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If you have sold or transferred all your shares in **Xinte Energy Co., Ltd.**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

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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)

- (1) AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING;
(2) PROPOSED EXTENSION OF VALIDITY PERIOD OF MANDATE GRANTED
TO THE BOARD TO HANDLE MATTERS RELATED TO
PROPOSED A SHARE OFFERING BY GENERAL MEETING;
(3) PARTICIPATION IN STRATEGIC ALLOTMENT UNDER
A SHARE OFFERING BY CONNECTED PERSONS;
AND
(4) NOTICES OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2023
AND THE CLASS MEETINGS**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

SUNWAH KINGSWAY

新華滙富

Kingsway Capital Limited

A letter from the Board is set out on pages 7 to 28 of this circular.

The notices convening the EGM, the first H Shares Shareholders class meeting of 2023 and the first Domestic Shares Shareholders class meeting of 2023 (the “Meetings”) of the Company to be held at the Conference Room, Research and Development Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the PRC on Wednesday, 10 May 2023 at 11:00 a.m., Wednesday, 10 May 2023 at 11:30 a.m. (or immediately after the conclusion or adjournment of the EGM, whichever is later) and Wednesday, 10 May 2023 at 12:00 noon (or immediately after the conclusion or adjournment of the first H Shares Shareholders class meeting of 2023, whichever is later) respectively, are set out on pages EGM-1, HCM-1 and DCM-1 of this circular.

Whether or not you intend to attend the Meetings, you are reminded to complete the forms of proxy enclosed with this circular, in accordance with the instructions printed thereon and return the same to the Company’s Board secretary office (in case of Domestic Shares Shareholders), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H Share registrar in Hong Kong (in case of H Shares Shareholders), Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the respective time fixed for holding the Meetings or any adjournment thereof. Completion and delivery of the said forms of proxy will not prevent you from attending, and voting in person at the Meetings or at any adjourned meetings if you so wish.

24 April 2023

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DEFINITIONS

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

“200,000-ton Polysilicon Project in Zhundong”	the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project the Changji Zhundong Industrial Park in Xinjiang, the PRC
“A Share(s)”	the ordinary share(s) proposed to be issued by the Company under the Proposed A Share Offering and subscribed in RMB
“A Share Offering”, “A Share Offering and Listing” or “Proposed A Share Offering”	the proposed initial public offering of not exceeding 300,000,000 A Shares by the Company (prior to the exercise of the over-allotment option), which are intended to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Class Meetings”	the first Domestic Shares Shareholders class meeting of 2023 and the first H Shares Shareholders class meeting of 2023 of the Company to be held immediately after the conclusion of the EGM, to consider, and if thought fit, to approve, among other things, the amendments to the plan for the Proposed A Share Offering and related matters
“Company”	Xinte Energy Co., Ltd., a limited liability company incorporated in the PRC on 20 February 2008 and converted into a joint stock company with limited liability on 16 October 2012, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1799)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Crystal Silicon Hightech”	Xinjiang Xinte Crystal Silicon Hightech Co., Ltd.* (新疆新特晶體硅高科技有限公司), a company incorporated in the PRC with limited liability on 9 March 2018, and a non wholly-owned subsidiary of the Company as at the Latest Practicable Date
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company
“Domestic Shares Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	the first extraordinary general meeting of 2023 of the Company to consider, and if thought fit, to approve, among other things, the amendments to the plan for the Proposed A Share Offering, the extension of the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering and the participation in the Strategic Allotment under the A Share Offering by the connected persons
“Employment Share Ownership Scheme”	the employee share ownership scheme of 2022, approved by the Shareholders at the first extraordinary shareholder meeting of 2022 of the Company on 5 May 2022
“Group”	the Company and its subsidiaries
“H Share(s)”	foreign share(s) listed overseas with a par value of RMB1.00 per share in the share capital of the Company, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shares Shareholder(s)”	holder(s) of the H Shares

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee established to advise the Independent Shareholders in respect of the participation in the Strategic Allotment under the A Share Offering by the connected persons, the members of which are all the independent non-executive Directors
“Independent Financial Advisor” or “Kingway Capital”	Kingway Capital Limited (滙富融資有限公司), a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and appointed as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders as to matters related to the participation in the strategic allotment under the A Share Offering by the connected persons
“Independent Shareholder(s)”	the Shareholders who are not required to abstain from voting on the resolution to consider and approve the participation in the Strategic Allotment under the A Share Offering by the connected persons
“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, and a non wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Latest Practicable Date”	19 April 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Participant(s)”	the persons who participate in the Strategic Allotment Plan through the collective asset management plan
“Partnership Enterprises”	Tianjin Xinte Dingxin Enterprise Management Partnership (Limited Partnership)* (天津新特鼎信企業管理合夥企業(有限合夥)), Tianjin Xinte Chengli Enterprise Management Partnership (Limited Partnership)* (天津新特誠立企業管理合夥企業(有限合夥)), Tianjin Xinte Biantong Enterprise Management Partnership (Limited Partnership)* (天津新特變通企業管理合夥企業(有限合夥)), Tianjin Xinte Kangrong Enterprise Management Partnership (Limited Partnership)* (天津新特康榮企業管理合夥企業(有限合夥)), Tianjin Xinte Jianming Enterprise Management Partnership (Limited Partnership)* (天津新特簡明企業管理合夥企業(有限合夥)), Tianjin Xinte Hexing Enterprise Management Partnership (Limited Partnership)* (天津新特和興企業管理合夥企業(有限合夥)), Tianjin Xinte Tongxin Enterprise Management Partnership (Limited Partnership)* (天津新特同心企業管理合夥企業(有限合夥)), Tianjin Xinte Chengxin Enterprise Management Partnership (Limited Partnership)* (天津新特誠信企業管理合夥企業(有限合夥)), Tianjin Xinte Zhuocheng Enterprise Management Partnership (Limited Partnership)* (天津新特卓誠企業管理合夥企業(有限合夥)), Tianjin Xinte Lvneng Enterprise Management Partnership (Limited Partnership)* (天津新特綠能企業管理合夥企業(有限合夥)) and Tianjin Xinte Chuangxin Enterprise Management Partnership (Limited Partnership)* (天津新特創新企業管理合夥企業(有限合夥)), and Mr. Zhang Jianxin, chairman of the Board of the Company, and Mr. Yinbo, the Director and general manager, serve as the general partners of the above 11 Partnership Enterprises, respectively
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Public”	persons who are not core connected persons of the Company
“Public Float Requirement”	the requirement under Rule 8.08 of the Listing Rules

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Silicon New Materials”	Xinte Silicon New Materials Co., Ltd.* (新特硅基新材料有限公司), a company incorporated in the PRC with limited liability on 17 February 2022 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Allotment Plan”	the strategic allotment plan formulated by the Company for its senior management and core employees to participate in the Strategic Allotment under the A Share Offering through the establishment of a collective asset management plan, which will become effective after being considered and approved by the Board on 22 March 2023
“Strategic Allotment under the A Share Offering”	the allotment of not more than 30,000,000 A Shares to the Participants by the Company under the A Share Offering in accordance with the Strategic Allotment Plan
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Sunoasis”	TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 30 August 2000 and a non wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Supervisor(s)”	The supervisor(s) of the Company

DEFINITIONS

“TBEA”	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC with limited liability on 26 February 1993 and listed on the Shanghai Stock Exchange (stock code: 600089)
“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

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Zhang Jianxin (*Chairman*)

Mr. Yin Bo

Mr. Xia Jinjing

Non-executive Directors:

Mr. Zhang Xin

Mr. Huang Hanjie

Ms. Guo Junxiang

Independent Non-executive Directors:

Mr. Cui Xiang

Mr. Chen Weiping

Mr. Tam, Kwok Ming Banny

Registered office:

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang the PRC

*Headquarters and principal place of
business in the PRC:*

No. 2249, Zhongxin Street

Ganquanpu Economic and

Technological Development Zone

(Industrial Park)

Urumqi, Xinjiang the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

24 April 2023

To the Shareholders

Dear Sir or Madam,

- (1) AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING;
(2) PROPOSED EXTENSION OF VALIDITY PERIOD OF MANDATE GRANTED
TO THE BOARD TO HANDLE MATTERS RELATED TO
PROPOSED A SHARE OFFERING BY GENERAL MEETING;
(3) PARTICIPATION IN STRATEGIC ALLOTMENT UNDER
A SHARE OFFERING BY CONNECTED PERSONS;
AND
(4) NOTICES OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2023
AND THE CLASS MEETINGS**

LETTER FROM THE BOARD

I. INTRODUCTION

References are made to (i) the announcement in relation to the amendments to the plan of the Proposed A Share Offering and the proposed extension of validity period of mandate granted to the Board to handle matters related to the Proposed A Share Offering by general meeting; and (ii) the announcement in relation to the participation in Strategic Allotment under the A Shares Offering by connected persons both dated 22 March 2023.

The purpose of this circular is to provide the Shareholders with, amongst other things, (i) the amendments to the plan for the Proposed A Share Offering and the extension of the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering; (ii) details of the participation in the Strategic Allotment under the A Share Offering by the connected persons; (iii) a letter of advice from the Independent Financial Adviser; (iv) the recommendation from the Independent Board Committee; and (v) notices of the Meetings.

A. AMENDMENTS TO THE PLAN FOR THE PROPOSED A SHARE OFFERING

References are made to the announcements of the Company dated 13 January 2021, 15 March 2022, 5 May 2022, 28 June 2022, 4 July 2022, 18 November 2022 and 6 March 2023, and the circular of the Company dated 19 April 2022, which contain, among other things, matters relating to the Proposed A Share Offering. As the full implementation of the share issuance registration was effective since 17 February 2023, the Company has submitted relevant application materials to the SSE in accordance with the latest requirements for the full implementation of the share issuance registration system and such application materials have been accepted. Currently, the Company is responding to the SSE's review inquiries. On 22 March 2023, the Board considered and approved the proposal to amend the plan for the Proposed A Share Offering to comply with the requirements of the relevant rules and regulations and to fulfill the time requirements for the A Share Offering. The amended plan for the Proposed A Share Offering is as follows:

Type of Shares: RMB ordinary shares (A shares)

Nominal value per Share: RMB1.00

Place of listing: Main Board of the SSE

LETTER FROM THE BOARD

Offering size:

Subject to the regulatory requirements of the place of listing regarding the minimum offering size, the proposed number of A Shares to be issued shall not exceed 300,000,000 Shares **(prior to the exercise of the over-allotment option). Subject to the relevant laws, regulations and regulatory requirements, the Company may authorize underwriter(s) to exercise the over-allotment option, and the number of A Shares to be allotted pursuant to the over-allotment option shall not exceed 15% of the number of A Shares issued (prior to the exercise of the over-allotment option).** Upon the occurrence of issue of bonus shares, capitalization of capital reserve or other events prior to the A Share Offering, the number of A Shares to be issued will be adjusted accordingly by the Company. The Proposed A Share Offering will be conducted by issuing new Shares. The actual total offering size **and the over-allotment** will be determined based on capital requirements of the Company, communications with the regulatory authorities and the prevailing market conditions at the time of the offering.

Target subscribers:

The target subscribers are qualified natural persons and institutional investors (except those prohibited by laws and regulations and other regulatory rules applicable to the Company).

