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XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 03868)

GRANT OF OPTIONS UNDER SHARE OPTION SCHEME

On 1 June 2023, the Company granted 4,000,000 Options to the Grantees pursuant to the Share Option Scheme, subject to the acceptance by the Grantees.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 1 June 2023, the Company granted 4,000,000 share options (the “**Options**”) to a Director and employees of the Group (collectively, the “**Grantees**”) under the Company’s share option scheme (the “**Share Option Scheme**”) adopted on 22 November 2018, subject to the acceptance by the Grantees. A summary of the terms and conditions of the grant of the Options is set forth below:

Date of grant:	1 June 2023
Exercise price of each Option granted:	HK\$2.26
Number of Options granted:	4,000,000 Options, each Option will allow the Grantee to subscribe for one (1) share (the “ Share ”) of the Company
Closing Price of the Shares on the date of grant:	HK\$2.14

Vesting schedule:

Subject to the satisfaction of certain performance targets as described below, the Options will vest in three tranches:

- (i) One-third of the Options will vest on 31 December 2023 (the “**First Tranche Options**”);
- (ii) One-third of the Options will vest on 31 December 2024; and
- (iii) One-third of the Options will vest on 31 December 2025.

Having considered that (i) the First Tranche Options will vest only where the performance target as described below are satisfied during the performance period commenced from 1 January 2023 and ending on 31 December 2023, which is not less than 12 months, and (ii) the total vesting and holding period of the Options is more than 12 months, the remuneration committee (the “**Remuneration Committee**”) of the Board and the Board consider that the grant of the First Tranche Options with a shorter vesting period could align the interests of the Grantees with that of the Company and the shareholders (the “**Shareholders**”) of the Company, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

Performance targets: The vesting of each tranche of the Options as described above is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally:

Group level performance:

The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as the Group's revenue and profit of the Group as a whole and of the applicable business.

Individual level performance:

The Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.

Exercise period: The Options can be exercised from 1 April 2026 to 31 March 2027.

Validity period of options: From 1 June 2023 to 31 March 2027.

Clawback mechanism: There is no clawback mechanism attached to the Options.

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions the grantees had or may have made to the Group. The Share Option Scheme also provides the grantees with an opportunity to have a personal stake in the Company with the view to satisfied the objectives of (i) motivate the grantees to optimise their performance efficiency for the benefit of the Group and (ii) attract and retain or otherwise maintain on-going business relationship with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

Having considered that (i) the Grantees are the Director and the employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant of Options to the Grantees is a recognition for their past contributions to the Group; and (iii) the Options are subject to the terms of the Share Option Scheme which provides for circumstances under which the Options or any part thereof shall lapse in the event that the Grantees cease to be a Director and/or an employee of the Group or commit a breach of the rules of the Share Option Scheme, the Remuneration Committee and the Board consider that without additional clawback mechanism, the grant of the Options could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards successes of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

No financial assistance: The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Among the 4,000,000 Options granted, 338,000 Options have been granted to a Director of the Company, details of which are as follows:

<u>Name of Director</u>	<u>Position held with the Company</u>	<u>Number of Options granted</u>
Ms. CHENG Shu E	Executive Director	338,000

In accordance with Rule 17.04(1) of the Listing Rules, the grant of Options to the Director as disclosed above has been approved by the independent non-executive Directors.

Save as disclosed above, to the best knowledge of the Directors, as of the date of this announcement, none of the Grantees is (i) a director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with Options granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. The above grant would not result in the share options granted and to be granted to each Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue. None of the grant will be subject to approval by the Shareholders.

After the grant of the Options, a total of 651,571,947 Shares will be available for future grant pursuant to the Share Options Scheme.

By Order of the Board
XINYI ENERGY HOLDINGS LIMITED
LEE Shing Put, B.B.S.
Chairman

Hong Kong, 1 June 2023

As of the date of this announcement, the executive Directors are Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. TUNG Fong Ngai, Mr. LEE Yau Ching and Ms. CHENG Shu E, and the independent non-executive Directors are Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

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