

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



Xinyi Glass Holdings Limited

信義玻璃控股有限公司

(Incorporated in the Cayman

Islands with limited liability)

(Stock code: 00868)



Xinyi Solar Holdings Limited

信義光能控股有限公司

(Incorporated in the Cayman

Islands with limited liability)

(Stock code: 00968)

CONTINUING CONNECTED TRANSACTIONS

PURCHASE OF PRODUCTION EQUIPMENT AND AUXILIARY FACILITIES AND GLASS PRODUCTS

On 20 December 2018 (after trading hours), the Equipment Purchase Framework Agreement was entered into, pursuant to which Xinyi Solar (Hong Kong) agreed to purchase the Production Equipment and Auxiliary Facilities from Wuhu Jinsanshi. The Production Equipment and Auxiliary Facilities will be used by members of the Xinyi Solar Group as part of the production facilities for the production of solar glass products.

On 20 December 2018 (after trading hours), the Glass Supply Framework Agreement was entered into, pursuant to which Xinyi Solar (Hong Kong) agreed to purchase the Glass Products from Xinyi Glass (Hong Kong). The Glass Products will be used by members of the Xinyi Solar Group for its production of back glass products.

The Controlling Shareholders and their respective associates are interested in 34.3% of the share capital of Xinyi Solar. Xinyi Glass is interested in 29.7% of the share capital of Xinyi Solar. Xinyi Solar is not a subsidiary of Xinyi Glass but a connected person of Xinyi Glass. The Controlling Shareholders and their respective associates are interested in 58.2% of the share capital of Xinyi Glass. Since Xinyi Glass is a substantial shareholder of Xinyi Solar, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar.

As the Purchase Agreements have been signed simultaneously between the Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, the amounts of the transactions under the Purchase Agreements have been aggregated as if they were one transaction for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to each of the Cap Amount (Glass Products) and the Cap Amount (Equipment) on a stand-alone basis, and (ii) with reference to the Cap Amount (Glass Products) and Cap Amount (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

The Xinyi Glass Board and the Xinyi Solar Board would like to announce the following transactions which will constitute continuing connected transactions for Xinyi Glass and Xinyi Solar. The Purchase Agreements are transactions conducted as part of the ordinary course of business of the Xinyi Glass Group and the Xinyi Solar Group.

PURCHASE OF PRODUCTION EQUIPMENT AND AUXILIARY FACILITIES

On 20 December 2018 (after trading hours), the Equipment Purchase Framework Agreement was entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) as purchaser, pursuant to which Xinyi Solar (Hong Kong) and its subsidiaries agreed to purchase the Production Equipment and Auxiliary Facilities from Wuhu Jinsanshi. The Production Equipment and Auxiliary Facilities will be used by the Xinyi Solar Group as part of the production facilities for the production of solar glass products.

Principal terms of the Equipment Purchase Framework Agreement

The following sets forth the principal terms of the Equipment Purchase Framework Agreement:

Date: 20 December 2018

Parties: Wuhu Jinsanshi, a company owned by Xinyi Glass as to 85.66% and principally engaged in the manufacturing of automatic machines for solar glass factory and other glass related industry, *as the supplier of the Production Equipment and Auxiliary Facilities*

Xinyi Solar (Hong Kong), a wholly-owned subsidiary of Xinyi Solar and principally engaged in the trading of solar glass products, (for and on behalf of itself and its subsidiaries), *as the purchaser of the Production Equipment and Auxiliary Facilities*

Term: One year commencing from 1 January 2019 to 31 December 2019

Subject matter: Xinyi Solar (Hong Kong) and its subsidiaries will purchase the Production Equipment and Auxiliary Facilities from Wuhu Jinsanshi. The Production Equipment and Auxiliary Facilities must satisfy the requirements and the specifications from time to time provided by members of the Xinyi Solar Group. Before confirming the acceptance of delivery, the Production Equipment and Auxiliary Facilities must be installed by Wuhu Jinsanshi at such locations as designated by members of the Xinyi Solar Group and must be tested and trial run to the satisfaction of the members of the Xinyi Solar Group within five days of delivery.

The Production Equipment and Auxiliary Facilities will be subject to a warranty period of 12 months from the date of acceptance of delivery. Such warranty period may be extended to 18 months from the date of delivery of all Production Equipment and Auxiliary Facilities if there is any delay in the acceptance of delivery. During the warranty period, Wuhu Jinsanshi will provide on-site guidance and repair and replacement services for free.