If any of the aforesaid target subscribers is a Connected Person of the Company, the Company will take all reasonable measures to comply with the relevant requirements of the listing rules of the stock exchange(s) on which the Company's shares are listed. The issuance of any Shares to a Connected Person is subject to and conditional upon compliance with all applicable requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Strategic placement:

Subject to the relevant laws, regulations and regulatory requirements, the Company may, according to the needs of business development strategy and financing scale, implement strategic placement at the time of the A Share Offering, and place part of A Shares to investors who meet the requirements of laws and regulations and meet the requirements of the Company's development strategy, and the specific placement ratio will be determined according to the requirements of laws and regulations and market conditions.

Method of issuance:

The Proposed A Share Offering will adopt a combination of offline placing and online capital subscription or through other methods of issuance permitted by the securities regulatory authorities.

Method of pricing:

In accordance with the actual conditions of the domestic and overseas capital markets and the Company at the time of the issuance and comprehensively taking into account the interests of the existing Shareholders as a whole, the issue price of the Proposed A Share Offering will be determined by making enquiries with offline investors or other methods permitted by the securities regulatory authorities in accordance with relevant laws and regulations and the relevant requirements of the SSE.

Method of underwriting:

The Proposed A Share Offering will be underwritten by underwriter(s) on a standby commitment basis. The Company has engaged GF Securities Co., Ltd. (廣發證券股份有限公司) as the sponsor and also the lead underwriter for the Proposed A Share Offering according to the relevant requirements. Upon the Proposed A Share Offering has been approved by the SSE and registered with the CSRC, the Company will, together with the lead underwriter, by taking into the market condition and the proposed offering size, engage other underwriters with reference to their underwriting capabilities, market share and other factors to form an underwriting syndicate for the Proposed A Share Offering.

LETTER FROM THE BOARD

Distribution of the accumulated profit prior to the A Share Offering and Listing:

Any accumulated profits generated prior to the A Share Offering shall be shared by existing and new shareholders in proportion to their respective shareholdings upon completion of the Proposed A Share Offering.

By taking into holistic factors into account, including the market performance and the liquidity of the A Shares market for the relevant market segment, the Company expects that the issue price of the new A Shares will be determined at a higher level than the existing H Share trading price. With this taking into account, the Company believes it is reasonable and in the interest of the existing Shareholders as a whole to approve the sharing of the accumulated profits generated prior to the A Share Offering with the new A Shares Shareholders as part of the investment incentives by virtue of the following grounds: (i) the new A Share Shareholders are willing to pay a premium to subscribe A Shares which would enhance the net asset value per Share; (ii) it's a market norm to allow new A Shares Shareholders to share the accumulated profits generated prior to the A Share Offering as the basis for distributing dividend to reflect the same voting rights; and (iii) with the proceeds to be raised from the Proposed A Share Offering, the Company will have sufficient funds to invest in the construction of the 200,000-ton Polysilicon Project in Zhudong which will facilitate the Company to generate more and stable income streams for future dividend distribution and will secure the Company's leading position and competitiveness in the industry. Therefore, the Company believes that, to facilitate the future development of the Company and considering the market norm, it is fair and reasonable and in the interest of the existing Shareholders to share the accumulated profits generated prior to the A Share Offering with the Shareholders as a whole subsequent to the Proposed A Share Offering.

LETTER FROM THE BOARD

Validity period of the resolution: The validity period of the resolution of the Proposed A Share Offering will expire on 4 May 2023, and the extended validity period will be **12 months from the date of consideration and approval at the EGM and the Class Meetings.**

The resolution to amend the plan for the Proposed A Share Offering will be submitted to the EGM and the Class Meetings for consideration and approval respectively in the form of special resolution.

Reasons for and Benefits of the Proposed A Share Offering

The Directors consider that the Proposed A Share Offering will satisfy the long-term capital needs for the continuous business development of the Company, facilitate the smooth implementation of the development strategy and enhance the capital resources. Having considered, among other things, the above reasons for proceeding with the Proposed A Share Offering, the Directors consider that the Proposed A Share Offering is in the interests of the Company and the Shareholders as a whole.

Use of Proceeds

The proceeds raised from the Proposed A Share Offering are proposed to be invested in the 200,000-ton Polysilicon Project in Zhundong. For details, please refer to the announcement of the Company dated 15 March 2022 and the circular dated 19 April 2022 in relation to the resolution regarding use of proceeds from the A Share Offering and Listing and feasibility analysis.

Fund Raising Activities in the Past 12 Months

The Company has not conducted any fund raising activities in relation to issue of equity securities in the past 12 months immediately before the Latest Practicable Date.

Effect of the Proposed A Share Offering on the Shareholding Structure of the Company

All Domestic Shares will be converted into A Shares on the date of completion of the Proposed A Share Offering. For information and illustration purposes only, assuming that (i) according to a total of 300,000,000 A Shares will be issued and the over-allotment option will be 15% of the initial issue size (i.e. 45,000,000 A Shares), the maximum number of A Shares that can be issued and available for issue is 345,000,000 Shares, and all A Shares are issued to the Public under the Proposed A Share Offering, except for those to be allotted to the connected Participants under the Strategic Allotment Plan, and (ii) there is no other change in the issued share capital of the Company prior to the completion of the Proposed A Share Offering, the shareholding structure of the Company (a) as at the date of the Latest Practicable Date; and (b) immediately after completion of the Proposed A Share Offering is set out below:

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately after completion of the Proposed A Share Offering (prior to the exercise of the over-allotment option)		Immediately after completion of the Proposed A Share Offering (assuming the over-allotment option is fully exercised)	
	Number of Shares	Approximate Percentage of the issued share capital of the Company	Number of Shares	Approximate Percentage of the issued share capital of the Company	Number of Shares	Approximate Percentage of the issued share capital of the Company
Domestic Shares						
TBEA	921,286,161	64.43%	921,286,161	53.25%	921,286,161	51.90%
Other Domestic Shares Shareholders (non-Core Connected Persons)	132,543,083	9.27%	132,543,083	7.66%	132,543,083	7.47%
Newly issued A Shares under the Proposed A Share Offering	—	—	300,000,000	17.34%	345,000,000	19.44%
<i>Maximum number of the Shares to be allotted to connected Participants under the Strategic Allotment Plan</i>	—	—	4,000,000	0.23%	4,000,000	0.23%
<i>Maximum number of the Shares to be allotted to non-connected Participants under the Strategic Allotment Plan</i>	—	—	26,000,000	1.50%	26,000,000	1.46%
<i>Other A Shares to be newly issued under the Proposed A Share Offering except for those to be allotted under the Strategic Allotment Plan</i>	—	—	270,000,000	15.60%	315,000,000	17.75%
Sub-total	<u>1,053,829,244</u>	<u>73.69%</u>	<u>1,353,829,244</u>	<u>78.26%</u>	<u>1,398,829,244</u>	<u>78.81%</u>
H Shares						
TBEA (HONG KONG)	1,223,200	0.09%	1,223,200	0.07%	1,223,200	0.07%
Other public H Shares shareholders	374,947,556	26.22%	374,947,556	21.67%	374,947,556	21.12%
Sub-total	<u>376,170,756</u>	<u>26.31%</u>	<u>376,170,756</u>	<u>21.74%</u>	<u>376,170,756</u>	<u>21.19%</u>
Total	<u>1,430,000,000</u>	<u>100.00%</u>	<u>1,730,000,000</u>	<u>100.00%</u>	<u>1,775,000,000</u>	<u>100.00%</u>

Note: The percentage shown in the above table have been rounded and any differences between the total amounts and the arithmetic sum of the amounts shown are due to the rounding.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Company has maintained its public float of 26.22%, which is in compliance with the Public Float Requirement. Assuming that all Participants have subscribed 30,000,000 Shares, being the maximum number of A Shares allotted to them under

LETTER FROM THE BOARD

the Strategic Allotment Plan, and all 315,000,000 A Shares under the Proposed A Share Offering are issued to non-connected persons of the Company, in terms of the total share capital after the issuance (assuming that the over-allotment option has not been exercised and has been fully exercised, respectively), the public float of the Company will still meet the Public Float Requirement. The details are as follows:

- (1) the percentage of A Shares held by the Public will be 24.77% (assuming that the over-allotment option has not been exercised) or 26.68% (assuming that the over-allotment option has been fully exercised);
- (2) the percentage of H Shares held by the Public will be 21.67% (assuming that the over-allotment option has not been exercised) or 21.12% (assuming that the over-allotment option has been fully exercised); and
- (3) the percentage of A Shares and H Shares held by the Public will be 46.44% (assuming that the over-allotment option has not been exercised) or 47.80% (assuming that the over-allotment option has been fully exercised).

The Company will closely monitor its public float percentage to meet the Public Float Requirement.

B. PROPOSAL TO EXTEND VALIDITY PERIOD OF MANDATE GRANTED TO THE BOARD TO HANDLE MATTERS RELATED TO THE PROPOSED A SHARE OFFERING BY THE GENERAL MEETING

On 5 May 2022, the proposal to authorize the Board to handle the matters related to the Proposed A Share Offering was considered and approved at the first extraordinary general meeting in 2022 of the Company, and such authorization is valid for 12 months and will expire on 4 May 2023. In view of the fact that the Proposed A Share Offering is still in progress, in order to ensure the effective and smooth implementation of the Proposed A Share Offering, on 22 March 2023, the Board considered and approved the proposal to extend the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering by the general meeting. The extended validity period is 12 months from the date of consideration and approval at the EGM.

Except for the extension of validity period as described above, other matters relating to the mandate granted to the Board to handle the matters related to the Proposed A Share Offering remain unchanged.

LETTER FROM THE BOARD

The resolution to extend the validity period of the mandate granted to the Board to handle the matters related to the Proposed A Share Offering will be submitted to the EGM for consideration and approval by way of ordinary resolution.

C. PARTICIPATION IN STRATEGIC ALLOTMENT UNDER THE A SHARE OFFERING BY CONNECTED PERSONS

References are made to the Company's announcements dated 13 January 2021, 15 March 2022, 5 May 2022, 28 June 2022, 4 July 2022, 18 November 2022 and 6 March 2023 and the circular dated 19 April 2022 containing, among other things, matters relating to the Proposed A Share Offering by the Company, and the announcement dated 22 March 2023 in relation to the amendments to the plan of the Proposed A Share Offering and the extension of the validity period proposed to the general meeting of mandate granted to the Board to handle matters related to the Proposed A Share Offering.

