

*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)**

**JOINT ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS**

**(A) PURCHASE OF PRODUCTION EQUIPMENT AND  
AUXILIARY FACILITIES**

**AND**

**(B) PURCHASE OF GLASS PRODUCTS**

**Equipment Purchase Framework Agreement**

On 19 December 2019 (after trading hours), Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) and Wuhu Jinsanshi entered into the Equipment Purchase Framework Agreement, pursuant to which Xinyi Solar (Hong Kong) or its subsidiaries 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.

**Glass Supply Framework Agreement**

On 19 December 2019 (after trading hours), Xinyi Solar (for and on behalf of the Xinyi Solar Group) and Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) entered into the Glass Supply Framework Agreement, pursuant to which Xinyi Solar Group agreed to purchase the Glass Products from Xinyi Glass (Hong Kong) or its subsidiaries. The Glass Products will be used by members of the Xinyi Solar Group for its production of back glass products and the construction of greenhouse located in its solar farms.

### **Implications under the Listing Rules**

As of the date of this joint announcement, the Controlling Shareholders and their respective associates are interested in 32.0% of the share capital of Xinyi Solar. Xinyi Glass is interested in 24.3% 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 58.0% 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.

For the purpose of Chapter 14A of the Listing Rules, the continuing connected transactions under the Purchase Agreements were treated as if they were one transaction as the Purchase Agreements were entered into simultaneously between the Xinyi Glass Group as the supplier and the Xinyi Solar Group as the purchaser. Given the highest applicable percentage ratio of the Purchase Agreements (on an aggregate basis) is greater than 0.1% but less than 5%, the continuing connected transaction under each of the Purchase Agreements is 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 are pleased 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 19 December 2019 (after trading hours), Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) and Wuhu Jinsanshi entered into the Equipment Purchase Framework Agreement, pursuant to which Xinyi Solar (Hong Kong) or its subsidiaries 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.

## **Principal terms of the Equipment Purchase Framework Agreement**

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

- Date:** 19 December 2019
- Term:** One year commencing from 1 January 2020 to 31 December 2020.
- Parties:** Wuhu Jinsanishi, a non-wholly owned subsidiary of Xinyi Glass, as the supplier; and  
Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries), a wholly-owned subsidiary of Xinyi Solar, as the purchaser.
- Subject matter:** Xinyi Solar (Hong Kong) or its subsidiaries may base on its business need, purchase the Production Equipment and Auxiliary Facilities from Wuhu Jinsanishi. Wuhu Jinsanishi shall be responsible for the supply, installation, and testing of the Production Equipment and Auxiliary Facilities at the location specified by Xinyi Solar (Hong Kong) or its subsidiaries. The Production Equipment and Auxiliary Facilities shall satisfy the requirements and the specifications from time to time provided by Xinyi Solar (Hong Kong) or its subsidiaries and the national standards of the PRC or the prevailing industry standards.
- Estimated purchase price and payment terms:** The aggregate estimated purchase price of the Production Equipment and Auxiliary Facilities, being RMB136.9 million (equivalent to approximately HK\$152.4 million), was determined with reference to the current market price of similar equipment.  
The actual purchase price of the Production Equipment and Auxiliary Facilities will be determined by Xinyi Solar (Hong Kong) or its subsidiaries and Wuhu Jinsanishi 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 Jinsanishi to any third party.

The aggregate estimated purchase price shall be RMB136.9 million (equivalent to approximately HK\$152.4 million), which shall be payable in cash or by bills in four instalments as follows:

- (a) 10% of the aggregate estimated purchase price shall be payable within ten business days after the date of the respective purchase contract entered into pursuant to the Equipment Purchase Framework Agreement;
- (b) 50% of the purchase price of the Production Equipment and Auxiliary Facilities shall be payable within five business days before the proposed date of delivery of the Production Equipment and Auxiliary Facilities;
- (c) 30% of the purchase price of the Production Equipment and Auxiliary Facilities shall be payable within 15 business days after the date of acceptance certificate issued by Xinyi Solar (Hong Kong) or its subsidiaries; and
- (d) 10% of the purchase price of the Production Equipment and Auxiliary Facilities having shall be payable within 15 business days from the expiry of the warranty period.

**Warranty period:**

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 the 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 at its own costs.

**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 2020 will be RMB136.9 million (equivalent to approximately HK\$152.4 million). It is determined by Wuhu Jinsanshi 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 Xinyi Solar (Hong Kong) or its subsidiaries. The historical cap amount in relation to the Production Equipment and Auxiliary Facilities for the year ending 31 December 2019 was RMB111.6 million (equivalent to approximately HK\$126.6 million) and the historical purchase amount for the eleven months ended 30 November 2019 amounted to HK\$57.6 million.