Estimated purchase price: The aggregate estimated purchase price will be RMB36.4 million (equivalent to approximately HK\$41.1 million), which shall be payable in cash or by bills in four instalments as follows:

- (a) 10% of the aggregate estimated purchase price, within ten business days in the PRC after the date of the respective purchase contract entered into subsequently pursuant to the Equipment Purchase Framework Agreement;

- (b) 50% of the purchase price of the relevant Production Equipment and Auxiliary Facilities, within five business days in the PRC before the proposed date of delivery of the relevant Production Equipment and Auxiliary Facilities;
- (c) 30% of the purchase price of the relevant Production Equipment and Auxiliary Facilities being accepted for delivery, within 15 business days in the PRC after the date of acceptance certificate issued by members of the Xinyi Solar Group; and
- (d) 10% of the purchase price of the relevant Production Equipment and Auxiliary Facilities having being accepted for delivery, within 15 business days in the PRC from the expiry of the warranty period.

The aggregate estimated purchase price of the Production Equipment and Auxiliary Facilities was determined with reference to the current market price of similar equipment.

The actual purchase price of each of the Production Equipment and Auxiliary Facilities will be determined by Wuhu Jinsanshi and Xinyi Solar (Hong Kong) or its subsidiaries on an arm's length basis with reference to the then market price of comparable equipment and shall not be higher than the price of comparable equipment sold by Wuhu Jinsanshi to third parties.

Other terms and conditions:

Wuhu Jinsanshi has provided representations and warranties customary for contracts for sale and purchase of Production Equipment and Auxiliary Facilities, such as confidentiality obligation, due compliance with the applicable quality and safety standards, warranty period, provision of after-sales services, and indemnities against infringement of third parties' intellectual property rights in relation to the Production Equipment and Auxiliary Facilities or its technologies.

Annual caps and determination basis

The Cap Amount (Equipment) under the Equipment Purchase Framework Agreement for the year ending 31 December 2019 will be RMB36.4 million (equivalent to approximately HK\$41.1 million). It is determined by Wuhu Jinsanishi and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) on an arm's length basis with reference to the current market price of similar equipment and the requirements of the Xinyi Solar Group.

PURCHASE OF GLASS PRODUCTS

On 20 December 2018 (after trading hours), the Glass Supply Framework Agreement was entered into between Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) as supplier and Xinyi Solar (for and on behalf of itself and its subsidiaries) as purchaser, pursuant to which Xinyi Solar Group agreed to purchase the Glass Products from members of the Xinyi Glass Group. The Glass Products will be used by Xinyi Solar Group for its production of back glass products and the construction of greenhouse located in its solar farms.

Principal terms of the Glass Supply Framework Agreement

The following sets forth the principal terms of the Glass Supply Framework Agreement:

Date:	20 December 2018
Parties:	Xinyi Glass (Hong Kong), a wholly-owned subsidiary of Xinyi Glass and an investment holding and trading company (for and on behalf of itself and its subsidiaries) <i>as supplier of the Glass Products</i> Xinyi Solar (for and on behalf of itself and its subsidiaries) <i>as purchaser of the Glass Products</i>
Term:	One year commencing from 1 January 2019 to 31 December 2019

Subject matter and purchase price:

Xinyi Solar Group will purchase from Xinyi Glass (Hong Kong) and its subsidiaries the following Glass Products:

- (a) Float glass products of 107,800 tonnes, the estimated aggregate purchase price of which was RMB186.8 million (equivalent to approximately HK\$210.7 million), to be used by Xinyi Solar Group for the production of its back glass products.
- (b) Architectural glass products of approximately 100,000 square meters, the estimated aggregate purchase price of which was RMB9.8 million (equivalent to approximately HK\$11.1 million), to be used by Xinyi Solar Group for the construction of greenhouse located in its solar farms.

The estimated aggregate purchase price of the Glass Products, being RMB196.6 million (equivalent to approximately HK\$221.8 million) was determined with reference to the current market price and the expected purchase volume as may be required by Xinyi Solar Group. The actual purchase price of the Glass Products which shall be payable in cash or by bills with maturity of less than six months at the time of delivery of the Glass Products will be determined with reference to the then market price and subject to the actual situation.

Annual caps and determination basis

The Cap Amount (Glass Products) under the Glass Supply Framework Agreement for the year ending 31 December 2019 will be RMB196.6 million (equivalent to approximately HK\$221.8 million). It is determined by Xinyi Glass Group and Xinyi Solar Group on an arm's length basis with reference to the current market price, the expected purchase volume of the Glass Products as may be required by Xinyi Solar Group in 2019 and the historical purchase price of the Glass Products paid by Xinyi Solar Group to Xinyi Glass Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE AGREEMENTS

The Purchase Agreements are conducted as part of the ordinary course of business of the Xinyi Glass Group and the Xinyi Solar Group on an arm's length basis upon normal commercial terms.