On 17 February 2023, with the official launch of full implementation of the registration system for stock issuance, the CSRC and the SSE issued a number of supporting rules and regulations. In accordance with the newly issued Measures for the Administration of the Offering and Underwriting of Securities (《證券發行與承銷管理辦法》) and the Rules for Implementation of Initial Public Offering of Securities and Underwriting on the Shanghai Stock Exchange (《上海證券交易所首次公開發行證券發行與承銷業務實施細則》), strategic allotment may be implemented for the initial public offering of securities, and senior management and core employees of the issuer can participate in the strategic allotment through the establishment of special asset management plans. In order to strengthen the sense of responsibility and mission of the Company's senior management and core employees to achieve sustainable development of the Group, and to effectively integrate the interests of Shareholders, corporate and employee individuals, the Company has formulated the Strategic Allotment Plan. The Participants of the Strategic Allotment Plan shall be senior management and core employees of the Company, who may participate in the Strategic Allotment under the A Share Offering to subscribe for the approved number of A Shares upon consideration and approval by the Board and, for participation by connected persons of the Company, the general meeting of the Company (as the case may be) in accordance with the Strategic Allotment Plan. The Strategic Allotment Plan has been considered and approved at the Board meeting held on 22 March 2023, pursuant to which, the Company may allot not more than 30,000,000 A Shares to its senior management and core employees under the A Share Offering. Details of the Strategic Allotment Plan are as follows:

(i) Participants

The Participants of the Strategic Allotment Plan consist of senior management and core technical and business personnel of the Company who are responsible for overseeing and leading their respective functional departments of the Group and identified as having certain extent of

LETTER FROM THE BOARD

direct and significant impact on the Group's operating results and future development by the Board. In determining the selection basis of the Participants, the Board has considered all the key functions of the Group, comprising research and development, manufacture, quality control, management, finance, administration and marketing, which are indispensable to the Group's operations and future development. In selecting the Participants, the Directors have taken into account (i) the significance of his/her roles and responsibilities of the Participant; (ii) performance and contributions; (iii) work experience and educational background; and (iv) the expected contribution to the future development of the Group. The Participants are required to meet the qualified investors criteria for investment in asset management products.

(ii) Source of shares

The source of Shares for the Strategic Allotment Plan shall be the A Shares with a nominal value of RMB1.00 each to be issued by the Company under the Proposed A Share Offering. Such A Shares will be listed on the main board of the SSE.

(iii) Number of shares

The total number of A Shares proposed to be issued shall not exceed 300,000,000 Shares (prior to the exercise of the over-allotment option). The total number of Shares for subscription under the Strategic Allotment Plan shall not exceed 10% of the issue size of A Share Offering (prior to the exercise of the over-allotment option), i.e. not more than 30,000,000 A Shares.

(iv) Maximum number of the shares to be allotted to Participants

Details of the maximum number of the Shares to be allotted to the Participants under the Strategic Allotment Plan are as follows:

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Type of Participants	Name	Position	Number of Shares held indirectly as of the Latest Practicable Date (ten thousand)	Maximum number of the Shares to be allotted (ten thousand)	Percentage of Shares to be allotted under the Strategic Allotment Plan (not more than 30,000,000 A Shares)	Percentage of the number of Shares to be allotted under the A Share Offering (prior to the exercise of the over-allotment option)	Percentage of the total issued share capital of the Company immediately after completion of the Proposed A Share Offering (prior to the exercise of the over-allotment option)	Percentage of the total issued share capital of the Company immediately after completion of the Proposed A Share Offering (assuming the over-allotment option is fully exercised) ⁽²⁾
Connected persons	Zhang Jianxin	Chairman and executive Director of the Company, director and general manager of Sunoasis	100 ⁽¹⁾	40	1.33%	0.13%	0.02%	0.02%
	Yin Bo	Executive Director and general manager of the Company, director of Sunoasis, Crystal Silicon Hightech, Inner Mongolia Xinte and Silicon New Materials	100 ⁽¹⁾	40	1.33%	0.13%	0.02%	0.02%
	Xia Jinjing	Executive Director of the Company, director and general manager of Inner Mongolia Xinte	25 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Cao Huan	Chief risk control and compliance officer and employee representative Supervisor of the Company	18 ⁽¹⁾	20	0.67%	0.07%	0.01%	0.01%
	Guo Hao	Employee representative Supervisor of the Company, chief compliance officer of Sunoasis	7 ⁽¹⁾	20	0.67%	0.07%	0.01%	0.01%
	Hu Haiyong	Deputy general manager of the Company, director of Crystal Silicon Hightech	25 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Liu Xiubing	Deputy general manager of the Company, director of Silicon New Materials	25 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Yang Long	Deputy general manager of the Company, supervisor of Silicon New Materials and Crystal Silicon Hightech	25 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Ma Junhua	General manager of the business division and supervisor of Sunoasis	20 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Hou Yu	Director and general manager of Crystal Silicon Hightech	25 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%

LETTER FROM THE BOARD

Type of Participants	Name	Position	Number of Shares held indirectly as of the Latest Practicable Date (ten thousand)	Maximum number of the Shares to be allotted (ten thousand)	Percentage of the number of Shares to be allotted under the Strategic Allotment Plan (not more than 30,000,000 A Shares)	Percentage of the number of Shares to be allotted under the A Share Offering (prior to the exercise of the over-allotment option)	Percentage of the total issued share capital of the Company immediately after completion of the Proposed A Share Offering (prior to the exercise of the over-allotment option)	Percentage of the total issued share capital of the Company immediately after completion of the Proposed A Share Offering (assuming the over-allotment option is fully exercised) ⁽²⁾
	Hu Weijun	Supervisor of Crystal Silicon Hightech, deputy general manager of Silicon New Materials	18 ⁽¹⁾	30	1.00%	0.10%	0.02%	0.02%
	Chen Guohui	Director and general manager of Silicon New Materials	25 ⁽¹⁾	25	0.83%	0.08%	0.01%	0.01%
	Shi Ronghui	Director of legal affairs department of the Company, supervisor of Crystal Silicon Hightech	10 ⁽¹⁾	15	0.50%	0.05%	0.01%	0.01%
	Zhang Chaorui	Chairman of labor union and supervisor of Inner Mongolia Xinte	4 ⁽¹⁾	15	0.50%	0.05%	0.01%	0.01%
	Sun Yunde	Assistant to the general manager and supervisor of Inner Mongolia Xinte	12 ⁽¹⁾	15	0.50%	0.05%	0.01%	0.01%
Subtotal			439	400	13.33%	1.33%	0.23%	0.23%
Non-connected persons	Other senior management and core employees		—	2,600	86.67%	8.67%	1.50%	1.46%
Total			—	3,000	100.00%	10.00%	1.73%	1.69%

Notes

- 1: As of the Latest Practicable Date, the connected Participants indirectly held Shares through respective partnership enterprises under the Employee Share Ownership Scheme.
- 2: The maximum number of Shares to be allotted to the Participants will not be adjusted if the over-allotment option is exercised.

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The maximum number of Shares to be allotted to the Participants was determined based on (i) the significance of his/her roles and responsibilities of the Participant; (ii) performance and contributions; (iii) work experience and educational background; (iv) length of employment with the Company; and (v) the expected contribution to the future development of the Group. The final number of Shares to be subscribed shall be adjusted based on the Participants' personal capital status and willingness to subscribe, but shall not exceed the maximum number of Shares to be allotted. If the participation by the above-mentioned connected persons in the Strategic Allotment Plan is not approved by the EGM, they will not participate in the Strategic Allotment Plan.

After assessing each criteria of the abovementioned basis, the Directors consider that the selection basis of the Participants and the maximum number of the Shares to be allotted to them under the Strategic Allotment Plan are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) Subscription price

The subscription price of A Shares to be allotted under the Strategic Allotment Plan shall be identical to the issue price of the Proposed A Share Offering, which will be determined by making enquiries with offline investors or other methods permitted by securities regulatory authorities.

(vi) Source of capital

The capital for the Participants to participate in the Strategic Allotment Plan is sourced from their personal resources. The Participants shall not use loans and/or external funds raised from issue of bonds.

(vii) Lock-up period

The lock-up period of A Shares to be allotted under the Strategic Allotment Plan shall be 12 months from the date of listing of A Shares. The Participants shall not withdraw from the collective assets management plan or transfer their entitlements under the collective asset management plan in any form within the lock-up period, nor shall they require the Company to repurchase the Shares indirectly held by them through the Strategic Allotment Plan. Upon expiry of the lock-up period, the administrator of the collective asset management plan will arrange the disposal of such Shares in accordance with relevant agreements or regulations in due course.

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(viii) Conditions of implementation

The participation in the Strategic Allotment Plan by non-connected persons has become effective after being considered and approved by the Board on 22 March 2023, and shall be implemented at the time of A Share Offering. The participation in the Strategic Allotment Plan by connected persons shall become effective after being considered and approved by the EGM, and shall be implemented at the time of A Share Offering. If the participation in Strategic Allotment under the A Share Offering by connected persons is not approved by the EGM, the non-connected Participants will still be entitled to subscribe Shares allotted to them therefore the Strategic Allotment Plan will not be terminated. If the Proposed A Share Offering is not approved by relevant regulatory authorities, the Strategic Allotment Plan will be terminated accordingly. The Proposed A Share Offering is not conditional on the Strategic Allotment Plan.

(ix) Means of implementation and management

The Participants will participate in the Strategic Allotment under the A Share Offering through the establishment of a collective asset management plan. The Company intends to enter into a strategic allotment agreement with the collective asset management plan in accordance with relevant laws and regulations during the period of the A Share Offering. The Board or its authorized persons shall determine, handle and implement matters relating to the participation in the strategic allotment through collective asset management plan in accordance with relevant laws, regulations and regulatory documents as well as the applicable provisions of the CSRC, the SSE and the Stock Exchange.

(x) Other details of the Strategic Allotment Plan

The Company has reached a consensus with GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司), an affiliate of GF Securities Co., Ltd. (廣發證券股份有限公司) as the sponsor and the lead underwriter for the Proposed A Share Offering, to engage it as the administrator of the Strategic Allotment Plan. The assets management contract will be entered into shortly prior to the implementation of the Strategic Allotment Plan which is expected to be on or shortly before the A Share Offering and Listing. To the best of the Directors' knowledge, GF Securities Asset Management (Guangdong) Co., Ltd. is a third party independent of the Company and its connected persons.

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Pursuant to the Strategic Allotment Plan, the rights and obligations of the administrator of the Strategic Allotment Plan will include but are not limited to:

Rights

- a) exercising the voting rights in the A Shares held by the Strategic Allotment Plan. The administrator shall exercise such voting rights independently without taking instructions from any of the Participants, the Company, its Directors, and/or other connected persons of the Company for the purpose of achieving the objective of the Strategic Allotment Plan, i.e., a stable appreciation of assets, and in accordance with the interests of the Company and its Shareholders as a whole. If any conflict of interest shall arise, the administrator will abstain from voting on the relevant resolutions;
- b) independently managing the assets under the Strategic Allotment Plan pursuant to the assets management contract;
- c) timely and fully charging the management fees and performance-based commission, if any, in accordance with the assets management contract;
- d) exercising the rights arising from the investment under the collective asset management plan in accordance with relevant regulations and the asset management contract;
- e) supervising the custodian in accordance with the asset management contract and other relevant provisions and if the custodian violates the asset management contract or relevant laws and regulations and causes heavy losses to the assets under the collective asset management plan and the interests of other parties, taking timely measures to stop such violation and report to the relevant regulatory authorities, when necessary;
- f) signing agreements related to investment and exercising rights, such as ownership registration generated in the investment in the name of the administrator, which all investors agree to authorize the administrator to exercise; and
- g) exercising other rights stipulated by applicable laws and regulations, the CSRC, the Asset Management Association of China (中國證券投資基金業協會) and the asset management contract.

