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## **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)**

### **PROPOSED AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS AND PROPOSED RMB ORDINARY SHARE ISSUE**

The Board wishes to announce that a meeting of the Board has been convened on 20 October 2022 for the purpose of considering the First Amendments and matters relating to the Proposed RMB Ordinary Share Issue.

The Board has approved that the Company will convene the EGM to propose for consideration by the Shareholders and seek their approval for the adoption of the First Amended and Restated Articles. At the EGM, the Proposed RMB Ordinary Share Issue and all matters incidental thereto, which include, but without limitation to, the Specific Mandate, the PRC Listing and the conditional adoption of the Second Amended and Restated Memorandum, the Second Amended and Restated Articles and the Corporate Governance Plans and Policies.

A shareholders' circular in respect of the EGM containing, inter alia, detailed information on the matters on which the Shareholders' approval is sought, together with the notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Hong Kong Listing Rules.

**As the Proposed RMB Ordinary Share Issue and all related matters are subject to the approval by the Shareholders at the EGM and the necessary Regulatory Approvals, Shareholders and prospective investors of the Company should be aware that there is no assurance that the Proposed RMB Ordinary Share Issue will be implemented or as to when it may be implemented, and are advised to exercise caution when dealing in the securities of the Company.**

Further announcement(s) will be made by the Company for any material update and progress for the Proposed RMB Ordinary Share Issue in accordance with the Hong Kong Listing Rules and other applicable laws and regulations as and when it is appropriate. This announcement is for information purpose only and does not constitute any invitation or offer to acquire, purchase or subscribe for any securities of the Company.

## **FIRST AMENDMENTS TO THE ARTICLES**

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Hong Kong Stock Exchange in November 2021, the Hong Kong Listing Rules have been amended to require listed issuers to adopt a uniform set of the Core Standards as part of their constitutional documents. The Board therefore proposes to adopt the First Amended and Restated Articles for purpose of complying with the Core Standards, modernising the Articles to allow the Company to convene general meetings in different forms, and making corresponding changes in response to the changes in the laws of the Cayman Islands since the adoption of the Articles in November 2013.

Some of the major First Amendments are summarised as follows:

- (1) to provide that any Director appointed by the Board to either fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
- (2) to provide that an annual general meeting of the Company shall be held in each financial year and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Hong Kong Listing Rules, if any);

- (3) to provide that an annual general meeting must be called by notice of not less than twenty-one (21) days. All other general meetings (including an extraordinary general meeting) must be called by notice of not less than fourteen (14) days but if permitted by the Hong Kong Listing Rules, a general meeting may be called by shorter notice, subject to the Companies Act of the Cayman Islands, if it is so agreed;
- (4) to provide that if within twenty-one (21) days of the deposit of requisition by qualified Shareholders to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, the Board fails to proceed to convene such general meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place of the Company;
- (5) to provide that the qualified Shareholders shall have the right to propose additional resolutions to the general meeting;
- (6) to provide that the Directors may fill any causal vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act. The remuneration of any auditor so appointed by the Directors may be fixed by the Board. An auditor appointed under the Articles shall hold office until the close of the next following annual general meeting of the Company and may then be subject to appointment by the Shareholders at such remuneration to be determined by the Shareholders;
- (7) to provide that the auditor of the Company may be removed by the Shareholders by ordinary resolution at any general meeting convened and held in accordance with the Articles at any time before the expiration of his term of office;
- (8) to insert several provisions to facilitate electronic communications and meetings;
- (9) to insert or amend several provisions to facilitate the holding of hybrid and electronic meetings;
- (10) to provide that all the Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Hong Kong Listing Rules, to abstain from voting to approve the matter under consideration;
- (11) to provide that votes are allowed to be cast by electronic means, and proxy may be submitted electronically;

- (12) to provide that the Board may treat a proxy appointment as valid notwithstanding that the appointment or any of the information required has not been received;
- (13) to provide that a notification of consent to written resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing;
- (14) to amend the relevant provisions to expand the means of servicing notice or document by the Company; and
- (15) to update certain definitions and other references, and to make consequential amendments in line with the above amendments to better align with the wordings in the applicable laws of the Cayman Islands and the Hong Kong Listing Rules and to reflect certain updates in relation to the applicable laws of the Cayman Islands and the Hong Kong Listing Rules and other house-keeping amendments.

The adoption of the First Amended and Restated Articles is subject to the approval by the Shareholders at the EGM. The Board considers that the First Amendments are generally consistent with the revisions to the constitutional documents made by other companies listed on the Hong Kong Stock Exchange.

Detailed information on the First Amendments as well a comparison between the First Amended and Restated Articles and the existing Articles (adopted in November 2013) will be set forth in the Shareholders' circular to be despatched to the Shareholders.

## **PROPOSED RMB ORDINARY SHARE ISSUE AND PRC LISTING**

### **Principal terms and arrangements**

The Board refers to the announcement of the Company dated 1 August 2022 on the Proposed RMB Ordinary Share Issue. At the meeting of the Board held on 20 October 2022, the Board has approved, subject to the equity market conditions and the investors' sentiment in the PRC as well as the granting of the Regulatory Approvals, the Proposed RMB Ordinary Share Issue and all matters incidental thereto, which include, but without limitation to, the Specific Mandate, the PRC Listing and the conditional adoption of the Second Amended and Restated Memorandum, the Second Amended and Restated Articles and the Corporate Governance Plans and Policies. All of these matters are subject to the approval by the Shareholders at the EGM.

