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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)

CONNECTED TRANSACTION ENTERING INTO PROPERTY SALE AND PURCHASE AGREEMENT

PROPERTY SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 11 April 2022, Inner Mongolia Xinte, a subsidiary of the Company, entered into the Property Sale and Purchase Agreement with Baotou Kangyang Real Estate to purchase 135 units of commercial properties with basements as the expert apartments of Inner Mongolia Xinte at a total consideration of RMB75,425,400.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zhang Xin, a Director, directly holds 40.08% interest in Xinjiang Tebian, therefore, Xinjiang Tebian is a 30%-controlled company of Mr. Zhang Xin. Baotou Kangyang Real Estate is a wholly-owned subsidiary of Xinjiang Tebian, thus is a connected person of the Company. Hence, the transaction between Inner Mongolia Xinte and Baotou Kangyang Real Estate constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the Property Sale and Purchase Agreement exceeds 0.1% but is less than 5% as calculated under Chapter 14A of the Listing Rules, the entering into the Property Sale and Purchase Agreement and the transaction contemplated thereunder will be subject to the reporting, review and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

The 100,000-ton Polysilicon Project in Inner Mongolia invested through Inner Mongolia Xinte is currently under construction and is expected to be completed and put into operation in the middle of 2022. In order to attract and retain talents and create a good living environment for the production and research and development expert talents, core technicians and management personnel, on 11 April 2022, Inner Mongolia Xinte entered into the Property Sale and Purchase Agreement with Baotou Kangyang Real Estate to purchase 135 units of commercial properties with basements developed by Baotou Kangyang Real Estate in Tumed Right Banner as the expert apartments of Inner Mongolia Xinte at a total consideration of RMB75,425,400.

PROPERTY SALE AND PURCHASE AGREEMENT

The principal terms of the Property Sale and Purchase Agreement are summarized as follows:

Date: 11 April 2022

Parties: Baotou Kangyang Real Estate, as the vendor; and

Inner Mongolia Xinte, as the purchaser

Subject Properties: 135 units of bare shell commercial properties with basements located in No. 11 Building and No. 12 Building, Happy Qingshan Community, situated at the South of Alletan Avenue, North of Sci-tech Street, East of 4th Road and West of 5th Road, Salaqi Town, Tumed Right Banner (土右旗薩拉齊鎮阿勒坦大道南側、科技大街北側、經四路東側、經五路西側幸福青山小區11號樓及12號樓), with a total residential area of 17,668.39 sq.m. and a total basement area of 910.28 sq.m. (subject to the actual final measured area to be calculated). The total amount of the Subject Properties' development and construction cost and the proportional land cost of the land on which they are situated is approximately RMB70.06 million.

Pricing:	With reference to the historical average transaction price of (i) the commercial properties and basements in the current residential communities in Tumed Right Banner with the comparable quality, geographical location or community environment as the Subject Properties; and (ii) the market-oriented sales of other commercial properties and basements in the community where the Subject Properties located, it is determined that the average prices of the Subject Properties in No. 11 Building and No. 12 Building and the basements will be RMB4,200 per sq.m., RMB4,250 per sq.m. and RMB800 per sq.m. respectively.
Total consideration:	RMB75,425,400.
Payment arrangement and ownership registration:	<p>Inner Mongolia Xinte shall pay 50% of the total consideration in cash by 30 September 2022 and pay the remainder in cash by 31 December 2022.</p> <p>Inner Mongolia Xinte shall pay the ownership registration fees upon entering into the separate commercial property sale and purchase agreement and transfer agreement on use-of-rights of basement with Baotou Kangyang Real Estate on each units basis, and pay deed tax and maintenance funds at the time of delivering the Subject Properties. Baotou Kangyang Real Estate shall apply for the relevant ownership certificates upon the receipt of the relevant payment.</p>
Term of delivery:	Baotou Kangyang Real Estate shall deliver the Subject Properties to Inner Mongolia Xinte by 30 September 2023 in accordance with the relevant government regulations.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY SALE AND PURCHASE AGREEMENT

Inner Mongolia Xinte's purchasing of the Subject Properties as the expert apartments will be beneficial to ensure the Group's team building of the production, research and development and management talents for the 100,000-ton Polysilicon Project in Inner Mongolia and create a superior living environment for expert talents and core technicians to achieve a harmonious and stable living and working atmosphere, which is conducive for the Group to realize strategic objectives and achieve its healthy, long-term and sustainable development.

The Directors (including the independent non-executive Directors) are of the view that even though the Property Sale and Purchase Agreement and the transaction contemplated thereunder are not conducted in the Group's ordinary and usual course of business, they are necessary for the Group's daily operation and are entered into on normal commercial terms, and that the terms are fair and reasonable, and in the interests of the Company and Shareholders as a whole. Mr. Zhang Xin, a Director who indirectly holds interests in Baotou Kangyang Real Estate through Xinjiang Tebian, is deemed to have material interest and has abstained from voting at the Board meeting with respect to the consideration of the resolution in relation to the entering into the Property Sale and Purchase Agreement. Save as disclosed above, none of the Directors has a material interest in the transaction contemplated under the Property Sale and Purchase Agreement.

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INFORMATION OF THE PARTIES

Baotou Kangyang Real Estate is a company incorporated in the PRC with limited liability on 31 May 2021, with a registered capital of RMB30 million as at the date of this announcement, and its principal businesses are development and operation of properties and construction engineering design. As at the date of this announcement, to the knowledge of the Company, Mr. Zhang Xin and Mr. Chen Weilin indirectly holds 40.08% and 33.61% equity interest in Baotou Kangyang Real Estate through Xinjiang Tebian, respectively.

Inner Mongolia Xinte is a company incorporated in the PRC with limited liability on 9 February 2021, with a registered capital of RMB3.50 billion as at the date of this announcement, and its principal businesses are the production, research and development and sales of high-purity polysilicon. As at the date of this announcement, the Company directly holds 82% equity interest in Inner Mongolia Xinte.

DEFINITIONS

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

“100,000-ton Polysilicon Project in Inner Mongolia”	the 100,000-ton-per-annum high-purity polysilicon green energy circular economy construction project in Inner Mongolia
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baotou Kangyang Real Estate”	Baotou TBEA Kangyang Real Estate Co., Ltd.* (包頭特變電工康養置業有限責任公司), a company incorporated in the PRC with limited liability on 31 May 2021, a wholly-owned subsidiary of Xinjiang Tebian as at the date of this announcement
“Board”	the board of Directors
“Company”	Xinte Energy Co., Ltd. (新特能源股份有限公司), a joint stock company with limited liability incorporated in the PRC on 20 February 2008
“Connected Transaction(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inner Mongolia Xinte”	Inner Mongolia Xinte Silicon Materials Co., Ltd.* (內蒙古新特硅材料有限公司), a company incorporated in the PRC with limited liability on 9 February 2021, the Company holds 82% of its equity interest as at the date of this announcement
“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
“Property Sale and Purchase Agreement”	the property sale and purchase agreement entered into between Inner Mongolia Xinte and Baotou Kangyang Real Estate on 11 April 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Properties”	135 units of commercial properties with basements to be purchased by Inner Mongolia Xinte under the Property Sale and Purchase Agreement
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Tumed Right Banner”	the Tumed Right Banner, Baotou City, Inner Mongolia Autonomous Region, the PRC
“Xinjiang Tebian”	Xinjiang Tebian (Group) Co., Ltd.* (新疆特變電工集團有限公司), a company incorporated in the PRC with limited liability on 27 January 2003
“%”	per cent

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

Xinjiang, the PRC
11 April 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; and Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive Directors.

* For identification purposes only