Obligations

- h) handling the registration and filing according to applicable laws;

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- i) preparing risk disclosure book to fully disclose relevant risks to investors allocating sufficient professional personnel for investment analysis and decision-making to management and operate the assets;
- j) submitting the operation information as required by the Asset Management Association of China;
- k) performing fiduciary obligations in accordance with the principle of good faith, diligence and responsibility, and manage and utilize the assets under the collective asset management plan;
- l) assessing investors' risk identification ability and risk tolerance, and solicit funds from qualified investors in compliance with laws and regulations;
- m) preparing periodic reports on the Strategic Allotment Plan to be disclosed to the Participants in accordance with laws and regulations and the asset management contract;
- n) establishing a sound internal management system to manage the assets separately from other assets managed by the administration;
- o) being responsible for the accounting of the Strategic Allotment Plan and prepare financial reports in accordance with the asset management contract;
- p) determining the income distribution plan in accordance with the assets management contract and distributing income to the Participants in a timely manner; and
- q) performing such other obligations stipulated by applicable laws and regulations, the CSRC, the Asset Management Association of China and the asset management contract.

The Participants' rights and obligations under the Strategic Allotment Plan will include but are not limited to:

Rights

- A. sharing the proceeds from the Strategic Allotment Plan;
- B. obtaining the remaining assets under the Strategic Allotment Plan in case of liquidation of the Strategic Allotment Plan;
- C. participating, quitting and transferring his/her equities pursuant to the asset management contract;

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- D. obtaining disclosed information of the Strategic Allotment Plan in accordance with applicable laws and regulations and the asset management contract in the time and manner agreed herein;
- E. supervising the performance of the administrator and managers of the Strategic Allotment Plan; and
- F. exercising other rights stipulated by applicable laws and regulations, the CSRC, the Asset Management Association of China and the asset management contract.

Obligations

- G. ensuring that the source and use of investment funds are legal; completing the accreditation procedures for qualified investors, providing information and identification documents as required and signing relevant documents for qualified investors;
- H. paying the relevant subscription price, bearing reasonable expenses such as management fees, performance based compensation (if any), custody fee, audit fee and taxes as agreed in the asset management contract;
- I. abiding by the asset management contract and do not interfere with the administrator's investment decisions;
- J. not to engage in any activities that may impair the lawful rights and interests of the Strategic Allotment Plan; and
- K. performing such other obligations stipulated by applicable laws and regulations, the CSRC, the Asset Management Association of China and the asset management contract.

Pursuant to the Strategic Allotment Plan, the Strategic Allotment Participants cannot exercise any voting rights in the A Shares held by the Strategic Allotment Plan.

Reasons for and benefits of the strategic allotment plan and the allotment of a shares to the connected persons thereunder

The implementation of the Strategic Allotment Plan is beneficial for increasing relevant employee's initiative and establishing and improving the benefit-sharing and risk-sharing mechanism among Shareholders, and will help achieve the Group's development objectives and have a positive effect on its sustainable and high-quality development.

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The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular by reference to the advice of the Independent Financial Adviser) consider that the terms of the Strategic Allotment Plan and the allotment of A Shares to the connected persons under the Strategic Allotment Plan are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, although it is not in the usual and ordinary course of business of the Company due to its nature of transaction.

Listing rules implications

As certain Participants (i.e. directors and/or supervisors and/or general managers of the Company and/or its subsidiaries) are connected persons of the Company under the Listing Rules, the participation in the Strategic Allotment under the A Share Offering by the above-mentioned connected persons according to the Strategic Allotment Plan constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and the Independent Shareholders' approval under the Listing Rules.

The executive Directors, Mr. Zhang Jianxin, Mr. Yin Bo and Mr. Xia Jinjing, being the Participants, have abstained from voting on the resolution to consider and approve the participation in the Strategic Allotment under the A Share Offering by connected persons at the Board meeting as they are deemed to have significant interests in the resolution to consider the participation in the Strategic Allotment under the A Share Offering by the connected persons. Save as disclosed above, none of the Directors has a material interest in the Strategic Allotment Plan and is required to abstain from voting on the relevant resolution at the Board meeting.

General information about the Company

The Company is a global leading manufacturer of polysilicon as well as developer and operator of wind power and PV resources. Its main businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for PV and wind power projects. The Company is also engaged in the manufacturing of supporting equipment (mainly inverters, flexible direct current converter valve and static VAR generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

II. THE EGM AND THE CLASS MEETINGS

The Company will convene the EGM and the Class Meetings to consider and, if thought fit, to approve the matters contained in this circular. The notices convening the EGM, the first H Shares Shareholders class meeting of 2023 and the first Domestic Shares Shareholders class meeting of 2023 of the Company to be held at the Conference Room, Research and Development

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Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the PRC on Wednesday, 10 May 2023 at 11:00 a.m., Wednesday, 10 May 2023 at 11:30 a.m. (or immediately after the conclusion or adjournment of the EGM, whichever is later) and Wednesday, 10 May 2023 at 12:00 noon (or immediately after the conclusion or adjournment of the first H Shares Shareholders class meeting of 2022, whichever is later) respectively, are set out on pages EGM-1, HCM-1 and DCM-1 of this circular.

As at the Latest Practicable Date, Mr. Zhang Jianxin and Mr. Yin Bo, who are connected persons of the Company under the Listing Rules, and the general partners of the 11 partnership enterprises under the Employee Share Ownership Scheme. Therefore, such 11 partnership enterprises, which holds 29,940,000 Domestic Shares in total, are required to abstain from voting on the resolutions for considering and approving the participation in Strategic Allotment under the A Share Offering by connected persons at the EGM. Details of the 11 partnerships enterprises and their respective shareholdings in the Company as at the Latest Practicable Date are as follows:

Name	Number of Domestic Shares (ten thousand)	Approximate Percentage of the issued share capital of the Company
1 Tianjin Xinte Dingxin Enterprise Management Partnership (Limited Partnership)* (天津新特鼎信企業管理合夥企業(有限合夥))	280	0.20%
2 Tianjin Xinte Chengli Enterprise Management Partnership (Limited Partnership)* (天津新特誠立企業管理合夥企業(有限合夥))	273	0.19%
3 Tianjin Xinte Biantong Enterprise Management Partnership (Limited Partnership)* (天津新特變通企業管理合夥企業(有限合夥))	288	0.20%
4 Tianjin Xinte Kangrong Enterprise Management Partnership (Limited Partnership)* (天津新特康榮企業管理合夥企業(有限合夥))	218	0.15%
5 Tianjin Xinte Jianming Enterprise Management Partnership (Limited Partnership)* (天津新特簡明企業管理合夥企業(有限合夥))	303.5	0.21%

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Name	Number of Domestic Shares (ten thousand)	Approximate Percentage of the issued share capital of the Company
6 Tianjin Xinte Hexing Enterprise Management Partnership (Limited Partnership)* (天津新特和興企業管理合夥企業(有限合夥))	254	0.18%
7 Tianjin Xinte Tongxin Enterprise Management Partnership (Limited Partnership)* (天津新特同心企業管理合夥企業(有限合夥))	353.5	0.25%
8 Tianjin Xinte Chengxin Enterprise Management Partnership (Limited Partnership)* (天津新特誠信企業管理合夥企業(有限合夥))	170	0.12%
9 Tianjin Xinte Zhuocheng Enterprise Management Partnership (Limited Partnership)* (天津新特卓誠企業管理合夥企業(有限合夥))	264	0.18%
10 Tianjin Xinte Green Energy Enterprise Management Partnership (Limited Partnership)* (天津新特綠能企業管理合夥企業(有限合夥))	385	0.27%
11 Tianjin Xinte Innovation Enterprise Management Partnership (Limited Partnership)* (天津新特創新企業管理合夥企業(有限合夥))	205	0.14%
Total	2,994	2.09%

Save as disclosed above, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM and/or Class Meetings.

In order to determine the holders of Shares who are eligible to attend and vote at the Meetings, the register of members of the Company will be closed from Friday, 5 May 2023 to Wednesday, 10 May 2023, both days inclusive, during which no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Wednesday, 10 May 2023 shall be entitled to attend and vote at the Meetings. In order for the Shareholders to qualify to attend and vote at the Meetings, all Share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Board secretary office (in case of

LETTER FROM THE BOARD

holders of Domestic Shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company's H share registrar (in case of holders of H Shares), Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 4 May 2023 for registration.

Shareholders who intend to appoint a proxy to attend the Meetings shall complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. For holders of H Shares, the forms of proxy should be returned to Computershare Hong Kong Investor Services Limited and for holders of Domestic Shares, the forms of proxy should be returned to the Company's Board secretary office in person or by post not less than 24 hours before the time fixed for holding the Meetings or any adjourned meeting thereof.

III. VOTING BY POLL AT THE MEETINGS

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders of a listed issuer at the issuer's EGM and/or Class Meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM and/or Class Meetings will therefore demand a poll for the resolution put to the vote at the EGM and/or Class Meetings pursuant to the Articles of Association.

On a poll, every Shareholder present in person or by proxy to attend the EGM and the Class Meetings (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/its uses in the same manner.

IV. RECOMMENDATIONS

The Board considers that all resolutions set out in the notices of EGM and the Class Meetings respectively for Shareholders' consideration and approval are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above resolutions set out in the notices of EGM and Class Meetings and to be proposed at the EGM and the Class Meetings.

LETTER FROM THE BOARD

V. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors should note that the Proposed A Share Offering shall be subject to approval of the Shareholders at the general meeting, the approval of the SSE and the registration with the CSRC, and there is uncertainty about whether it will proceed. Relevant senior management and core employees of the Company may but not necessarily participate in the Strategic Allotment under the A Share Offering. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) on any major updates and progress related to the Proposed A Share Offering and the participation in the Strategic Allotment under the A Share Offering by the connected persons in accordance with the Listing Rules and other applicable laws and regulations.

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

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)

24 April 2023

To the Independent Shareholders

Dear Sir or Madam,

PARTICIPATION IN STRATEGIC ALLOTMENT UNDER THE A SHARES OFFERING BY CONNECTED PERSONS

We refer to the circular issued by the Company to the Shareholders dated 24 April 2023 (the “Circular”) to which this letter forms a part of. Terms defined in the Circular shall have the same meanings as those used in this letter unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the participation in Strategic Allotment under the A Share Offering by connected persons and to advise the Independent Shareholders in respect of the participation in Strategic Allotment under the A Share Offering by connected persons. Kingsway Capital Limited has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from the Independent Financial Adviser” as set out in the Circular. Having considered the principal factors and reasons, and the advice of the Independent Financial Adviser as set out in their letter of advice, we are of the opinion that the terms and conditions of the Strategic Allotment under the A Share Offering are entered into after arm’s length negotiation and on normal commercial terms, and are fair and reasonable as far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and its Shareholders as a whole, although it is not conducted in the ordinary and usual course of business of the Company due to its nature of transaction. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolution approving the participation in the Strategic Allotment under the A Shares Offering by connected persons at the EGM.

Yours faithfully,

Independent Board Committee

Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny

Independent non-executive Directors

LETTER FROM KINGSWAY CAPITAL LIMITED

The following is the letter of advice from Kingsway Capital to the Independent Board Committee and the Independent Shareholders prepared related to the connected transaction for the purpose of inclusion in this circular.