The following sets forth the salient features of the Proposed RMB Ordinary Share Issue:

- (1) **Nature of the RMB Ordinary Shares** : Ordinary Shares to be subscribed for and traded in RMB by target subscribers in the PRC (as stated below) and listed on the ChiNext Market, forming the same class as the HKD Ordinary Shares.
- (2) **Status of the RMB Ordinary Shares** : The RMB Ordinary Shares, when allotted, issued and fully paid, will rank *pari passu* in all material aspects with the HKD Ordinary Shares in issue currently traded in HKD and listed on the Hong Kong Stock Exchange.
- (3) **Number of the RMB Ordinary Shares to be issued** : The Proposed RMB Ordinary Share Issue involves the issue of new Ordinary Shares only and will not involve any sale of Ordinary Shares held by existing Shareholders or conversion of the existing Ordinary Shares.

The initial number of the RMB Ordinary Shares to be issued will not exceed 989,000,000 Ordinary Shares, representing no more than 11.2% of the total number of the Ordinary Shares in issue as of 30 September 2022 and no more than 10.1% of the enlarged share capital of the Company upon completion of the Proposed RMB Ordinary Share Issue.

Subject to full compliance with applicable laws and regulations and regulatory requirements, the Company may authorise the underwriter(s) to exercise the over-allotment option to require the Company to issue of no more than 15.0% of the initial number of the RMB Ordinary Shares under the Proposed RMB Ordinary Share Issue.

The final number of the RMB Ordinary Shares to be issued and matters in relation to over-allotment will be determined according to the equity market conditions in the PRC and the Regulatory Approvals.

(4) **Target subscribers of the RMB Ordinary Shares** : Qualified natural persons and institutional investors (except for investors prohibited by applicable laws and regulations, rules and regulatory requirements from participating in the Proposed RMB Ordinary Share Issue) and such other target subscribers meeting the relevant qualification requirements of the CSRC, who maintain stock accounts with the Shenzhen Stock Exchange.

If any of the target subscribers of the RMB Ordinary Shares is a connected person of the Company, the Company will comply with the requirements under the relevant laws and regulations, including but without limitation to, the Hong Kong Listing Rules.

(5) **Placing methodology of the RMB Ordinary Shares** : The Proposed RMB Ordinary Share Issue would use a combination of offline investor placing (網下投資者配售) and online fixed price issuance (網上定價發行) in order to secure the best possible price for the RMB Ordinary Shares and enable members of the public in the PRC to participate in the Proposed RMB Ordinary Share Issue.

(6) **Method of pricing** : The Shareholders at the EGM will authorise the Board to work with the underwriter(s) of the Proposed RMB Ordinary Share Issue to:

(i) determine the price range through marketing and preliminary price enquiries with potential investors; and

(ii) finalise the offer price in accordance with the relevant laws and regulations and the rules of relevant regulatory authorities in the PRC.

To ensure the offer price is in the interests of the Company and the Shareholders as a whole, the Board and the underwriter(s) of the Company will take into account when determining the final offer price:

- (i) the operational and financial conditions of the Company;
- (ii) the average price-to-earnings ratio of the solar glass industry in the secondary market;
- (iii) the trading prices of the HKD Ordinary Shares on the Hong Kong Stock Exchange;
- (iv) the equity market conditions in the PRC; and
- (v) the applicable laws and regulations.

If the offer price is lower than the trading price of the HKD Ordinary Shares, the Board will decide whether to proceed with the Proposed RMB Ordinary Share Issue after considering the equity market conditions in the PRC, the Company's actual capital needs and development strategies at the relevant time, the trading prices of comparable companies in the secondary market and other relevant factors.

- (7) **Sponsor** : Guotai Junan Securities Co., Limited
- (8) **Principal terms of underwriting** : The method of underwriting for the Proposed RMB Ordinary Share Issue will be standby underwriting by the underwriter(s) or other methods as permitted by the securities regulatory authority in the PRC.
- (9) **Use of the net proceeds** : The net proceeds raised from the Proposed RMB Ordinary Share Issue, after deducting the costs and expenses incurred or accrued for the Proposed RMB Ordinary Share Issue and the PRC Listing, will be used for the purposes set forth in the paragraphs under "Proposed use of net proceeds from the Proposed RMB Ordinary Share Issue" below.
- (10) **Distribution plan of accumulated profits before the Proposed RMB Ordinary Share Issue** : The undistributed profits accumulated before the Proposed RMB Ordinary Share Issue will be shared by the existing and the new Shareholders on a pro rata basis and in proportional to shareholding percentages.

- (11) **Venue of the PRC Listing** : ChiNext Market.
- (12) **Share registers** : The RMB Ordinary Shares will be registered on a separate register of members maintained in the PRC by the CSDC. The RMB Ordinary Shares will not be registered on the existing register of members of the Company maintained in Hong Kong for the HKD Ordinary Shares.
- Computershare Hong Kong Investor Services Limited will continue to be the Company's branch share registrar and transfer office in Hong Kong for the HKD Ordinary Shares. The register of members of the Company for the HKD Ordinary Shares will continue to be maintained in Hong Kong.
- (13) **Non-fungibility** : The RMB Ordinary Shares cannot be transferred or moved outside of the PRC or presented for exchange or conversion into the HKD Ordinary Shares for trading in Hong Kong.
- (14) **Share depositories** : The CSDC will be the registration, depository and settlement institution for the RMB Ordinary Shares.
- The Hong Kong Securities Clearing Company Limited (or its nominee or appointee) will continue to be the depository for the HKD Ordinary Shares traded and listed on the Hong Kong Stock Exchange.
- (15) **Dividends** : Dividends declared by the Company in HKD will be converted into RMB before distribution to the holders of the RMB Ordinary Shares, and the exchange rate will be determined according to the then foreign exchange market conditions.



