

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)

ANNOUNCEMENT

RETIREMENT OF ASSETS AND PROVISION FOR ASSETS IMPAIRMENT

This announcement is made by Xinte Energy Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 14 January 2022, the board of directors of the Company (the “**Board**”) considered and approved the resolution in relation to the assets retirement. In order to give a true, objective and fair view of the asset position and operation results of the Company, the Company made retirement and provision for assets impairment of certain assets related to polysilicon production in accordance with the requirements of China Accounting Standards for Business Enterprises and relevant financial accounting policies of the Company. The details are set out as below:

I. BACKGROUND OF THE RETIREMENT OF ASSETS AND PROVISION FOR ASSETS IMPAIRMENT

Given rapid advancement in the new energy of polysilicon technology, in order to increase the production capacity of some equipment with bottleneck and to further expand the polysilicon production capacity, improve product quality, lower production costs and energy consumption, enhance production safety, environmental protection, and informatization level through technological innovation, process optimisation and potential exploration and transformation, the Company implemented a technical transformation of its polysilicon production line in 2021. Upon completion of the technical transformation, certain fixed assets with outdated production processes, higher energy consumption and lower efficiency would be replaced, so the Company made retirement of such assets.

The net book value of the retired assets of the Company is approximately RMB393,772,500 and the estimated recoverable amount is approximately RMB13,802,900. In order to objectively reflect the Company's financial position and asset value, the Company made a provision for impairment amounted to approximately RMB379,969,600 for the year of 2021 in respect of the aforesaid fixed assets retirement.

II. IMPACT ON THE COMPANY

After considering the impact of the recoverable amount of the retired assets, the Company made a provision for impairment for the year of 2021 in respect of the aforesaid fixed assets retirement, which will be charged to the current profit or loss of the Company for 2021. It is expected that the Company's total profit for the year of 2021 will decrease by approximately RMB379,969,600 (the above financial data has not been audited).

On 14 January 2022, the Board considered and approved the resolution in relation to the assets retirement. The directors of the Company (including independent non-executive directors) are of the view that the retirement of assets are in line with the actual conditions and the provision for impairment in respect of the fixed assets to be retired are in compliance with the requirements of China Accounting Standards for Business Enterprises and relevant accounting policies of the Company, which could fairly and truly reflect the financial position and asset value of the Company, and ensure the truthfulness, reliability and reasonableness of the Company's accounting information; the Company's decision-making process on the retirement of assets and provision for assets impairment is in compliance with relevant laws and regulations.

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

Xinjiang, the PRC
14 January 2022

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.