SUNWAH KINGSWAY
新華滙富

24 April 2023

*The Independent Board Committee and the Independent Shareholders of
Xinte Energy Co., Ltd.*

Dear Sirs,

CONNECTED TRANSACTION PARTICIPATION IN STRATEGIC ALLOTMENT UNDER THE A SHARE OFFERING BY CONNECTED PERSONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the strategic allotment plan formulated by the Company for its senior management and core employees to participate in the Strategic Allotment under the A Share Offering by the connected persons (the “**Connected Participants**”) through the establishment of a collective asset management plan, details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the circular of the Company dated 24 April 2023 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

References are made to the Company’s announcements dated 13 January 2021, 15 March 2022, 5 May 2022, 28 June 2022, 4 July 2022, 18 November 2022 and 6 March 2023, the circular dated 19 April 2022 containing, among other things, matters relating to the Proposed A Share Offering by the Company, and the announcement dated 22 March 2023 in relation to the amendments to the plan of the Proposed A Share Offering and the extension of the validity period proposed to the general mandate granted to the Board to handle matters relating to the Proposed A Share Offering.

On 17 February 2023, with the official launch of full implementation of the registration system for stock issuance, the CSRC and the SSE issued a number of supporting rules and regulations. In accordance with the newly issued 《證券發行與承銷管理辦法》 (Measures for the

LETTER FROM KINGSWAY CAPITAL LIMITED

Administration of the Offering and Underwriting of Securities*) and the 《上海證券交易所首次公開發行證券發行與承銷業務實施細則》 (Rules for Implementation of Initial Public Offering of Securities and Underwriting on the Shanghai Stock Exchange*) (the “**Implementation Rules**”), strategic allotment may be implemented for the initial public offering of securities, and senior management and core employees of the issuer can participate in the strategic allotment through the establishment of special asset management plans. In order to strengthen the sense of responsibility and mission of the Company’s senior management and core employees to achieve sustainable development of the Group, and to effectively integrate the interests of Shareholders, corporate and employee individuals, the Company has formulated the Strategic Allotment Plan. The Participants of the Strategic Allotment Plan shall be senior management and core employees of the Company, who may participate in the Strategic Allotment under the A Share Offering to subscribe for the approved number of A Shares upon consideration and approval by the Board and, for participation by connected persons of the Company, the general meeting of the Company (as the case may be) in accordance with the Strategic Allotment Plan. The Strategic Allotment Plan has been considered and approved at the Board meeting held on 22 March 2023, pursuant to which, the Company may allot not more than 30,000,000 A Shares to its senior management and core employees under the A Share Offering.

As certain Participants (i.e. directors and/or supervisors and/or the general managers of the Company and/or its subsidiaries) are connected persons of the Company under the Listing Rules, the participation in the Strategic Allotment under the A Share Offering by the above-mentioned connected persons according to the Strategic Allotment Plan constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and the Independent Shareholders’ approval under the Listing Rules.

The Independent Board Committee comprising Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny (all being the independent non-executive Directors), has been established to advise the Independent Shareholders as to matters related to the participation in the Strategic Allotment under the A Share Offering by the connected persons. We, Kingsway Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are independent pursuant to Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Participation. As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. Within the two years prior to the Latest Practicable Date, we have acted as independent financial adviser to the independent shareholders of the Company in relation to

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continuing connected transactions of the Company, details of which are set out in the circular of the Company dated 22 November 2022. Apart from normal professional fees paid to us in connection with the aforesaid appointment, no arrangements exist whereby we have received any fees or benefits from the Company or any other party to the transactions during the two years prior to the Latest Practicable Date, therefore we consider such relationship would not affect our independence.

BASIS OF OUR OPINION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible for are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so as at the date of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the management of the Company in the Circular were reasonably made after due enquires and careful consideration by the Directors and the management of the Company and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We have also assumed that the information referred to in the Circular will continue to be true, accurate and complete as at the date of the Circular and if there is any material change of information in the Circular up to the date of the EGM, we will inform the Shareholders as soon as practicable. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company nor have we conducted any independent investigation into the business, financial conditions and affairs or the prospect of the Group or any of their associates.

The Directors have collectively and individually accepted full responsibility for all information given with regard to the Company including particulars given in compliance with the Listing Rules. The Directors have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

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This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with the participation in the Strategic Allotment under the A Share Offering by the connected persons, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:

1. Information of the Company

The Company is a global leading manufacturer of polysilicon as well as developer and operator of wind power and PV resources. Its main businesses include the production of polysilicon and the provision of engineering and construction contracting and operating services for PV and wind power projects. The Company is also engaged in the manufacturing of supporting equipment (mainly inverters, flexible direct current converter valve and static VAR generators), which are used for the engineering and construction contracting business of the Company or sold to independent third parties.

The table below sets forth a summary of the financial highlights of the Group for the three years ended 31 December 2022 as extracted from the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the annual result announcement of the Company for the year ended 31 December 2022 (the “**2022 Annual Result Announcement**”):

	For the year ended 31 December		
	2020	2021	2022
	(RMB'000)	(RMB'000)	(RMB'000)
	(Audited)	(Audited)	(Audited)
Revenue from main business	14,110,643	22,310,008	37,047,697
Net profit attributable to shareholders of the listed company	634,573	4,955,265	13,395,473

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Comparison between the years ended 31 December 2021 and 2022

The total revenue of the Group from main businesses increased from approximately RMB22,310 million for the year ended 31 December 2021 to approximately RMB37,048 million for the year ended 31 December 2022, representing an increase of approximately 66.1%. According to the 2022 Annual Result Announcement and discussion with the management of the Company, the increase of total revenue of the Group from main businesses was mainly attributable to the increase in sales of the Group's polysilicon products and significant increase in sales prices.

The net profit attributable to shareholders of the listed company increased from approximately RMB4,955 million for the year ended 31 December 2021 to RMB13,395 million for the year ended 31 December 2022, representing an increase of approximately 170.3%. According to the 2022 Annual Result Announcement and discussion with the management of the Company, the increase was mainly due to the increase in sales of the Group's polysilicon products and significant increase in sales prices.

Comparison between the years ended 31 December 2020 and 2021

The total revenue of the Group from main businesses increased from approximately RMB14,111 million for the year ended 31 December 2020 to approximately RMB22,310 million for the year ended 31 December 2021, representing an increase of approximately 58.1%. According to the 2021 Annual Report and discussion with the management of the Company, the increase of total revenue of the Group from main businesses was mainly attributable to the increase in sales of the Group's polysilicon products and significant increase in sales prices, as well as the expansion of the scale of the operation of wind power and PV power plants.

The net profit attributable to shareholders of the listed company increased from approximately RMB635 million for the year ended 31 December 2020 to RMB4,955 million for the year ended 31 December 2021, representing an increase of approximately 680.9%. According to the 2021 Annual Report and discussion with the management of the Company, the increase was mainly due to the increase in sales of the Group's polysilicon products and significant increase in sales prices.

2. Reasons and benefits of the Strategic Allotment Plan

As stated in the Letter from the Board, the implementation of the Strategic Allotment Plan is beneficial for increasing relevant employee's initiative and establishing and improving the benefit-sharing and risk-sharing mechanism among Shareholders, and will help achieve the Group's development objectives and have a positive effect on its sustainable and high-quality development.

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As advised by the management of the Company, the purposes of the Strategic Allotment Plan are (i) to align the interests of the Participants with those of the Group through ownership of Shares, dividends and other distributions paid on A Shares and/or the increase in value of the A Shares; and (ii) to encourage and retain the Participants to make contributions to the long-term growth and profits of the Group. Therefore, the Group has formulated the Strategic Allotment Plan, with a view to further motivate employees to maximise the Company's long-term interests so as to create more value for the Group in the future.

We also noted from the website of the Stock Exchange and considered that it is common for companies listed on the Stock Exchange to have their senior management and employees to participate their respective strategic allotment under the A share offering.

Having considered the following factors, including (i) the Strategic Allotment Plan can encourage, motivate and retain the Participants to continue to make contributions to the Group; (ii) the Strategic Allotment Plan align the interests of the Participants to the Shareholders through the ownership of A Shares; and (iii) formulating the strategic allotment plan to senior management and employees is a common practice for companies listed on the Stock Exchange, we are of the view that although the Strategic Allotment Plan is not conducted in the ordinary and usual course of business of the Group, the Strategic Allotment Plan is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Strategic Allotment Plan

Details of the Strategic Allotment Plan are set out as follows:

(i) Participants

The Participants of the Strategic Allotment Plan consist of senior management and core technical and business personnel of the Company who are responsible for overseeing and leading their respective functional departments of the Group and identified as having certain extent of direct and significant impact on the Group's operating results and future development by the Board. In determining the selection basis of the Participants, the Board has considered all the key functions of the Group, comprising research and development, manufacture, quality control, management, finance, administration and marketing, which are indispensable to the Group's operations and future development. In selecting the Participants, the Directors have taken into account (i) the significance of his/her roles and responsibilities of the Participant; (ii) performance and contributions; (iii) work experience and educational background; and (iv) the expected contribution to the future development of the Group. The Participants are required to meet the qualified investors criteria for investment in asset management products.

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(ii) Source of shares

The source of Shares for the Strategic Allotment Plan shall be the A Shares with a nominal value of RMB1.00 each to be issued by the Company under the Proposed A Share Offering. Such A Shares will be listed on the main board of the SSE.

(iii) Number of shares

The total number of A Shares proposed to be issued shall not exceed 300,000,000 Shares (prior to the exercise of the over-allotment option). The total number of Shares for subscription under the Strategic Allotment Plan shall not exceed 10% of the issue size of A Share Offering (prior to the exercise of the over-allotment option), i.e. not more than 30,000,000 A Shares.

