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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION DEEMED DISPOSAL

Reference is made to the announcement of Xinte Energy Co., Ltd. (the “**Company**”) dated 21 February 2020 (the “**Announcement**”) in relation to the Capital Injection. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated. The Company would like to provide further information in relation to the Capital Injection.

Exit Mechanism of Guiding Fund

Should any of the exit events stated in the Announcement (the “**Exit Events**”) occur, Guiding Fund shall have the right (the “**Option**”) to require the Group to repurchase Guiding Fund’s entire equity interest in Crystal Silicon Hightech (the “**Equity Interest**”) at the Transfer Price (the “**Repurchase**” or the “**Exit Mechanism**”). Pursuant to the Listing Rules, such mechanism constitutes the grant of an option and a transaction under Chapter 14 of the Listing Rules. As the exercise of the Option is not at the Company’s discretion, the Repurchase will be treated as if the Option had been exercised for compliance under the Listing Rules; and for the purpose of the percentage ratios (as defined under the Listing Rules), the consideration includes the premium paid by Guiding Fund to acquire the Option and the Transfer Price Guiding Fund will receive when it disposes the Equity Interest.

No premium was paid by Guiding Fund for the grant of the Option. As at the date of the Announcement and this announcement, the actual Transfer Price could not be determined; and the Company would like to provide further information on the highest possible monetary value.

It was Guiding Fund's intention to trigger the Exit Mechanism if cash dividends equivalent to 60% of the amount of the Capital Injection has not been distributed by Crystal Silicon Hightech to Guiding Fund during the 5 years immediately after completion of the Capital Injection. Assuming at the end of such period Crystal Silicon Hightech does not distribute any cash dividends and Guiding Fund requires the Group to conduct the Repurchase, the Transfer Price will be RMB691,250,000.

Alternatively, Guiding Fund will trigger the Exit Mechanism no later than the end of the 36,000 tonnes Polysilicon Project's operating period as it is not Guiding Fund's investment objective to retain the Equity Interest after the project is no longer in operation. Based on the feasibility study report of the 36,000 tonnes Polysilicon Project, the project will operate for 15 years after completion of the Capital Injection. Assuming cash dividends equivalent to 60% of the amount of the Capital Injection has been distributed by Crystal Silicon Hightech to Guiding Fund during the 5 years immediately after completion of the Capital Injection, and no other cash dividends are distributed afterwards till the end of 36,000 tonnes Polysilicon Project's operating period, the Transfer Price will be RMB513,750,000.

In either case, the Repurchase and the Capital Injection on aggregation basis constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements under the Listing Rules.

Designation Mechanism for the Repurchase

When an Exit Event occurs, Guiding Fund could send a notice to the Group requesting it to conduct the Repurchase. If the Group decides not to conduct the Repurchase, the Company may designate its connected person to purchase the Equity Interest. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules before the Repurchase takes place if it designates a connected person to purchase the Equity Interest; and such connected person agrees to acquire the Equity Interest in place of the Group.

The Company may also designate an independent third party, which will preferably be an investor that will create synergy for Crystal Silicon Hightech, to purchase the Equity Interest. Ultimately, if no connected person of the Company or independent third party is willing to pay the Transfer Price, the Group shall carry out the Repurchase according to the Investment Agreement, and the Company shall duly fulfill its disclosure obligations (if any) under the Listing Rules.

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

Xinjiang, the PRC
11 March 2020

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, Ms. Guo Junxiang and Mr. Wang Shi as non-executive directors; Mr. Qin Haiyan, Mr. Yang Deren and Mr. Wong, Yui Keung Marcellus as independent non-executive directors.