and (iii) with the proceeds to be raised from the Proposed A Share Offering, the Company will have sufficient funds to invest in the construction of the 200,000-ton Polysilicon Project in Zhundong which will facilitate the Company to generate more and stable income streams for future dividend distribution and will secure the Company's leading position and competitiveness in the industry. Therefore, the Company believes that, to facilitate the future development of the Company and considering the market norm, it is fair and reasonable and in the interest of the existing Shareholders to share the accumulated profits generated prior to the A Share Offering with the Shareholders as a whole subsequent to the Proposed A Share Offering.

Validity period of the resolution:

The validity period of the resolution of the Proposed A Share Offering will expire on 4 May 2023, and the extended validity period will be **12 months from the date of consideration and approval at the EGM and the Class Meetings.**

The resolution to amend the plan for the Proposed A Share Offering will be submitted to the EGM and the Class Meetings for consideration and approval respectively in the form of special resolution.

II. PROPOSAL TO EXTEND VALIDITY PERIOD OF MANDATE GRANTED TO THE BOARD TO HANDLE MATTERS RELATED TO THE PROPOSED A SHARE OFFERING BY THE GENERAL MEETING

On 5 May 2022, the proposal to authorize the Board to handle the matters related to the Proposed A Share Offering was considered and approved at the first extraordinary general meeting in 2022 of the Company, and such authorization is valid for 12 months and will expire on 4 May 2023. In view of the fact that the Proposed A Share Offering is still in progress, in order to ensure the effective and smooth implementation of the Proposed A Share Offering, on 22 March 2023, the Board considered and approved the proposal to extend the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering by the general meeting. The extended validity period is 12 months from the date of consideration and approval at the EGM.

Except for the extension of validity period as described above, other matters relating to the mandate granted to the Board to handle the matters related to the Proposed A Share Offering remain unchanged.

The resolution to extend the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering will be submitted to the EGM for consideration and approval by way of ordinary resolution.

III. USE OF PROCEEDS

The proceeds raised from the Proposed A Share Offering are proposed to be invested in the 200,000-ton Polysilicon Project in Zhundong. For details, please refer to the announcement of the Company dated 15 March 2022 and the circular dated 19 April 2022 in relation to the resolution regarding use of proceeds from the A Share Offering and Listing and feasibility analysis.

IV. REASONS FOR AND BENEFITS OF THE PROPOSED A SHARE OFFERING

The Directors consider that the Proposed A Share Offering will satisfy the long-term capital needs for the continuous business development of the Company, facilitate the smooth implementation of the development strategy and enhance the capital resources. Having considered, among other things, the above reasons for proceeding with the Proposed A Share Offering, the Directors consider that the Proposed A Share Offering is in the interests of the Company and the Shareholders as a whole.

V. FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in relation to issue of equity securities in the past 12 months immediately before the date of this announcement.

VI. EFFECT OF THE PROPOSED A SHARE OFFERING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

All Domestic Shares will be converted into A Shares on the date of completion of the Proposed A Share Offering. For information and illustration purposes only, assuming that (i) according to a total of 300,000,000 A Shares will be issued and the over-allotment option will be 15% of the initial issue size (i.e. 45,000,000 A Shares), the maximum number of A Shares that can be issued and available for issue is 345,000,000 Shares, and all A Shares are issued to the Public under the Proposed A Share Offering, and (ii) there is no other change in the issued share capital of the Company prior to the completion of the Proposed A Share Offering, the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after completion of the Proposed A Share Offering is set out below:

	As at the date of this announcement		Immediately after completion of the Proposed A Share Offering (prior to the exercise of the over-allotment option)		Immediately after completion of the Proposed A Share Offering (assuming the over-allotment option is fully exercised)	
	Number of Shares	Approximate Percentage of the issued share capital of the Company	Number of Shares	Approximate Percentage of the issued share capital of the Company	Number of Shares	Approximate Percentage of the issued share capital of the Company
Domestic Shares						
TBEA	921,286,161	64.43%	921,286,161	53.25%	921,286,161	51.90%
Other Domestic Shares Shareholders (non-Core Connected Persons)	132,543,083	9.27%	132,543,083	7.66%	132,543,083	7.47%
Newly issued A Shares under the Proposed A Share Offering	—	—	300,000,000	17.34%	345,000,000	19.44%
Sub-total	<u>1,053,829,244</u>	<u>73.69%</u>	<u>1,353,829,244</u>	<u>78.26%</u>	<u>1,398,829,244</u>	<u>78.81%</u>
H Shares						
TBEA (HONG KONG)	1,223,200	0.09%	1,223,200	0.07%	1,223,200	0.07%
Other public H Shares shareholders	<u>374,947,556</u>	<u>26.22%</u>	<u>374,947,556</u>	<u>21.67%</u>	<u>374,947,556</u>	<u>21.12%</u>
Sub-total	<u>376,170,756</u>	<u>26.31%</u>	<u>376,170,756</u>	<u>21.74%</u>	<u>376,170,756</u>	<u>21.19%</u>
Total	<u>1,430,000,000</u>	<u>100.00%</u>	<u>1,730,000,000</u>	<u>100.00%</u>	<u>1,775,000,000</u>	<u>100.00%</u>