(iv) Maximum number of the shares to be allotted to Participants

Please refer to the Letter from the Board for the details of the maximum number of the Shares to be allotted to the Participants under the Strategic Allotment Plan. A summary of the maximum number of the Shares to be allotted to the Participants under the Strategic Allotment Plan are as follows:

Type of Participants	Name	Position	Maximum number of the Shares to be allotted (ten thousand)	Approximate percentage of the number of A Shares under the Strategic Allotment Plan (not more than 30,000,000 A Shares)	Approximate percentage of the number of A Shares under the A Shares Offering (prior to the exercise of the over-allotment option)
Connected persons	Zhang Jianxin	Chairman and executive Director of the Company, director and general manager of Sunoasis	40	1.33%	0.13%

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Type of Participants	Name	Position	Maximum number of the Shares to be allotted (ten thousand)	Approximate percentage of the number of Shares under the Strategic Allotment Plan (not more than 30,000,000 A Shares)	Approximate percentage of the number of Shares under the A Shares Offering (prior to the exercise of the over-allotment option)
	Yin Bo	Executive Director and general manager of the Company, director of Sunoasis, Crystal Silicon Hightech, Inner Mongolia Xinte and Silicon New Materials	40	1.33%	0.13%
	Xia Jinjing	Executive Director of the Company, director and general manager of Inner Mongolia Xinte	30	1.00%	0.10%
	Cao Huan	chief risk control and compliance officer and employee representative Supervisor of the Company	20	0.67%	0.07%
	Guo Hao	Employee representative Supervisor of the Company, chief compliance officer of Sunoasis	20	0.67%	0.07%
	Hu Haiyong	Deputy general manager of the Company, director of Crystal Silicon Hightech	30	1.00%	0.10%
	Liu Xiubing	Deputy general manager of the Company, director of Silicon New Materials	30	1.00%	0.10%
	Yang Long	Deputy general manager of the Company, supervisor of Silicon New Materials and Crystal Silicon Hightech	30	1.00%	0.10%

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Type of Participants	Name	Position	Maximum number of the Shares to be allotted (ten thousand)	Approximate percentage of the number of Shares under the Strategic Allotment Plan (not more than 30,000,000 A Shares)	Approximate percentage of the number of Shares under the A Shares Offering (prior to the exercise of the over-allotment option)
	Ma Junhua	General manager of the business division and supervisor of Sunoasis	30	1.00%	0.10%
	Hou Yu	Director and general manager of Crystal Silicon Hightech	30	1.00%	0.10%
	Hu Weijun	Supervisor of Crystal Silicon Hightech, deputy general manager of Silicon New Materials	30	1.00%	0.10%
	Chen Guohui	Director and general manager of Silicon New Materials	25	0.83%	0.08%
	Shi Ronghui	Director of legal affairs department of the Company, supervisor of Crystal Silicon Hightech	15	0.50%	0.05%
	Zhang Chaorui	Chairman of labor union and supervisor of Inner Mongolia Xinte	15	0.50%	0.05%
	Sun Yunde	Assistant to the general manager and supervisor of Inner Mongolia Xinte	15	0.50%	0.05%
	Subtotal		400	13.33%	1.33%
Non-connected persons	Other senior management and core employees		2,600	86.67%	8.67%
Total			3,000	100.00%	10.00%

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The maximum number of Shares to be allotted to the Participants was determined based on (i) the significance of the roles and responsibilities of the Participant; (ii) performance and contributions; (iii) work experience and educational background; (iv) length of employment with the Company; and (v) the expected contribution to the future development of the Group. The final number of Shares to be subscribed shall be adjusted based on the Participants' personal capital status and willingness to subscribe, but shall not exceed the maximum number of Shares to be allotted. If the participation by the above-mentioned connected persons in the Strategic Allotment Plan is not approved by the EGM, they will not participate in the Strategic Allotment Plan.

After assessing each criteria of the abovementioned basis, the Directors consider that the selection basis of the Participants and the maximum number of the Shares to be allotted to them under the Strategic Allotment Plan are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) Subscription price

The subscription price of A Shares to be allotted under the Strategic Allotment Plan shall be identical to the issue price of the Proposed A Share Offering, and will be determined by making enquiries with offline investors or other methods permitted by securities regulatory authorities.

(vi) Source of capital

The capital for the Participants to participate in the Strategic Allotment Plan is sourced from their personal resources. The Participants shall not use loans and/or external funds raised from issue of bonds.

(vii) Lock-up period

The lock-up period of A Shares to be allotted under the Strategic Allotment Plan shall be 12 months from the date of listing of A Shares. Unless otherwise specified, the Participants shall not withdraw from the collective assets management plan or transfer their entitlements under the collective asset management plan in any form within the lock-up period, nor shall they require the Company to repurchase the Shares indirectly held by them through the Strategic Allotment Plan. Upon expiry of the lock-up period, the administrator of the collective asset management plan will arrange the disposal of such Shares in accordance with relevant agreements or regulations in due course.

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(viii) Conditions of implementation

The participation in the Strategic Allotment Plan by non-connected persons has become effective after being considered and approved by the Board on 22 March 2023, and shall be implemented at the time of A Share Offering. The participation in the Strategic Allotment Plan by connected persons shall become effective after being considered and approved by the EGM, and shall be implemented at the time of A Share Offering. If the participation in Strategic Allotment under the A Share Offering by connected persons is not approved by the EGM, the non-connected Participants will still be entitled to subscribe Shares allotted to them, therefore the Strategic Allotment Plan will not be terminated. If the Proposed A Share Offering is not approved by relevant regulatory authorities, the Strategic Allotment Plan will be terminated accordingly. The Proposed A Share Offering is not conditional on the Strategic Allotment Plan.

(ix) Means of implementation and management

The Participants will participate in the Strategic Allotment under the A Share Offering through the establishment of a collective asset management plan. The Company intends to enter into a strategic allotment agreement with the collective asset management plan in accordance with relevant laws and regulations during the period of the A Share Offering. The Board or its authorized persons shall determine, handle and implement matters relating to the participation in the strategic allotment through collective asset management plan in accordance with relevant laws, regulations and regulatory documents as well as the applicable provisions of the CSRC, the SSE and the Stock Exchange.

(x) Other details of the Strategic Allotment Plan

The Company has reached a consensus with GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司), an affiliate of GF Securities Co., Ltd. (廣發證券股份有限公司) as the sponsor and the lead underwriter for the Proposed A Share Offering, to engage it as the administrator of the Strategic Allotment Plan. The assets management contract will be entered into shortly prior to the implementation of the Strategic Allotment Plan which is expected to be on or shortly before the A Share Offering and Listing. To the best of the Directors' knowledge, GF Securities Asset Management (Guangdong) Co., Ltd. is a third party independent of the Company and its connected persons.

Please refer to the Letter from the Board for the details of the rights and obligations of GF Securities Asset Management (Guangdong) Co., Ltd. and the Participants.

4. Assessment of the terms of the Strategic Allotment Plan

Selection of Connected Participants

As discussed with the management of the Company and illustrated in the table under sub-paragraph “(iv) Maximum number of the shares to be allotted to Participants” above, we note that (i) the Connected Participants are broadly senior management and core employees and directors and supervisors who are responsible for a wide range of functions within the Group, including but not limited to finance, internal control, manufacturing, legal, business development, overall management etc., which are the core departments and backbones that help facilitate and sustain the development of the Group; (ii) all of the Connected Participants have obtained a bachelor degree or above and some of the Connected Participants have legal or accounting professional qualification; (iii) the Connected Participants possess industry experience and expertise which we consider are relevant to their job positions; and (iv) their length of employment with the Group are not less than five years and some of the Connected Participants joined the Group since the establishment of the Company in 2008.

To evaluate the Connected Participants’ contribution towards the Company, we have discussed with the management of the Company and understood that (i) each of the Connected Participants is involved in the decision-making process in his/her respective department and the Group; and (ii) the Group has been growing in accordance with the business plans set by the management of the Company, in particular, the improvement of the quality and capacity of polysilicon production and the construction and operation for wind power and PV power stations, with the support of the Connected Participants. In view of the above and further taking into account that (i) the Strategic Allotment Plan would align the interests of the Connected Participants and the Shareholders together which would in turn motivate and incentivise them to be more committed on improving the Shareholders’ value of the Group; (ii) the composition of Connected Participants is well diversified and each of them possesses relevant experience and/or education background; and (iii) the participation of senior management and core employees in the Strategic Allotment Plan could show their confidence to the future development of the Company given the plan would be conducted on a voluntary basis, we consider that the basis of selection of the Connected Participants for Strategic Allotment Plan is fair and reasonable.

According to the Letter from the Board, the maximum number of A Shares to be allotted to the Participants was determined based on (i) the significance of his/her roles and responsibilities of the Participant; (ii) performance and contributions; (iii) work experience and educational background; (iv) length of employment with the Company; and (v) the expected contribution to the future development of the Group.

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For our due diligence purpose, we obtained and reviewed the curriculum vitae of the Connected Participants.

A summary of the background of the Connected Participants under the Strategic Allotment Plan are as follows:

Name	Position	Maximum number of the A Shares to be allotted (ten thousand)	Date of employment	Educational level and qualification
Zhang Jianxin	Chairman and executive Director of the Company, director and general manager of Sunoasis	40	February 2008	Doctor of Philosophy
Yin Bo	Executive Director and general manager of the Company, director of Sunoasis, Crystal Silicon Hightech, Inner Mongolia Xinte and Silicon New Materials	40	February 2008	Doctor of Philosophy
Xia Jinjing	Executive Director of the Company, director and general manager of Inner Mongolia Xinte	30	December 2010	Master degree
Cao Huan	chief risk control and compliance officer and employee representative Supervisor of the Company	20	July 2008	Bachelor degree
Guo Hao	Employee representative Supervisor of the Company, chief compliance officer of Sunoasis	20	July 2017	Master degree and solicitor
Hu Haiyong	Deputy general manager of the Company, director of Crystal Silicon Hightech	30	December 2012	Master degree
Liu Xiubing	Deputy general manager of the Company, director of Silicon New Materials	30	September 2008	Bachelor degree
Yang Long	Deputy general manager of the Company, supervisor of Silicon New Materials and Crystal Silicon Hightech	30	February 2008	Bachelor degree

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Name	Position	Maximum number of the A Shares to be allotted (ten thousand)	Date of employment	Educational level and qualification
Ma Junhua	General manager of the business division and supervisor of Sunoasis	30	December 2011	Bachelor degree and certified public accountant
Hou Yu	Director and general manager of Crystal Silicon Hightech	30	July 2008	Bachelor degree
Hu Weijun	Supervisor of Crystal Silicon Hightech, deputy general manager of Silicon New Materials	30	July 2008	Bachelor degree
Chen Guohui	Director and general manager of Silicon New Materials	25	July 2008	Master degree
Shi Ronghui	Director of legal affairs department of the Company, supervisor of Crystal Silicon Hightech	15	November 2015	Bachelor degree and solicitor
Zhang Chaorui	Chairman of labor union and supervisor of Inner Mongolia Xinte	15	March 2013	Bachelor degree
Sun Yunde	Assistant to the general manager and supervisor of Inner Mongolia Xinte	15	July 2011	Bachelor degree

According to the above table, we noted that such allocation was consistent with the aforesaid bases of determining the maximum number of A Shares to be allotted to the Connected Participants.

In addition, to further assess the fairness of the basis used to determine the entitlement of the allotted A Shares of the Connected Participants, we have, on a best effort basis, searched on the website of the Stock Exchange and identified an exhaustive list of strategic allotment arrangement involving listed issuers on the Stock Exchange which have proposed to list or have listed on the SSE through initial public offering of A shares during four years period from 23 March 2019 to 22 March 2023, with available information in relation to the percentage of Shares issued to connected persons under such arrangements. To the best of our knowledge and as far as we are aware of, we identify an exhaustive list of six companies (“**Allotment Comparables**”), which meet the aforesaid criteria by searching the website of Stock Exchange, and we therefore consider the list of Allotment Comparables to be fair and representative. The following table sets out the relevant information of the Allotment Comparables:

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Company Name	Stock Code	Approximate percentage of the maximum number of A shares issued to a connected person to maximum number of A shares under the strategic allotment plan	Approximate percentage of all A Shares to be formulated to the connected Participants to the total issued shares of the company and number of Shares under the A share Offering (prior to the exercise of the over-allotment option) (the “Proposed Total Shares”)	Lock-up period
RemeGen Co., Ltd.	9995.HK	18.37%	0.89%	12 months
Beijing Chunlizhengda Medical Instruments Co., Ltd.	1858.HK	27.60%	0.28%	12 months
Shanghai Fudan Microelectronics Group Company Limited	1385.HK	13.33%	1.07%	12 months
Shanghai Junshi Biosciences Co., Ltd.	1877.HK	17.81%	0.30%	12 months
China Railway Signal & Communication Corporation Limited	3969.HK	2.49%	0.32%	12 months
Shanghai FudanZhangjiang BioPharmaceutical Co., Ltd.	1349.HK	8.33%	0.36%	12 months
The Company	1799.HK	1.33%	0.23%	12 months

As illustrated in the table above, we note that the percentage of the maximum number of A shares issued to a connected person under the specific assets management plan for the Allotment Comparables ranged from approximately 2.49% to 27.60%; and the percentage of all A shares to be granted to the connected participants to the proposed total shares of each Allotment Comparables ranged from approximately 0.28% to 1.07%. The percentage of maximum number of A Shares issued to Connected Participants under the Strategic Allotment Plan is approximately 1.33% which is below all of the Allotment Comparables and the percentage of all A Shares to be granted to the Connected Participants to the proposed total shares of the Company is approximately 0.23% which is below all of the Allotment Comparables.