The Company will set up designated bank accounts in the PRC in accordance with the relevant provisions of the Measures for the Administration of Cross-border Funds of Depository Receipts (for Trial Implementation) (《存托憑證跨境資金管理辦法(試行)》), which will be used for dividend payments.

The Company will comply with all foreign exchange registration, withholding tax, opening of designated accounts, fund receipt and payment and currency exchange regulations as required by the relevant securities regulatory authority in the PRC.

- (16) **Valid period of the resolution** : The Specific Mandate for the Proposed RMB Ordinary Share Issue will be valid for 24 months from the date of approval by the Shareholders at the EGM.
- (17) **Timing** : The Proposed RMB Ordinary Share Issue will be conducted upon approval of the Shenzhen Stock Exchange and approval of registration by the CSRC. The specific issue date shall be determined by the Board under the authorisation of the Shareholders at the EGM upon approval of the Shenzhen Stock Exchange and approval of registration by the CSRC.

### **Proposed use of the net proceeds from the Proposed RMB Ordinary Share Issue**

In relation to the use of the net proceeds from the Proposed RMB Ordinary Share Issue, it is proposed to be approved by the Shareholders that the net proceeds, after deducting the costs and expenses incurred or accrued for the Proposed RMB Ordinary Share Issue and the PRC Listing, will be used for the Company's principal business as follows:

- (1) approximately 60% for the project of Xinyi Jiangbei Cover Plate for Photovoltaic Modules (信義江北光伏組件蓋板項目);
- (2) approximately 10% for the project of High-transparent and Light-weight Cover Plate Production Base for Solar Equipment (太陽能裝備用輕質高透面板製造基地項目); and
- (3) approximately 30% for the replenishment of working capital (補充營運資金).

## **Conditions to the Proposed RMB Ordinary Share Issue and the PRC Listing**

The Proposed RMB Ordinary Share Issue and the PRC Listing are conditional upon:

- (1) the grant of the proposed Specific Mandate by the Shareholders at the EGM;
- (2) the grant of the Regulatory Approvals; and
- (3) the equity market conditions and the investors' sentiment in the PRC.

## **Compliance with the PRC laws and regulations following completion of the Proposed RMB Ordinary Share Issue and the PRC Listing**

Following completion of the Proposed RMB Ordinary Share Issue and the PRC Listing, subject to the Memorandum and the Articles, the Company will need to comply with applicable laws, rules and regulations of the PRC, including but without limitation to, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Measures for the Administration of IPO Registration on the ChiNext Market (For Trial Implementation) (《創業板首次公開發行股票註冊管理辦法(試行)》), the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》), the Measures on Ongoing Supervision over the Innovative Enterprises after Issuance of Shares or Depository Receipts (Trial Implementation) (《創新企業境內發行股票或存託憑證上市後持續監管實施辦法(試行)》), the Opinions on the Pilot Programmes of Innovative Enterprises Issuing Stocks or Depository Receipts in the Mainland of China (《關於開展創新企業境內發行股票或存託憑證試點若干意見》) and other applicable securities laws of the PRC. The legal advisers to the Company as to PRC laws and Hong Kong laws are of the opinion that the Proposed RMB Ordinary Share Issue would not contravene relevant laws, rules and regulations of the PRC and Hong Kong, respectively.

## **Adoption of the Second Amended and Restated Memorandum and the Second Amended and Restated Articles**

The Board also proposes to make certain amendments to the Memorandum and the First Amended and Restated Articles (upon the approval of its adoption by the Shareholders at the EGM) and to adopt the Second Amended and Restated Memorandum and the Second Amended and Restated Articles which are necessary for the Proposed RMB Ordinary Share Issue, such amendments includes those for the purpose of:

- (a) catering the RMB Ordinary Shares to be issued, provisions relating to the issuance, listing, deposit, transfer and other matters relating to the RMB Ordinary Shares are proposed to be added; and

- (b) satisfying the relevant requirements under the Opinions on the Pilot Programmes of Innovative Enterprises Issuing Stocks or Depositary Receipts in the Mainland of China (《關於開展創新企業境內發行股票或存託憑證試點若干意見》) and other applicable securities laws of the PRC that the overall level of investor protection offered by the Company should not be lower than what is required under the laws and regulations of the PRC, provisions relating to the respective authorities and duties of the Board and the general meetings of the Company, Shareholders' rights to convene general meetings, the powers of the general meetings, the powers of the Board and other matters are proposed to be added or amended.

The adoption of the Second Amended and Restated Memorandum and the Second Amended and Restated Articles incorporating and consolidating all the Second Amendments will take effect at the PRC Listing after consideration and approval by the Shareholders by way of special resolution at the EGM. Prior to that, the Memorandum and the First Amended and Restated Articles, subject to and conditional upon the approval by the Shareholders on the First Amendments to the Articles, shall continue to be effective.

The legal advisers to the Company as to PRC laws have confirmed that the Second Amendments comply with the requirements under the applicable laws and regulations in the PRC for the Proposed RMB Ordinary Share Issue and the PRC Listing. The legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Second Amendments, the Second Amended and Restated Memorandum and the Second Amended and Restated Articles do not violate the applicable laws of the Cayman Islands.

Detailed information on the Second Amendments, the Second Amended and Restated Memorandum and the Second Amended and Restated Articles will be set forth in the Shareholders' circular to be despatched to the Shareholders.