**PURCHASE OF GLASS PRODUCTS**

On 19 December 2019 (after trading hours), Xinyi Solar (for and on behalf of the Xinyi Solar Group) and Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) entered into the Glass Supply Framework Agreement, pursuant to which Xinyi Solar Group agreed to purchase the Glass Products from Xinyi Glass (Hong Kong) or its subsidiaries. The Glass Products will be used by members of the 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:** 19 December 2019

**Term:** One year commencing from 1 January 2020 to 31 December 2020.

**Parties:** Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries), a wholly-owned subsidiary of Xinyi Glass, as the supplier; and  
Xinyi Solar (for and on behalf of the Xinyi Solar Group), as the purchaser.

**Subject matter:** Xinyi Solar Group will purchase from Xinyi Glass (Hong Kong) or its subsidiaries the following Glass Products:

- (a) Float glass products of approximately 40,000 tonnes, the estimated purchase price of which was RMB 70.8 million (equivalent to approximately HK\$78.8 million), to be used by Xinyi Solar Group for the production of its back glass products; and
- (b) Architectural glass products of approximately 100,000 square meters, the estimated purchase price of which was RMB9.8 million (equivalent to approximately HK\$10.9 million), to be used by Xinyi Solar Group for the construction of greenhouse located in its solar farms.

**Estimated purchase price and payment terms:** The estimated purchase price of the Glass Products, being RMB 80.6 million (equivalent to approximately HK\$89.7 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 will be determined with reference to the then market price and subject to the actual condition.

The purchase price shall payable by way of telegraphic transfer or bills.

## **Annual caps and determination basis**

The Cap Amount (Glass Products) under the Glass Supply Framework Agreement for the year ending 31 December 2020 will be RMB80.6 million (equivalent to approximately HK\$89.7 million). It is determined by Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) and Xinyi Solar (for and on behalf of 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 and the historical purchase price of the Glass Products paid by Xinyi Solar Group to Xinyi Glass Group. The historical cap amount in relation to Glass Products for the year ending 31 December 2019 was RMB196.6 million (equivalent to approximately HK\$221.8 million) and the historical purchase amount for the eleven months ended 30 November 2019 amounted to HK\$58.0 million.

## **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 sales and 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 THE PARTIES**

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 Glass (Hong Kong) is a wholly-owned subsidiary of Xinyi Glass and an investment holding and trading company. Wuhu Jinsanshi is a non-wholly owned subsidiary of Xinyi Glass and principally engaged in the manufacturing of automatic machines for solar glass factory and other glass related industry.

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. Xinyi Solar (Hong Kong) is a wholly-owned subsidiary of Xinyi Solar and principally engaged in investment holding and the trading of solar glass products.

## **DIRECTOR'S VIEW ON THE TRANSACTIONS CONTEMPLATED UNDER THE PURCHASE AGREEMENTS**

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, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M*, 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., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M*, 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**

As of the date of this joint announcement, the Controlling Shareholders and their respective associates are interested in 32.0% of the share capital of Xinyi Solar. Xinyi Glass is interested in 24.3% 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 58.0% 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.

For the purpose of Chapter 14A of the Listing Rules, the continuing connected transactions under the Purchase Agreements were treated as if they were one transaction as the Purchase Agreements were entered into simultaneously between the Xinyi Glass Group as the supplier and the Xinyi Solar Group as the purchaser. Given the highest applicable percentage ratio of the Purchase Agreements (on an aggregate basis) is greater than 0.1% but less than 5%, the continuing connected transaction under each of the Purchase Agreements is 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 JOINT 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 RMB136.9 million (equivalent to approximately HK\$152.4 million); |

“Cap Amount (Glass Products)”	means the maximum purchase amount of the Glass Products under the Glass Supply Framework Agreement, being RMB80.6 million (equivalent to approximately HK\$89.7 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., Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M</i> , 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 19 December 2019 entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (for and on behalf of 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 members of the Xinyi Solar Group from Xinyi Glass (Hong Kong) or its subsidiaries under the Glass Supply Framework Agreement;
“Glass Supply Framework Agreement”	means the glass supply framework agreement dated 19 December 2019 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 Xinyi Solar Group) 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 but not limited to calendaring equipment, tempering equipment, anti-reflective coating equipment, stacking and paving equipment, transition wired device, drilling equipment, high transmission coating equipment as well as the modification and upgrade of certain existing production facilities to be purchased by Xinyi Solar (Hong Kong) or its subsidiaries from Wuhu Jinsanshi;
“Purchase Agreements”	means collectively, the Equipment Purchase Framework Agreement and the Glass Supply 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, 19 December 2019

\* *For identification only.*

*Except for the historical cap amounts for the year ending 31 December 2019 (which are using the exchange rates disclosed in the respective previous announcements), the translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8984 = 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, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M 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 Dr. LEE Yin Yee, B.B.S. (Chairman of the Xinyi Solar Board), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, two non-executive directors, namely Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M and Mr. LEE Shing Put, B.B.S., 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](http://www.hkexnews.hk), Xinyi Glass at [www.xinyiglass.com](http://www.xinyiglass.com) and Xinyi Solar at [www.xinyisolar.com](http://www.xinyisolar.com).*