In light of the above, we are of the view that the basis used to determine the entitlement of allotted A Shares of the Connected Participants is fair and reasonable.

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Subscription price and the basis for determining the subscription price

We have reviewed the Implementation Rules and noted that the issue price of initial public offering of A shares shall be determined through consultation with professional institution investors (such as securities firms, fund management companies, futures companies, trust companies, finance companies, insurance companies, qualified foreign institutional investors and private fund managers). We have discussed with the management of the Company and noted that the issue price of A Shares would be determined by the Company and underwriter(s) in accordance with applicable laws and regulation, which would be determined through price inquiry with professional institutional investors.

As such, we concur with the Directors that the basis for the determination of the Subscription Price is fair and reasonable.

Lock-up period and number of Shares for subscription

The lock-up period of A Shares to be allotted under the Strategic Allotment Plan shall be 12 months from the date of listing of A Shares and the total number of Shares for subscription under the Strategic Allotment Plan shall not exceed 10% of the issue size of A Shares. As illustrated in the table under sub-paragraph “Selection of Connected Participants”, lock-up period of the Strategic Allotment Plan is in line with that of the Allotment Comparables. Furthermore, we have reviewed the Implementation Rules and noted that (i) the lock-up period of A Shares to be allotted shall be not less than 12 months; and (ii) the subscription shares to be issued through the Strategic Allotment Plan must not exceed 10% of the total A Shares under the initial public offering. As such, we are of the view that the lock-up period and the size of subscription are fair and reasonable.

Means of implementation and management

According to the Letter from the Board, the Participants will participate in the Strategic Allotment under the A Share Offering through the establishment of a collective asset management plan. The Company intends to enter into a strategic allotment agreement with the collective asset management plan in accordance with relevant laws and regulations during the period of the A Share Offering. The Board or its authorized persons shall determine, handle and implement matters relating to the participation in the strategic allotment through collective asset management plan in accordance with relevant laws, regulations and regulatory documents as well as the applicable provisions of the CSRC, the SSE and the Stock Exchange. With reference to the draft collective asset management plan, the administrator possesses the rights to exercise the voting rights in the A Shares and shall exercise such voting rights independently. According to the Implementation Rules, it is allowed to establish asset management plan for senior managements and core employees to participate in strategic allotment. In view of the above and taking into account that (i) the

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assessment works that were performed on the terms of the Strategic Allotment Plan as mentioned above; (ii) the independent administrator will operate independently; and (iii) the implementation under the Strategic Allotment Plan are stipulated by applicable laws and regulations, we are of the view that the means of implementation and management under Strategic Allotment Plan are fair and reasonable.

Having considered the above, we are of the view that the terms of Strategic Allotment Plan to Connected Participants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that although Strategic Allotment Plan is not entered into in the ordinary and usual course of business of the Company, the terms of Strategic Allotment Plan are on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions in this regard.

Yours faithfully,
For and on behalf of
Kingsway Capital Limited
Stanley Chung
Managing Director

Note: Mr. Stanley Chung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2006. Mr. Stanley Chung have participated in and completed various advisory transactions (including connected transactions of listed companies in Hong Kong).

*The English translation of the Chinese name(s) in this letter, where indicated with * is included for information purpose only and should not be regarded as the official English name(s) of such Chinese names.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY

As at the Latest Practicable Date, as far as the Company is aware, the interests and short positions of the Directors, supervisors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules were as follows:

Name	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation	Approximate percentage of shareholdings in the total share capital of the Company/ associated corporation ⁽¹⁾	Approximate percentage of shareholdings in the relevant class of shares of the Company ⁽²⁾	Long position/ short position
Directors						
Mr. Zhang Xin	Interest in a controlled corporation ⁽³⁾	The Company	86,759,908 Domestic Shares	6.07%	8.23%	Long position
	Beneficial owner	TBEA ⁽⁴⁾	406,403 shares	0.01%	N/A	Long position
	Interest in a controlled corporation ⁽⁵⁾	TBEA ⁽⁴⁾	446,982,637 shares	11.54%	N/A	Long position
Mr. Huang Hanjie	Beneficial owner	TBEA ⁽⁴⁾	260,180 shares	0.01%	N/A	Long position
Ms. Guo Junxiang	Beneficial owner	TBEA ⁽⁴⁾	195,180 shares	0.00%	N/A	Long position
Mr. Zhang Jianxin	Interest in a controlled corporation ⁽⁶⁾	The Company	15,955,000 Domestic Shares	1.12%	1.51%	Long position
Mr. Yin Bo	Beneficial owner	TBEA ⁽⁴⁾	655,000 shares	0.02%	N/A	Long position

Name	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation	Approximate	Approximate	Long position/ short position
				percentage of shareholdings in the total share capital of the Company/ associated corporation ⁽¹⁾	percentage of shareholdings in the relevant class of shares of the Company ⁽²⁾	
	Interest in a controlled corporation ⁽⁷⁾	The Company	16,165,000 Domestic Shares	1.13%	1.54%	Long position
Mr. Xia Jinjing	Beneficial owner	TBEA ⁽⁴⁾	260,000 shares	0.01%	N/A	Long position
Supervisors						
Mr. Han Shu	Beneficial owner	TBEA ⁽⁴⁾	1,058 shares	0.00%	N/A	Long position
Mr. Hu Shujun	Beneficial owner	TBEA ⁽⁴⁾	69,376 shares	0.00%	N/A	Long position
Mr. Guo Hao	Beneficial owner	TBEA ⁽⁴⁾	56,000 shares	0.00%	N/A	Long position

Notes:

- (1) The calculation is based on the total number of 3,888,503,789 shares of TBEA in issue and the total number of 1,430,000,000 Shares of the Company in issue as at the Latest Practicable Date.
- (2) The calculation is based on the total number of 1,053,829,244 Domestic Shares of the Company in issue as at the Latest Practicable Date.
- (3) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司), and Xinjiang Tebian held 83,863,108 Domestic Shares of the Company as at the Latest Practicable Date; Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.* (新疆遠卓企業管理諮詢有限公司), a wholly-owned subsidiary of Xinjiang Tebian, holds 2,896,800 Domestic Shares of the Company. Therefore, Mr. Zhang Xin holds approximately 6.07% of the total issued Shares of the Company through his interests in the controlled corporations.
- (4) TBEA is the Company's Controlling Shareholder and therefore an associated corporation of the Company. As at Latest Practicable Date, TBEA held 921,286,161 Domestic Shares (approximately 87.42% of the relevant class of Shares) of the Company, and TBEA (HONGKONG) CO., LIMITED, a wholly-owned subsidiary of TBEA, held 1,223,200 H Shares (approximately 0.33% of the relevant class of Shares) of the Company, which in total accounted for approximately 64.52% of the total number of issued Shares of the Company.
- (5) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd., and Xinjiang Tebian directly holds 446,982,637 shares of TBEA.
- (6) Mr. Zhang Jianxin is a limited partner of Tianjin Xinte Kangrong Enterprise Management Partnership (Limited Partnership) ("**Xinte Kangrong**") and holds 45.87% interest in it, so he is deemed to be interested in the 2,180,000 Domestic Shares of the Company held by Xinte Kangrong; in addition, Mr. Zhang Jianxin is the general partner of 5 partnership enterprises (namely Tianjin Xinte Tongxin Enterprise Management Partnership (Limited Partnership), Tianjin Xinte Chengxin Enterprise Management Partnership (Limited Partnership), Tianjin Xinte Zhuocheng Enterprise Management Partnership (Limited Partnership), Tianjin Xinte Green Energy Enterprise Management

Partnership (Limited Partnership) and Tianjin Xinte Innovation Enterprise Management Partnership (Limited Partnership). Mr. Zhang Jianxin (as the general partner) is deemed to be interested in the total 13,775,000 Domestic Shares of the Company held by the aforesaid 5 partnership enterprises under the SFO.

- (7) Mr. Yin Bo is the general partner of 6 partnership enterprises (namely Tianjin Xinte Dingxin Enterprise Management Partnership (Limited Partnership), Tianjin Xinte Chengli Enterprise Management Partnership (Limited Partnership), Tianjin Xinte Biantong Enterprise Management Partnership (Limited Partnership), Xinte Kangrong, Tianjin Xinte Jianming Enterprise Management Partnership (Limited Partnership) and Tianjin Xinte Hexing Enterprise Management Partnership (Limited Partnership)). Mr. Yin Bo (as the general partner) is deemed to be interested in the total 16,165,000 Domestic Shares of the Company held by the aforesaid 6 partnership enterprises under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors and chief executives of the Company had any interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, and to the best knowledge of the Directors of the Company, the following persons (other than the Directors, supervisors or chief executives of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and had been entered in the register required to be kept by the Company according to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares ⁽¹⁾	Approximate	Long position/ short position
					percentage of shareholdings in the total share capital of the Company ⁽¹⁾	
TBEA	Beneficial owner	Domestic Shares	921,286,161	87.42%	64.43%	Long position
	Interest in a controlled corporation ⁽²⁾	H Shares	1,223,200	0.33%	0.09%	Long position
					64.52%	

Name of Shareholder	Nature of interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares ⁽¹⁾	Approximate percentage of shareholdings in the total share capital of the Company ⁽¹⁾	Long position/ short position
Xinjiang Tebian	Beneficial owner	Domestic Shares	83,863,108	7.96%	5.86%	Long position
	Interest in a controlled corporation ⁽³⁾	Domestic Shares	2,896,800	0.27%	0.20%	Long position
					6.07%	

Notes:

- (1) The calculation is based on the total number of 1,430,000,000 Shares of the Company in issue as at the Latest Practicable Date, in which 376,170,756 are H Shares and 1,053,829,244 are Domestic Shares.
- (2) TBEA indirectly holds 1,223,200 H Shares through its wholly-owned subsidiary, TBEA (HONGKONG) CO., LIMITED.
- (3) Xinjiang Tebian indirectly holds 2,896,800 Domestic Shares through its wholly-owned subsidiary, Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd..

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that any other person (other than the Directors, supervisors and chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or had been entered in the register required to be kept by the Company according to Section 336 of the SFO.