### **Adoption of the Corporate Governance Plans and Policies**

For the purpose of the Proposed RMB Ordinary Share Issue and the PRC Listing, the Directors propose for the Shareholders to consider and approve (if appropriate) at the EGM various plans and policies for the corporate governance practice of the Group. Such plans and policies include 25 plans and policies, namely (a) "Plan for Distribution of Profits Accumulated Prior to the Initial Public Offering and the Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange"; (b) "Plan for Stabilisation of the Price of the Company's Renminbi Common Shares (A Shares) for the Three Consecutive Years following the Initial Public Offering and the Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange"; (c) "Profit Distribution Policy and Dividend Return Plan for the Three Consecutive Years following the Initial Public Offering and the

Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange”; (d) “Plan for the Use of Net Proceeds from the Proposed RMB Ordinary Share Issue”; (e) “Remedial Measures for the Potential Dilution of Immediate Returns because of the Initial Public Offering and the Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange”; (f) “Letter of Commitment on Stabilisation of the Price of the Company’s Renminbi Common Shares (A shares) for the Three Consecutive Years following the Initial Public Offering and the Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange”; (g) “Letter of Commitment on Remedial Measure for the Potential Dilution of Immediate Returns by the initial public offering and the listing of renminbi common shares (A shares) on the ChiNext Market of Shenzhen Stock Exchange”; (h) “Letter of Commitment on Profits Distribution Policy and Dividend Return Plan for the Three Consecutive Years following the Initial Public Offering and the Listing of the Shares of the Company on the ChiNext Market of Shenzhen Stock Exchange”; (i) “Letter of Commitment on the Repurchase of the Shares of the Company Listed by Fraudulent Means”; (j) “Letter of Commitment on the Legal Liability for Compensation”; (k) “Letter of Commitment on Initiating Measures if the Company is Failure to Fulfill its Relevant Commitments”; (l) “Letter of Commitment on Applicable Law and Competent Court”; (m) “Policy Governing the Procedures for General Meetings”; (n) “Policy Governing the Procedures for Board Meetings”; (o) “Terms of Reference of the Audit Committee of the Board”; (p) “Terms of Reference of the Remuneration Committee of the Board”; (q) “Terms of Reference of the Nomination Committee of the Board”; (r) “Policy on the Management of External Guarantees Given by the Company and its Subsidiaries”; (s) “Policy on the Management of External Investments and Asset Disposal Made by the Company and its Subsidiaries”; (t) “Policy on the Management of Connected (Related-party) Transactions Engaged by the Company and its Subsidiaries”; (u) “Policy on Information Disclosure by the Domestic Representative”; (v) “Policy on the Management of the Net Proceeds”; (w) “Policy on the Management of the Investor Relations by the Company and its Subsidiaries”; (x) “Policy on Internal Audit of the Company and its Subsidiaries”; and (y) “Policy on the Management of Information Disclosure by the Company and its Subsidiaries”.

The legal advisers to the Company as to PRC laws have confirmed that following the approval by the Shareholders at the EGM, the Corporate Governance Plans and Policies which provide the necessary details procedures and implementation guidance on various corporate governance aspects of listed companies in the PRC will be legally binding on the Directors. The Corporate Governance Plans and Policies do not violate the applicable laws of the PRC.

The full text of the Corporate Governance Plans and Policies (if appropriate) will be set forth in the shareholders’ circular to be despatched to the Shareholders.

## **REASONS FOR AND BENEFITS OF THE PROPOSED RMB ORDINARY SHARE ISSUE AND THE PRC LISTING**

The Directors believe that the reasons for the Proposed RMB Ordinary Share Issue include the following:

### **The Hong Kong and the PRC capital markets are complementary**

The Hong Kong and the PRC capital markets have different focus and attract different investors with different valuation parameters. The PRC capital markets are primarily driven by the domestic investors in the PRC, particularly the investment public and the retail investors, whereas institutional investors and funds are playing a significant role in the Hong Kong capital markets. Generally speaking, equities listed in the PRC can attract interest from a significantly large pool of investment public, as compared with the Hong Kong capital markets. This will help to enhance the liquidity as well as the valuation of the equities listed in the PRC.

The Directors further believe that the Proposed RMB Ordinary Share Issue will provide the investment public with another option to acquire the Shares at different prices that would promote the liquidity of the Shares traded in the two capital markets.

### **Dual-listing platform in Hong Kong and the PRC**

For companies that are listed on both the Hong Kong Stock Exchange and the PRC capital market, the valuation in the two capital markets is different.

The Proposed RMB Ordinary Share Issue will allow the Company to choose to raise fund from any of the two capital markets that has a higher valuation, which would reduce the dilution effect on the Shareholders and facilitate an efficient use of the net proceeds from subsequent fund raising.

### **Favourable industry development in the PRC**

The “carbon peak, carbon neutral” strategy implemented by the PRC government on sustainable development has contributed to the rapid growth and expansion of the photovoltaic glass industry in the PRC. The Directors believe that the business objectives of the Group are consistent with these policy initiatives. Through the Proposed RMB Ordinary Share Issue and the PRC Listing, the intrinsic value of the Group can be maximised and the valuation of the Group can also be easily compared

and appraised with reference to other solar companies listed on the ChiNext Market. As a listed company in the PRC, it would also be more straightforward for the Group to participate in the national strategic projects on renewable energy and expand its production capacity and corporate profile in the PRC.

The Directors further believe that the Proposed RMB Ordinary Share Issue will benefit the Group as follows:

### **Mitigate the risks associated with the single market volatility**

The dual listing may reduce the Company's reliance on a single stock market and mitigate the single market volatility risk. Such volatility may be due to any change in the local economic development, investors' interest and significant fluctuations in the local currency. Listing on different stock markets would enable the Company to operate in different equity platforms.