Equipment Purchase Framework Agreement

The Equipment Purchase Framework Agreement sets forth all terms and conditions for the purchase of Production Equipment and Auxiliary Facilities, and it enables Xinyi Solar Group to continue to purchase the Production Equipment and Auxiliary Facilities as part of its production facilities for the production of solar glass products. The Xinyi Glass Directors and the Xinyi Solar Directors confirm that the Equipment Purchase Framework Agreement is entered into in the ordinary and usual course of business of the Xinyi Glass Group and the Xinyi Solar Group and the transactions contemplated therefore will provide the Xinyi Solar Group with a convenient and cost-effective source of the Production Equipment and Auxiliary Facilities.

Glass Supply Framework Agreement

The Xinyi Solar Board considers that the Glass Supply Framework Agreement regulates the business relationship between Xinyi Glass Group and Xinyi Solar Group on the purchase of the Glass Products. The Xinyi Glass Directors and the Xinyi Solar Directors confirm that the Glass Supply Framework Agreement is entered into in the ordinary and usual course of business of the Xinyi Glass Group and the Xinyi Solar Group and the transactions contemplated therefore will provide the Xinyi Solar Group with a convenient and cost-effective source of the Glass Products with savings in transportation and handling costs due to the close proximity of the production facilities and enable the Xinyi Solar Group to continue to secure a stable and reliable supply of the Glass Products.

Terms of the Purchase Agreements

As the market conditions may change from time to time, the Xinyi Glass Directors and the Xinyi Solar Directors consider that it would be appropriate for the Purchase Agreements to be fixed for a term of one year. The Xinyi Glass Directors and the Xinyi Solar Directors will review the market conditions and will decide whether renewal of the Purchase Agreements would be appropriate and in the best interest of the Xinyi Glass Group and the Xinyi Solar Group and their respective shareholders as a whole.

GENERAL INFORMATION OF XINYI GLASS AND XINYI SOLAR AND XINYI GLASS DIRECTOR'S VIEW AND XINYI SOLAR DIRECTOR'S VIEW ON THE TRANSACTIONS CONTEMPLATED UNDER THE PURCHASE AGREEMENTS

Xinyi Glass Group is principally engaged in the production and sales of a wide range of glass products, including automobile glass, architectural glass, float glass and other glass products for different commercial and industrial applications. All issued shares of Xinyi Glass are listed on the Main Board.

Xinyi Solar Group is principally engaged in the production and sale of solar glass products, which are carried out internationally, through its production complexes in the PRC and Malaysia. In addition, Xinyi Solar Group is also engaged in the development and operation of solar farms and the engineering, procurement and construction services. All issued shares of Xinyi Solar are listed on the Main Board.

The Xinyi Glass Directors (including the independent non-executive directors of Xinyi Glass) consider that the transactions contemplated under the Purchase Agreements have been entered into (a) in the ordinary and usual course of the business of the Xinyi Glass Group; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of Xinyi Glass and its shareholders as a whole. As each of the following Xinyi Glass Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the Xinyi Glass Board), Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, has interests in the share capital of Xinyi Solar and the Controlling Shareholders, each of them has abstained from voting on the resolutions approving the Purchase Agreements.

The Xinyi Solar Directors (including the independent non-executive directors of Xinyi Solar) consider that the transactions contemplated under the Purchase Agreements have been entered into (a) in the ordinary and usual course of the business of the Xinyi Solar Group; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of Xinyi Solar and its shareholders as a whole. As each of the following Xinyi Solar Directors, namely Dr. Lee Yin Yee, B.B.S., Mr. TUNG Ching Sai and Mr. LI Man Yin, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the resolutions approving the Purchase Agreements.

IMPLICATIONS UNDER THE LISTING RULES

The Controlling Shareholders and their respective associates are interested in 34.3% of the share capital of Xinyi Solar. Xinyi Glass is interested in 29.7% of the share capital of Xinyi Solar. Xinyi Solar is not a subsidiary of Xinyi Glass but a connected

person of Xinyi Glass. The Controlling Shareholders and their respective associates are interested in 58.2% of the share capital of Xinyi Glass. Since Xinyi Glass is a substantial shareholder of Xinyi Solar, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar.