4. COMMON DIRECTORS

As at the Latest Practicable Date, the following Directors are directors of certain companies which had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (“**Relevant Companies**”):

Name of Directors	Relevant Companies in which the Director is also a director
Mr. Zhang Xin	TBEA
Mr. Huang Hanjie	TBEA
Ms. Guo Junxiang	TBEA

5. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their close associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group which does not expire or is not terminable within one year without payment of compensation (other than statutory compensation).

7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Group was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Group so far as the Directors are aware.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, save as disclosed herein:

- (a) none of the Directors or supervisors of the Company was materially interested in any contract or arrangement, which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group; and
- (b) so far as the Directors are aware, none of the Directors or supervisors of the Company nor their respective close associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. QUALIFICATION OF EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given its opinions or advise as contained in this circular:

Name	Qualification
Kingsway Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

- (a) As at the Latest Practicable Date, Kingsway Capital Limited does not have any beneficial interest in the share capital of any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) As at the Latest Practicable Date, Kingsway Capital Limited has given, and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and the reference to its name included herein in the form and context in which they respectively appear.
- (c) As at the Latest Practicable Date, Kingsway Capital Limited does not have any interest in any assets which have been since 31 December 2022 (being the date to which the latest published audited annual accounts of the Company were made up), acquired or disposed of by leased to any member of the Group, or are proposed to be acquired or disposed of by or lease to any member of the Group.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.xinteenergy.com) for a period of 14 days from the date of this circular:

- (a) the consent referred to in the paragraph of “Qualification of Expert and Consent” of this Appendix;
- (b) the letter from the Independent Board Committee, full text of which is set out on page 29 of this circular; and
- (c) the letter from Kingsway Capital Limited, full text of which is set out on pages 30 to 46 of this circular.
- (d) the Strategic Allotment Plan under the Proposed A Share Offering.

12. MISCELLANEOUS

- (a) The registered address of the Company and the principal place of business of the Company in the PRC is at No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang, the PRC.
- (b) The joint company secretaries of the Company are Ms. Zhang Juan and Ms. Chan Yin Wah. Ms. Chan Yin Wah is an associate director of SWCS Corporate Services Group (Hong Kong) Limited and a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan Yin Wah is also a fellow member of the Association of Chartered Certified Accountants.
- (c) The principal place of business of the Company in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (d) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The Chinese text of this circular shall prevail over the English text in the event of inconsistency.

* *For identification purpose only*

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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2023

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2023 (the “**EGM**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, Research and Development Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the People's Republic of China (the “**PRC**”) on Wednesday, 10 May 2023 at 11:00 a.m. to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve and amendments to the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**Proposed A Share Offering**” or “**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Strategic Placement
 - 1.7 Method of issuance
 - 1.8 Method of pricing
 - 1.9 Method of underwriting

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2023

1.10 Distribution of the accumulated profit prior to the A Share Offering and Listing

1.11 Validity period of the resolution

Ordinary Resolutions

- 2 To consider and approve the resolution regarding the extension of validity period of mandate granted to the Board to handle matters related to the Proposed A Share Offering;
- 3 To consider and approve the resolution regarding the participation in the Strategic Allotment under the A Share Offering by connected persons.

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

Xinjiang, the PRC
19 April 2023

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions will be dispatched and published by the Company in due course, and the form of proxy of the EGM was published by the Company on 19 April 2023, which will be dispatched to the shareholders of the Company (the “**Shareholder(s)**”) in due course.
2. In order to determine the Shareholders who are eligible to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 5 May 2023 to Wednesday, 10 May 2023, both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Wednesday, 10 May 2023 shall be entitled to attend and vote at the EGM. In order for the Shareholders to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office (in case of holders of domestic shares), at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, or the Company’s H share registrar (in case of holders of H shares), Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 4 May 2023 for registration.
3. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the EGM (or any adjournment thereof) on his/her behalf. The proxy needs not be a Shareholder.
4. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorized by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2023

(if any) must be notarized. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or signed by its director or any other person duly authorized by that corporate Shareholder as required by the Articles of Association.

5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company's Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC (for holders of domestic shares), or the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) no later than 24 hours before the time appointed for the EGM (i.e. no later than 11:00 a.m. on Tuesday, 9 May 2023) (or any adjournment thereof).
6. A Shareholder or his/her proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate Shareholder's legal representative or any other person duly authorized by such corporate Shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The EGM (or any adjournment thereof) is expected to take less than half a day. Shareholders or their proxies who attend the EGM (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
8. The contact information of the Board secretary office of the Company is as follows:

Address: No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC

Contact person: Ms. Zhang Juan

Tel: +86-991-3665888

As at the date of this notice, the board of directors of the Company 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.

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)

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2023

NOTICE IS HEREBY GIVEN that the first H shares shareholders class meeting of 2023 (the “**H Shares Shareholders Class Meeting**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at the Conference Room, Research and Development Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the People’s Republic of China (the “**PRC**”) on Wednesday, 10 May 2023 at 11:30 a.m. (or immediately after the conclusion or adjournment of the first extraordinary general meeting of 2023 held on the same day of the Company, whichever is later) to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve and amendments to the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Strategic Placement
 - 1.7 Method of issuance
 - 1.8 Method of pricing

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2023

1.9 Method of underwriting

1.10 Distribution of the accumulated profit prior to the A Share Offering and Listing

1.11 Validity period of the resolution

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

Xinjiang, the PRC

19 April 2023

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions will be dispatched and published by the Company in due course, and the form of proxy of the H Shares Shareholders Class Meeting was published by the Company on 19 April 2023, which will be dispatched to the H shares shareholders of the Company (the “**H Shares Shareholders**”) in due course.
2. In order to determine the H Shares Shareholders who are eligible to attend and vote at the H Shares Shareholders Class Meeting, the register of members of the Company will be closed from Friday, 5 May 2023 to Wednesday, 10 May 2023, both days inclusive, during which no transfer of shares will be registered. H Shares Shareholders whose names appear on the register of members of the Company on Wednesday, 10 May 2023 shall be entitled to attend and vote at the H Shares Shareholders Class Meeting. In order for the Shareholders to qualify to attend and vote at the H Shares Shareholders Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 4 May 2023 for registration.
3. H Shares Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a H Shares Shareholder) to attend and vote at the H Shares Shareholders Class Meeting (or any adjournment thereof) on his/her behalf. The proxy needs not be a H Shares Shareholder of the Company.
4. H Shares Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant H Shares Shareholder or by a person duly authorized by the relevant H Shares Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant H Shares Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate H Shares Shareholder appoints a person other than its legal representative to attend the H Shares Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate H Shares Shareholder or signed by its director or any other person duly authorized by that corporate H Shares Shareholder as required by the Articles of Association.

NOTICE OF THE FIRST H SHARES SHAREHOLDERS CLASS MEETING OF 2023

5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the H Shares Shareholders Class Meeting (i.e. no later than 11:30 a.m. on Tuesday, 9 May 2023) (or any adjournment thereof).
6. An H Shares Shareholder or his/her proxy should produce proof of identity when attending the H Shares Shareholders Class Meeting (or any adjournment thereof). If a corporate H Shares Shareholder's legal representative or any other person duly authorized by such corporate H Shares Shareholder attends the H Shares Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The H Shares Shareholders Class Meeting (or any adjournment thereof) is expected to take 30 minutes. H Shares Shareholders or their proxies who attend the H Shares Shareholders Class Meeting (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.

As at the date of this notice, the board of directors of the Company 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.

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)

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2023

NOTICE IS HEREBY GIVEN that the first domestic shares shareholders class meeting of 2023 (the “**Domestic Shares Shareholders Class Meeting**”) of Xinte Energy Co., Ltd. (the “**Company**”) will be held at at the Conference Room, Research and Development Building, No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the People’s Republic of China (the “**PRC**”) on Wednesday, 10 May 2023 at 12:00 noon (or immediately after the conclusion or adjournment of the first H shares shareholders class meeting of 2023 held on the same day of the Company, whichever is later) to consider and, if thought fit, approve the following resolutions.

Special Resolutions

- 1 To consider and individually approve and amendments to the plan for the initial public offering and listing of RMB ordinary shares (A shares) of the Company (“**A Share Offering and Listing**”):
 - 1.1 Type of Shares
 - 1.2 Nominal value of per Shares
 - 1.3 Place of listing
 - 1.4 Offering size
 - 1.5 Target subscribers
 - 1.6 Strategic Placement
 - 1.7 Method of issuance
 - 1.8 Method of pricing

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2023

1.9 Method of underwriting

1.10 Distribution of the accumulated profit prior to the A Share Offering and Listing

1.11 Validity period of the resolution

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

Xinjiang, the PRC

19 April 2023

Notes:

1. **Important:** A circular setting out details of the abovementioned resolutions will be dispatched and published by the Company in due course, and the form of proxy of the Domestic Shares Shareholders Class Meeting was published by the Company on 19 April 2023, which will be dispatched to the domestic shares shareholders of the Company (the “**Domestic Shares Shareholders**”) in due course.
2. In order to determine the Domestic Shares Shareholders who are eligible to attend and vote at the Domestic Shares Shareholders Class Meeting, the register of members of the Company will be closed from Friday, 5 May 2023 to Wednesday, 10 May 2023, both days inclusive, during which no transfer of shares will be registered. Domestic Shares Shareholders whose names appear on the register of members of the Company on Wednesday, 10 May 2023 shall be entitled to attend and vote at the Domestic Shares Shareholders Class Meeting. In order for the Domestic Shares Shareholders to qualify to attend and vote at the Domestic Shares Shareholders Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Board secretary office, at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC, no later than 4:30 p.m. on Thursday, 4 May 2023 for registration.
3. Domestic Shares Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies (whether he/she is a Domestic Shares Shareholder) to attend and vote at the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) on his/her behalf. The proxy needs not be a Domestic Shares Shareholder.
4. Domestic Shares Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Domestic Shares Shareholder or by a person duly authorized by the relevant Domestic Shares Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Domestic Shares Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Domestic Shares Shareholder appoints a person other than its legal representative to attend the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Domestic Shares Shareholder or signed by its director or any other person duly authorized by that corporate Domestic Shares Shareholder as required by the articles of association of the Company.

NOTICE OF THE FIRST DOMESTIC SHARES SHAREHOLDERS CLASS MEETING OF 2023

5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant authority (if any) as mentioned in note 4 above must be delivered to the Company's Board secretary office at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC no later than 24 hours before the time appointed for the Domestic Shares Shareholders Class Meeting (i.e. no later than 12:00 noon on Tuesday, 9 May 2023) (or any adjournment thereof).
6. A Domestic Shares Shareholder or his/her proxy should produce proof of identity when attending the Domestic Shares Shareholders Class Meeting (or any adjournment thereof). If a corporate Domestic Shares Shareholder's legal representative or any other person duly authorized by such corporate Domestic Shares Shareholder attends the Domestic Shares Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The Domestic Shares Shareholders Class Meeting (or any adjournment thereof) is expected to take thirty minutes. Domestic Shares Shareholder or their proxies who attend the Domestic Shares Shareholders Class Meeting (or any adjournment thereof) shall be responsible for their own travel and accommodation expenses.
8. The contact information of the Board secretary office of the Company is as follows:

Address: No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC
Contact person: Ms. Zhang Juan
Tel: +86-991-3665888

As at the date of this notice, the board of directors of the Company 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.