### **Raising RMB funds**

The Group has its primary business operation in the PRC. RMB is the principal currency used in the Group's production, operation and investment activities. The fluctuations in the exchange rates between HKD and RMB have affected the cost of fund raising in Hong Kong for use in the PRC. The net proceeds raised from the Proposed RMB Ordinary Share Issue are in RMB and would be used in the PRC by the Group without exposing to the risk of fluctuations of the exchange rates between HKD and RMB.

### **Improving the corporate profile of the Group**

A direct listing in the PRC would allow the investment public in the PRC to buy and sell the RMB Ordinary Shares, which would enhance the corporate profile of the Group among both the domestic investors and the business partners in the PRC.

## **WAIVERS FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS UNDER THE HONG KONG LISTING RULES**

For the purpose of the Proposed RMB Ordinary Share Issue, the Company has applied to the Hong Kong Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules:

### **(1) Waiver relating to no listing of the RMB Ordinary Shares on the Hong Kong Stock Exchange**

The RMB Ordinary Shares and the HKD Ordinary Shares are of the same class and will be ranking *pari passu* in all material aspects. Nevertheless, the RMB Ordinary Shares will only be listed on the ChiNext Market (subject to obtaining the necessary Regulatory Approvals) and not on the Hong Kong Stock Exchange.

The Company has applied for a one-off waiver so that there is no need to seek listing on the Hong Kong Stock Exchange of the RMB Ordinary Shares under the Proposed RMB Ordinary Share Issue as required under Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules, subject to the following conditions:

- (a) Rule 6.11 of the Hong Kong Listing Rules, as applied to the Company, is modified to the extent that the requirements of obtaining the prior approval of Shareholders and holders of any other class of listed securities (where applicable) for voluntary withdrawal of listing on the Hong Kong Stock Exchange shall apply to holders of the HKD Ordinary Shares only;
- (b) Rule 6.12 of the Hong Kong Listing Rules, as applied to the Company, is modified to the extent that the requirement of obtaining the prior approval of Shareholders for voluntary withdrawal of listing on the Hong Kong Stock Exchange that (a) the approval must be given by at least 75% of the votes attaching to any class of listed securities held by holders voting either in person or by proxy at a general meeting; and (b) the number of votes cast against the resolution is not more than 10% of the votes attaching to any class of listed securities held by holders permitted under Rule 6.12(1) of the Hong Kong Listing Rules to vote in person or by proxy at the meeting, shall apply to holders of the HKD Ordinary Shares only;
- (c) Rule 6.15 of the Hong Kong Listing Rules, as applied to the Company, is modified to the extent that the requirement of fulfilling Shareholders' approval requirements under the Code on Takeovers and Mergers for voluntary withdrawal of listing on the Hong Kong Stock Exchange shall apply to holders of the HKD Ordinary Shares only;
- (d) Rule 13.36(2)(b) of the Hong Kong Listing Rules, as applied to the Company, is modified such that all Shareholders can, by ordinary resolution in a general meeting of holders of both the HKD Ordinary Shares and the RMB Ordinary Shares voting as a single class, give a general mandate to the Directors under which (a) the aggregate number of HKD Ordinary Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued HKD Ordinary Shares as at the date of the resolution granting the general mandate; and (b) the aggregate number of RMB Ordinary Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued RMB Ordinary Shares as at the date of the resolution granting the general mandate; and
- (e) Rule 13.36(2)(b) of the Hong Kong Listing Rules, as applied to the Company, is further modified such that all Shareholders can, by ordinary resolution in a general meeting of holders of both the HKD Ordinary Shares and the RMB Ordinary Shares voting as a single class, give a repurchase

mandate to the Directors under which the maximum number of HKD Ordinary Shares repurchased by the Company since the granting of the general mandate will be 10% of the number of the issued HKD Ordinary Shares as at the date of the resolution granting the repurchase mandate and the 10% repurchase mandate will be used for purchasing the HKD Ordinary Shares only.

**(2) Waiver relating to corporate communications**

In relation to the trading of the RMB Ordinary Shares, under the relevant rules and regulations in the PRC:

- (a) the publication of corporate communications, including circulars, on the websites of the Shenzhen Stock Exchange and the Company and through other prescribed communication channels such as specified PRC newspapers would constitute effective delivery to the holders of the RMB Ordinary Shares; and
- (b) the Company would not be required to (i) seek an express and positive written confirmation from each holder of the RMB Ordinary Shares that corporate communications may be made available using electronic means or (ii) send any printed circular to the holders of the RMB Ordinary Shares.

The Company has applied for a waiver so that the requirements relating to corporate communications under Rule 2.07A of the Hong Kong Listing Rules will apply only to the holders of the HKD Ordinary Shares.

**(3) Waiver relating to certification of transfers**

According to the relevant regulatory requirements, the RMB Ordinary Shares would be registered and deposited with and settled through CSDC. Pursuant to the trading rules of the Shenzhen Stock Exchange, trading in securities is conducted via a paperless, book-entry based trading system, and there is no requirement to issue any printed certificates in respect of the RMB Ordinary Shares as proof of title. CSDC adopts an electronic securities registration system, conducts registration onto the register of securities holders pursuant to the record of the securities accounts. The record issued by CSDC is the legal proof of security holders' holding in shares.



Furthermore, the RMB Ordinary Shares can be transferred on the Shenzhen Stock Exchange (the “**On-Exchange Transfers**”) in two ways, namely, “on-market trading” and “off-market transfers”. On-market trading refers to transfers pursuant to transactions conducted between two parties holding stock accounts through the paperless trading platform of the Shenzhen Stock Exchange, which does not involve any certificate, temporary documents or split renounceable documents. Off-market transfers include (without limitation) share transfers due to assignment by agreement, inheritance, gift and property division, for which relevant applicants must submit materials required by CSDC to complete the transfer, and CSDC will handle the transfer registration with respect to such off-market transfers of the RMB Ordinary Shares.