Note: The percentage shown in the above table have been rounded and any differences between the total amounts and the arithmetic sum of the amounts shown are due to the rounding.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Company has maintained its public float of 26.22%, which is in compliance with the Public Float Requirement. Assuming that all 345,000,000 A Shares under the Proposed A Share Offering are issued to non-connected persons of the Company, in terms of the total share capital after the issuance (assuming that the over-allotment option has not been exercised and has been fully exercised, respectively), the public float of the Company will still meet the Public Float Requirement. The details are as follows:

- (1) the percentage of A Shares held by the Public will be 25.00% (assuming that the over-allotment option has not been exercised) or 26.90% (assuming that the over-allotment option has been fully exercised);
- (2) the percentage of H Shares held by the Public will be 21.67% (assuming that the over-allotment option has not been exercised) or 21.12% (assuming that the over-allotment option has been fully exercised); and
- (3) the percentage of A Shares and H Shares held by the Public will be 46.67% (assuming that the over-allotment option has not been exercised) or 48.02% (assuming that the over-allotment option has been fully exercised).

The Company will closely monitor its public float percentage to meet the Public Float Requirement.

VII. SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company will convene the EGM and the Class Meetings for the purpose of proposing the above resolutions to the EGM and the Class Meetings respectively in accordance with the applicable laws and regulations and the Articles of Association to seek approval from the Shareholders, the Domestic Shares Shareholders and the H Shares Shareholders (if applicable).

The Company plans to despatch a circular containing, among other things, further information on the amendments to the plans for the Proposed A Share Offering and the extension of the validity period of the mandate granted to the Board to deal with matters in relation to the Proposed A Share Offering with full authority together with the notices of the EGM and the Class Meetings to the Shareholders in due course in accordance with the requirements of the Listing Rules.

Shareholders and potential investors should note that the Proposed A Share Offering shall be subject to the approval of the Shareholders at the general meeting, the approval of the SSE and the registration with the CSRC, and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) regarding any material updates and progress in relation to the Proposed A Share Offering in accordance with the Listing Rules and other applicable laws and regulations. This announcement is for information purposes only, and does not constitute any invitation or offer to acquire, purchase or subscribe for the securities of the Company.

VIII. DEFINITIONS

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

“200,000-ton Polysilicon Project in Zhundong”	the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project the Changji Zhundong Industrial Park in Xinjiang, the PRC
“A Shares”	the ordinary shares proposed to be issued by the Company under the Proposed A Share Offering and subscribed in RMB
“A Share Offering”, “A Share Offering and Listing” or “Proposed A Share Offering”	the proposed initial public offering of not exceeding 300,000,000 A Shares by the Company (prior to the exercise of the over-allotment option), which are intended to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Class Meetings”	the first Domestic Shares Shareholders class meeting of 2023 and the first H Shares Shareholders class meeting of 2023 of the Company to be held immediately after the EGM, to consider, and if thought fit, to approve, among other things, the amendments to the plan for the Proposed A Share Offering and related matters

“Company”	Xinte Energy Co., Ltd., a limited liability company incorporated in the PRC on 20 February 2008 and 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
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company
“Domestic Shares Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	the first extraordinary general meeting of 2023 of the Company to consider, and if thought fit, to approve, among other things, the amendments to the plan for the Proposed A Share Offering and the extension of the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering
“Group”	the Company and its subsidiaries
“H Shares”	foreign shares listed overseas with a par value of RMB1.00 per share in the share capital of the Company, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shares Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Public”	persons who are not core connected persons of the Company
“Public Float Requirement”	the requirement under Rule 8.08 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Xinjiang, the PRC
22 March 2023

As at the date of this announcement, the Board consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive directors; Mr. Zhang Xin, Mr. Huang Hanjie and Ms. Guo Junxiang as non-executive directors; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive directors.