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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

A PUBLICLY TRADED INFRASTRUCTURE SECURITIES INVESTMENT FUND

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.

The Board is pleased to announce that on 11 April 2022, it considered and approved the resolution in relation to the application and offering of the publicly traded infrastructure securities investment fund (the “**Publicly Traded Infrastructure REITs**”). The Company is considering to use the wind power and photovoltaic power generation operation projects owned by Hami Huafeng New Energy Power Generation Co., Ltd.* (哈密華風新能源發電有限公司) and Hami Fengshang Power Generation Co., Ltd.* (哈密風尚發電有限責任公司), which are wholly-owned subsidiaries of TBEA XINJIANG SUNOASIS CO., LTD.* (特變電工新疆新能源股份有限公司) (“**Sunoasis**”, a subsidiary of the Company), as the infrastructure assets for the application and offering of the Publicly Traded Infrastructure REITs (the “**Proposed Transaction**”).

I. Background of the application and offering for the Publicly Traded Infrastructure REITs

Since 2020, the National Development and Reform Commission of the People's Republic of China (the “**NDRC**”) and China Securities Regulatory Commission successively issued various notices and guidelines to facilitate the development of the Publicly Traded Infrastructure REITs. In June 2021, the NDRC issued the Notice on Further Promoting the Pilot Work of Real Estate Investment Trust Funds (REITs) in the Infrastructure Sector (《關於進一步做好基礎設施領域不動產投資信託基金(REITs)試點工作的通知》) and clearly included clean energy infrastructure such as wind power and photovoltaic power generation in the pilot industry scope. Clean energy infrastructure such as wind

power and photovoltaic power generation has stable operation, strong profitability and steady cash flows, which meets the requirements of and serves as quality asset suitable for the Publicly Traded Infrastructure REITs offering.

II. Principal Information of the Publicly Traded Infrastructure REITs

Type of fund:	Contractual infrastructure securities investment fund offered to public
Operation of fund:	Closed-ended operation, with application to be made to the Shanghai Stock Exchange for listing and dealing
Scale:	Based on the assessment results for the infrastructure assets, the scale of fund raised is to be determined in accordance with the final results of the offering by way of inquiry
Term of fund:	Based on the current situation, the term of the fund shall tentatively commence from the effective date of the fund contract up to October 2067, subject to the final approved offering documents (except for the extension/reduction of the term as agreed in the fund contract)
Arrangement for investors:	The originators, being Sunoasis, will subscribe 20% to 51% interests of the Publicly Traded Infrastructure REITs, among them, 20% of the total interests offered shall be held for a period of no less than 60 months from the listing date, and the portion of over 20% shall be held for a period of no less than 36 months from the listing date. Professional institutional investors may participate in the strategic placement of the Publicly Traded Infrastructure REITs and hold the interests for no less than 12 months from the listing date. Other interests in the Publicly Traded Infrastructure REITs are available for on-market trades and off-market subscriptions.
Income distribution method:	Subject to the satisfaction of the relevant fund dividend distribution conditions, the Publicly Traded Infrastructure REITs shall make income distribution at least once a year, and each income distribution shall represent no less than 90% of the annual distributable amount of the consolidated fund. Each unit of the Publicly Traded Infrastructure REITs shall enjoy the same distribution right. Where laws, regulations or regulatory authorities provide otherwise, such provisions shall prevail.

Place of listing:	Shanghai Stock Exchange
Investment targets:	Over 80% of the Publicly Traded Infrastructure REITs will be invested in the infrastructure asset-backed securities issued under the TBEA New Energy No.1 Specific Plan for Assets (the exact name is to be determined upon final establishment), which is established by the manager of the asset-backed securities. The Publicly Traded Infrastructure REITs will obtain 100% equity interests in the infrastructure project companies through asset-backed securities, and ultimately obtain full ownership of the underlying infrastructure projects. Through active investment management and operation management, the Publicly Traded Infrastructure REITs will improve the operating income level of the infrastructure projects, strive to provide stable income distribution and achieve long-term sustainable growth in income distribution to holders of the interests in the Publicly Traded Infrastructure REITs, and seek to increase value of the infrastructure projects.
Use of proceeds:	Proceeds will be used for investment in new projects, repayment of existing debts and modification of existing projects, etc.
Management and operation arrangements for the infrastructure projects:	The Publicly Traded Infrastructure REITs intends to entrust Sunoasis to operate the management entity (under preliminary arrangement, subject to the approval from the regulatory authorities and the terms as agreed in the agreement) and Sunoasis is responsible for the daily operation and management of the infrastructure projects.

Note: The above details are subject to further elaboration or necessary adjustments in accordance with subsequent application progress, relevant rules and requirements by the regulatory authorities and market conditions.

The Publicly Traded Infrastructure REITs will facilitate the Group in revitalising its stock assets, increasing asset turnover, optimising capital structure, reducing gearing ratio, hence safeguarding its healthy and sustainable development in the long run.

Based on the assessment of the latest information currently available, the Proposed Transaction may constitute a spin-off by the Company pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). It is expected that the highest applicable percentage ratio (as defined under the Listing Rules) for the Proposed Transaction will be over 5% but less than 25%, therefore the Proposed Transaction may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules. As at the date of this announcement, the details of the Proposed Transaction have yet to be confirmed. The Company will make further announcement(s) in connection with the Proposed Transaction as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the prevailing market conditions and approvals from relevant regulatory authorities. Accordingly, shareholders and potential investors should be aware that the Proposed Transaction may or may not occur. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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; Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive directors.

* *For identification purpose only*