The Company has applied for a waiver so that the requirements relating to certification of transfers to be completed within certain time frame under Rule 13.58 of the Hong Kong Listing Rules will not apply to the On-Exchange Transfer. For the avoidance of doubt, such waiver does not apply to the HKD Ordinary Shares based on certificates or temporary documents and any transfer of the RMB Ordinary Shares other than On-Exchange Transfers.

#### **(4) Waiver relating to securities registration services**

As mentioned above, the RMB Ordinary Shares will be listed and traded on the ChiNext Market and be registered and deposited with and settled through CSDC. CSDC will provide securities registration services to holders of the RMB Ordinary Shares, and there will be no need for certificate registration services in the PRC. In addition, the RMB Ordinary Shares and the HKD Ordinary Shares will not be fungible.

The Company has applied for a waiver so that the requirements relating to securities registration services under Rules 13.59 and 13.60 of the Hong Kong Listing Rules will not apply to the RMB Ordinary Shares.

Further information on the waivers sought will be included in the Shareholders’ circular to be despatched to the Shareholders.

## OTHER INFORMATION RELATED TO THE PROPOSED RMB ORDINARY SHARE ISSUE AND THE PRC LISTING

### Shareholding structure of the Company before and after completion of the Proposed RMB Ordinary Share Issue

For reference and illustration purpose only, the following table sets forth the shareholding structure of the Company before and after completion of the Proposed RMB Ordinary Share Issue (assuming that over-allotment option is not exercised and exercised in full) on the basis of the number of the Ordinary Shares in issue as of 30 September 2022:

	As of 30 September 2022		Immediately after completion of the Proposed RMB Ordinary Share Issue (assuming the over-allotment option is not exercised)		Immediately after completion of the Proposed RMB Ordinary Share Issue (assuming the over-allotment option is exercised in full)	
	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage</i>
<b>RMB Ordinary Shares to be issued under the Proposed RMB Ordinary Share Issue</b>	—	—	989,000,000	10.005%	1,137,350,000	11.336%
<b>HKD Ordinary Shares</b>						
- Controlling Shareholders	2,316,257,429	26.038%	2,316,257,429	23.432%	2,316,257,429	23.086%
- Xinyi Glass	2,066,930,851	23.235%	2,066,930,851	20.910%	2,066,930,851	20.601%
- Director	233,551	0.003%	233,551	0.002%	233,551	0.002%
- Public Shareholders	<u>4,512,403,507</u>	<u>50.724%</u>	<u>4,512,403,507</u>	<u>45.651%</u>	<u>4,512,403,507</u>	<u>44.975%</u>
<b>Total</b>	<b><u>8,895,825,338</u></b>	<b><u>100%</u></b>	<b><u>9,884,825,338</u></b>	<b><u>100%</u></b>	<b><u>10,033,175,338</u></b>	<b><u>100%</u></b>

As of 30 September 2022, 50.72% of the total number of issued Ordinary Shares of the Company was held by public Shareholders. Assuming that the issue of all of the 989,000,000 RMB Ordinary Shares under the Proposed RMB Ordinary Share Issue is approved and all are issued to non-connected persons of the Company, with respect to the total number of Ordinary Shares following the Proposed RMB Ordinary Share Issue (assuming the over-allotment option is not exercised and exercised in full):

- (1) the percentage of RMB Ordinary Shares held by public Shareholders is expected to be 10.01% (assuming the over-allotment option is not exercised) or 11.34% (assuming the over-allotment option is exercised in full);
- (2) the percentage of HKD Ordinary Shares held by public Shareholders is expected to be 45.65% (assuming the over-allotment option is not exercised) or 44.98% (assuming the over-allotment option is exercised in full); and
- (3) the percentage of the total number of issued Shares (both RMB Ordinary Shares and HKD Ordinary Shares in aggregate) held by public Shareholders is expected to be 55.66% (assuming the over-allotment option is not exercised) or 56.32% (assuming the over-allotment option is exercised in full).

As of the date of this announcement, the Company has not entered or proposed to enter into any agreement in relation to the subscription of the RMB Ordinary Shares with any connected persons (as defined under the Hong Kong Listing Rules) of the Company.

### **Equity financing activities in the past 12 months**

The Company has not conducted any other fund raising activities involving the issue of equity securities in the past 12 months prior to the date of this announcement.

### **Application for listing**

An application for the PRC Listing will be made to the Shenzhen Stock Exchange. An application for registration will then be made by the Company to the CSRC following the receipt of the approval from the Shenzhen Stock Exchange. The Directors expect to make a further application to the Shenzhen Stock Exchange for the issuance of the RMB Ordinary Shares and completion of the Proposed RMB Ordinary Share Issue and the listing of, and permission to deal in, the RMB Ordinary Shares on the ChiNext Market after the registration with the CSRC becoming effective.

