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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)**

## **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

### **ENTERING INTO THE INVESTMENT FRAMEWORK AGREEMENT**

This announcement is made by the board of directors (the “**Board**”) of Xinte Energy Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The Company entered into an investment framework agreement (the “**Potential Cooperation Agreement**”) with the Baotou Municipal Government and the Tumd Right Banner Government on 8 February 2021. Pursuant to the Potential Cooperation Agreement, the Company intends to construct the high-purity polysilicon project with an annual production capacity of 200,000 tons, industrial silicon and supporting projects, new energy power station projects, etc. in Baotou City, Inner Mongolia (the “**Potential Cooperation Projects**”), nevertheless after the preliminary planning and research is completed, implementation of the Potential Cooperation Projects shall only be considered after certain conditions have been satisfied, including but not limited to, the construction conditions.

The Potential Cooperation Projects are as follows: The Group estimates that its potential investment amount for phase I of the high-purity polysilicon project with an annual production capacity of 100,000 tons will be approximately RMB8 billion. Construction will commence after the project site's location is confirmed, the relevant construction approval procedures have been completed and within a month after construction conditions are fulfilled; and is expected to be completed and placed on production within 18 to 24 months after construction commences. Phase II of the high-purity polysilicon project with an annual production capacity of 100,000 tons and the industrial silicon and supporting project will proceed according to the market and approval status. Investment and construction of the 10GW new energy power stations will proceed in phases according to the “14th Five-Year Plan” for new energy development and construction and load absorption on peak shaving access of power grid in Baotou City.

Pursuant to the Potential Cooperation Agreement, the Baotou Municipal Government and the Tumd Right Banner Government will provide relevant policy support to the Potential Cooperation Projects to guarantee their construction and development.

The Potential Cooperation Projects are currently in the preliminary planning stage and the Company has not made any decision on the implementation of the Potential Cooperation Projects or the transactions (as defined in Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) if any; or, if the transactions are to take place, their scope or terms have not been determined. After completing the feasibility study report and obtaining relevant construction approvals, the Company will perform the corresponding decision-making procedures to implement the Potential Cooperation Agreement. As at the date of this announcement, the Company has not conducted any transaction (as defined in Chapter 14 of the Listing Rules) for the Potential Cooperation Projects, including obtaining the construction land for the Potential Cooperation Projects through land tender, auction or listing. The entering into of the Potential Cooperation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) pursuant to the Listing Rules as and when appropriate (if necessary).

Based on publicly available records and to the best knowledge of the Board having made due inquiries, the Baotou Municipal Government and the Tumd Right Banner Government are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

The entering into of the Potential Cooperation Agreement will be conducive to making full use of resource advantages provided by the regional governments, further consolidating and utilizing the Group’s advanced capacity of research & production in high-purity polysilicon industry and the advantage of large scale photovoltaic (“**PV**”), wind power resource development, etc., expanding the scale of the Group’s daily operation activities such as polysilicon production and construction of wind and PV power station and improve the Group’s competitiveness in new energy industry, which is in line with the development strategy of the Group in the long run and in the interest of shareholders of the Company as a whole.

**The Potential Cooperation Projects and the transactions (as defined in Chapter 14 of the Listing Rules) (if any) are subject to, amongst other things, the approvals from the relevant government and/or administrative authorities; and the Board and/or shareholders of the Company. The Potential Cooperation Projects and the transactions contemplated thereunder (if any) may or may not be implemented as described or at all. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Xinjiang, the PRC  
8 February 2021

*As at the date of this announcement, the Board of the Company consists of Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing as executive directors; Mr. Zhang Xin and Ms. Guo Junxiang as non-executive directors; and Mr. Qin Haiyan, Mr. Yang Deren and Mr. Wong, Yui Keung Marcellus as independent non-executive directors.*