As the Purchase Agreements have been signed simultaneously between the Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, the amounts of the transactions under the Purchase Agreements have been aggregated as if they were one transaction for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to each of the Cap Amount (Glass Products) and the Cap Amount (Equipment) on a stand-alone basis, and (ii) with reference to the Cap Amount (Glass Products) and Cap Amount (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, the capitalised terms used in this joint announcement shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Cap Amount (Equipment)”	means the maximum purchase amount of the Production Equipment and Auxiliary Facilities under the Equipment Purchase Framework Agreement, being RMB36.4 million (equivalent to approximately HK\$41.1 million);
“Cap Amount (Glass Products)”	means the maximum purchase amount of the Glass Products under the Glass Supply Framework Agreement, being RMB196.6 million (equivalent to approximately HK\$221.8 million);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;

“Controlling Shareholders”	means the controlling shareholders (as such term is defined under the Listing Rules) of Xinyi Glass, Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Sai, Mr. TUNG Ching Bor, Mr. LI Man Yin, Mr. NG Ngan Ho, Mr. LI Ching Leung, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze and their respective controlled corporations;
“Equipment Purchase Framework Agreement”	means the equipment purchase framework agreement dated 20 December 2018 entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (acting for itself and its subsidiaries) as purchaser in relation to the sales and purchase of the Production Equipment and Auxiliary Facilities;
“Glass Products”	means the float glass and the architectural glass products to be purchased by the subsidiaries of Xinyi Solar Group from Xinyi Glass (Hong Kong) and its subsidiaries under the Glass Supply Framework Agreement;
“Glass Supply Framework Agreement”	means the glass supply framework agreement dated 20 December 2018 entered into between Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) as supplier and Xinyi Solar (for and on behalf of itself and its subsidiaries) as purchaser in relation to the sales and purchase of the Glass Products;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Main Board”	means the main board of the Stock Exchange;
“PRC”	means the People’s Republic of China which for the purpose of this joint announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;

“Production Equipment and Auxiliary Facilities”	means the production equipment and auxiliary facilities including glass papering stacker, transition wired device, anti-reflective film coating line, sewage treatment equipment as well as the modification and upgrade of certain existing production facilities to be purchased by Xinyi Solar (Hong Kong) and its subsidiaries from Wuhu Jinsanshi;
“Purchase Agreements”	means collectively, the Glass Supply Framework Agreement and the Equipment Purchase Framework Agreement;
“Renminbi” or RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Wuhu Jinsanshi”	means 蕪湖金三氏數控科技有限公司 (Wuhu Jinsanshi Numerical Control Technology Co. Ltd.*), a limited liability company established in the PRC and a non-wholly owned subsidiary of Xinyi Glass;
“Xinyi Glass”	means Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board (stock code: 00868);
“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited (信義集團(玻璃)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass Board”	means the board of Xinyi Glass Directors;
“Xinyi Glass Directors”	means the directors of Xinyi Glass;
“Xinyi Glass Group”	means Xinyi Glass and its subsidiaries;

“Xinyi Solar”	means Xinyi Solar Holdings Limited (信義光能控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board (stock code: 00968);
“Xinyi Solar (Hong Kong)”	means Xinyi Solar (Hong Kong) Limited (信義光能(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Solar;
“Xinyi Solar Board”	means the board of Xinyi Solar Directors;
“Xinyi Solar Directors”	means the directors of Xinyi Solar;
“Xinyi Solar Group”	means Xinyi Solar and its subsidiaries; and
“%”	means per cent.

By order of the board of directors of
Xinyi Glass Holdings Limited
Dr. LEE Yin Yee, B.B.S.
Chairman

By order of the board of directors of
Xinyi Solar Holdings Limited
LEE Yau Ching
Executive Director and Chief Executive Officer

Hong Kong, 20 December 2018

** For identification only.*

Unless the context requires otherwise, the translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8865 = HK\$1.0. No representation is made that any amount in RMB and HK\$ can be or could have been converted at the relevant dates at these rates or any other rates at all.

As of the date of this joint announcement, the Xinyi Glass Board comprises four executive directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the Xinyi Glass Board), Mr. TUNG Ching Bor, Mr. TUNG Ching Sai and Mr. LEE Shing Kan, four non-executive directors, namely Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and five independent non-executive directors, namely Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., JP, Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.

As of the date of this joint announcement, the Xinyi Solar Board comprises four executive directors, namely Mr. TUNG Ching Sai, Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, two non-executive directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the Xinyi Solar Board) and Mr. LEE Shing Put, and three independent non-executive directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.

This joint announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk, Xinyi Glass at www.xinyiglass.com.hk and Xinyi Solar at www.xinyisolar.com.