## **SHAREHOLDERS' APPROVAL AT THE EGM**

In addition to the adoption of the First Amended and Restated Articles, the Proposed RMB Ordinary Share Issue and all matters incidental thereto, which include, but without limitation to, the Specific Mandate, the PRC Listing and the conditional adoption of the Second Amended and Restated Memorandum, the Second Amended and Restated Articles and the Corporate Governance Plans and Policies, the Directors propose to obtain the approval of the Shareholders at the EGM on the following:

### **Proposed authorisation to the Board to exercise full powers to deal with all matters relating to the Proposed RMB Ordinary Share Issue and the PRC Listing**

To facilitate the matters in relation to the Proposed RMB Ordinary Share Issue and the PRC Listing, it is proposed that approval will be sought from the Shareholders at the EGM to authorise the Board to exercise full powers to deal with all matters relating to the Proposed RMB Ordinary Share Issue and the PRC Listing. The scope of authorisation includes without limitation:

- (1) In accordance with the relevant laws and regulations as well as views of the regulatory authorities, and taking into account the prevailing market conditions, to modify, enhance and execute specific implementation of the Proposed RMB Ordinary Share Issue and the PRC Listing, including without limitation:
  - (a) to determine on specific matters including the issue size, method of pricing, the offer price (including the offer price range and the final offer price), time of issuance, method of issuance, method of underwriting, target subscribers, specific implementation plan of the over-allotment option, strategic placing plan (including the proportion and target investors of the placing) and other matters relevant to the implementation of the Proposed RMB Ordinary Share Issue and the PRC Listing;
  - (b) to determine and make necessary adjustment to the plan on specific investment and utilisation of proceeds (including proceeds from the exercise of the over-allotment option where the over-allotment option is exercised) within the scope of use of proceeds as approved by the Shareholders at the EGM;
  - (c) to analyse, consider and substantiate the impacts of the Proposed RMB Ordinary Share Issue and the PRC Listing on matters including the Company's immediate financial indicators and the Shareholders' immediate return in accordance with the requirements under relevant laws and regulations and of the relevant regulatory authorities, revise, enhance and implement relevant measures and policies, and exercise full powers in handling other relevant matters;

- (d) to sign, execute, modify and complete all applications, reports or materials related to the Proposed RMB Ordinary Share Issue and the PRC Listing to be submitted to the relevant domestic and overseas government agencies, securities regulatory authorities and other institutions that are involved in the Proposed RMB Ordinary Share Issue and the PRC Listing;
  - (e) to proceed with relevant procedures including approvals, registration, filing, ratification and consents, issue statements and undertakings relevant to the Proposed RMB Ordinary Share Issue and the PRC Listing and take all actions and deal with all matters as necessary, proper or appropriate to the Proposed RMB Ordinary Share Issue and the PRC Listing;
  - (f) to draft, modify, sign, submit, publish, disclose, execute, suspend and terminate any agreements, contracts, announcements, circulars or other documents in connection with the Proposed RMB Ordinary Share Issue and the PRC Listing, including but not limited to letters of intent, the prospectus, sponsorship and underwriting agreements, listing agreements and service contracts with intermediaries;
  - (g) to determine on the selection and establishment of the designated accounts for proceeds of the Proposed RMB Ordinary Share Issue and the PRC Listing and other related matters; and
  - (h) to engage sponsor and underwriter, legal advisers, accounting firms, receiving banks and other intermediaries and determine and pay the fees in connection with the Proposed RMB Ordinary Share Issue and the PRC Listing.
- (2) To adjust and modify the Memorandum and the Articles, policies governing the procedures of meetings, and other corporate governance documents, relevant measures and undertakings as well as other application documents (including without limitation adjustments and modifications to expressions, sections, provisions and conditions of effect therein) that are amended or formulated for the purpose of the Proposed RMB Ordinary Share Issue and the PRC Listing and have been considered and approved at the relevant Board meeting and the EGM, in accordance with the changes in the relevant laws, regulations and policies, the requirements and suggestions from the relevant domestic and overseas government agencies and securities regulatory authorities, and the actual circumstances of the Proposed RMB Ordinary Share Issue and the PRC Listing;
- (3) To deal with matters in relation to the PRC Listing;

- (4) To adjust the specific plan of the Proposed RMB Ordinary Share Issue and other relevant matters (including suspension and termination of the implementation of the listing plan) in cases of changes in the laws and regulations, or changes in regulatory policies related to the Proposed RMB Ordinary Share Issue, or changes in the equity market conditions in the PRC, save for such matters that are required to be submitted to and approved by the Shareholders at a general meeting pursuant to the applicable laws, regulations and the Memorandum and the Articles;
- (5) To deal with share registration, settlement and other related procedures in accordance with the actual circumstances of the Proposed RMB Ordinary Share Issue and the PRC Listing;
- (6) To authorise the Board to delegate powers to the Director(s) and/or their authorised persons (individually or collectively) to decide on and deal with matters in connection with the Proposed RMB Ordinary Share Issue and the PRC Listing, and the authorised persons to further delegate powers to other relevant persons (individually or collectively) to deal with matters in connection with the Proposed RMB Ordinary Share Issue and the PRC Listing; and
- (7) To deal with other matters that are considered necessary, proper and appropriate to the Proposed RMB Ordinary Share Issue and the PRC Listing by the Board, provided that such matters are not in contravention of applicable domestic and overseas laws and regulations.

The authorisation shall be valid for 24 months from the date of approval by the Shareholders at the EGM.

The Board has approved that the Company will convene the EGM to propose for consideration by the Shareholders and seek their approval for the adoption of the First Amended and Restated Articles. At the EGM, the Proposed RMB Ordinary Share Issue and all matters incidental thereto, which include, but without limitation to, the Specific Mandate, the PRC Listing and the conditional adoption of the Second Amended and Restated Memorandum, the Second Amended and Restated Articles and the Corporate Governance Plans and Policies.

A Shareholders' circular in respect of the EGM containing, inter alia, detailed information on the matters on which the Shareholders' approval is sought, together with the notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Hong Kong Listing Rules.

**As the Proposed RMB Ordinary Share Issue and all related matters are subject to the approval by the Shareholders at the EGM and the necessary Regulatory Approvals, Shareholders and prospective investors of the Company should be aware that there is no assurance that the Proposed RMB Ordinary Share Issue will be implemented or as to when it may be implemented, and are advised to exercise caution when dealing in the securities of the Company.**

Further announcement(s) will be made by the Company for any material update and progress for the Proposed RMB Ordinary Share Issue in accordance with the Hong Kong Listing Rules and other applicable laws and regulations as and when it is appropriate. This announcement is for information purpose only and does not constitute any invitation or offer to acquire, purchase or subscribe for any securities of the Company.

## **DEFINITIONS USED IN THIS ANNOUNCEMENT**

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

- “Articles”** means the articles of association of the Company, as amended from time to time;
- “Board”** means the board of Directors;
- “ChiNext Market”** means the ChiNext Market of the Shenzhen Stock Exchange (深圳證券交易所創業板), which is one of the two stock markets operated by the Shenzhen Stock Exchange (深圳證券交易所);
- “Company”** 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 and the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00968);
- “Controlling Shareholders”** refers to Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. NG Ngan Ho and Mr. SZE Nang Sze, together with their respective associates;
- “Core Standards”** refers to the 14 core shareholder protection standards set forth in Appendix 3 to the Hong Kong Listing Rules;

<b>“Corporate Governance Plans and Policies”</b>	means the 25 plans and policies proposed to be adopted by the Company following the approval of the Shareholders at the EGM (if appropriate) for the purpose of the Proposed RMB Ordinary Share Issue and the PRC Listing;
<b>“CSDC”</b>	means the China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司);
<b>“CSRC”</b>	means the China Securities Regulatory Commission (中國證券監督管理委員會);
<b>“Director(s)”</b>	refers to the director(s) of the Company;
<b>“EGM”</b>	means the extraordinary general meeting of the Company to be held for consideration and approval (if appropriate) by the Shareholders of the proposed amendments to the Company’s constitutional documents, the Specific Mandate, the Proposed RMB Ordinary Share Issue and other matters relating to the Proposed RMB Ordinary Share Issue;
<b>“First Amended and Restated Articles”</b>	means the amended and restated Articles incorporating and consolidating the First Amendments;
<b>“First Amendments”</b>	refers to the proposed amendments to the Articles for the purpose of complying with the Core Standards; modernising the Articles to allow the Company to convene general meetings in different forms; and making corresponding changes in response to the changes in the laws of the Cayman Islands since the adoption of the Articles in November 2013;
<b>“Group”</b>	means the Company and its subsidiaries;
<b>“HKD” or “HK\$”</b>	means Hong Kong dollar(s), the lawful currency of Hong Kong;
<b>“HKD Ordinary Shares”</b>	means the Company’s ordinary shares in issue currently traded in HKD and listed on the Hong Kong Stock Exchange;



<b>“Hong Kong”</b>	means The Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Hong Kong Listing Rules”</b>	refers to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Hong Kong Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Memorandum”</b>	means the memorandum of association of the Company, as amended from time to time;
<b>“Ordinary Shares”</b>	means the ordinary shares of the Company with par value of HK\$0.1 each which include the HKD Ordinary Shares and the RMB Ordinary Shares (if they are approved by the Shareholders at the EGM);
<b>“PRC”</b>	means the People’s Republic of China, which for the sole purpose of this announcement, excludes Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
<b>“PRC Listing”</b>	refers to the proposed listing of the RMB Ordinary Shares on the ChiNext Market;
<b>“Proposed RMB Ordinary Share Issue”</b>	means the proposed issue of the RMB Ordinary Shares by the Company;
<b>“Regulatory Approvals”</b>	refers to the approvals, decisions or waivers from the relevant regulatory authorities and governmental departments in the PRC and Hong Kong (including, but not limited to, the Hong Kong Stock Exchange, the Shenzhen Stock Exchange, CSRC and CSDC);
<b>“RMB”</b>	refers to Renminbi, the lawful currency of the PRC;
<b>“RMB Ordinary Shares”</b>	means the ordinary shares of the Company, which would be offered for subscription by members of the public in the PRC and would be listed on the ChiNext Market;
<b>“Second Amended and Restated Articles”</b>	means the amended and restated Articles incorporating and consolidating the First Amendments and the Second Amendments;

<b>“Second Amended and Restated Memorandum”</b>	means the amended and restated Memorandum incorporating and consolidating the Second Amendments;
<b>“Second Amendments”</b>	refers to the amendments required to be made to the Memorandum and the First Amended and Restated Articles for the purpose of facilitating the Proposed RMB Ordinary Share Issue;
<b>“Shenzhen ChiNext Market Listing Rules”</b>	refers to The Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》);
<b>“Shenzhen Stock Exchange”</b>	means the Shenzhen Stock Exchange (深圳證券交易所) in the PRC;
<b>“Specific Mandate”</b>	means a specific mandate to be sought from the Shareholders at the EGM to allot and issue such number of the RMB Ordinary Shares as proposed by the Board;
<b>“Xinyi Glass”</b>	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, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00868); and
<b>“%”</b>	means per cent or percentage.

By order of the Board  
**Xinyi Solar Holdings Limited**  
**Dr. LEE Yin Yee, B.B.S.**  
*Chairman*

Hong Kong, 20 October 2022

*As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LEE Yin Yee, B.B.S., 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, J.P. and Mr. LEE Shing Put, B.B.S., and three independent non-executive Directors, namely Mr. LO Wan Sing, Vincent, Mr. KAN E-ting, Martin and Ms. LEONG Chong Peng.*

*This announcement will be published on the websites of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.xinyisolar.com](http://www.xinyisolar.com).*