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XINYI SOLAR HOLDINGS LIMITED

信義光能控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 00968)

PLACING OF NEW SHARES UNDER GENERAL MANDATE



Placing Agent

On 17 December 2020 (before trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has agreed, as the placing agent of the Company, to place 300,000,000 Placing Shares (or, failing which, to purchase itself as principal) on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owner(s) are Independent Third Parties at the Placing Price of HK\$13.00 per Placing Share on the terms and conditions provided in the Placing Agreement.

The total number of Placing Shares represent approximately 3.53% of the total existing issued share capital of the Company and approximately 3.41% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The Placing Shares will be issued under the General Mandate.

The gross proceeds from the Placing are approximately HK\$3,900 million and the net proceeds of approximately HK\$3,876 million are intended to be applied for capital expenditure of solar glass production capacity expansion, solar farm projects, and general working capital of the Group.

Completion of the Placing pursuant to the Placing Agreement is conditional upon, amongst others, the listing division of the Stock Exchange granting a listing of and permission to deal in the Placing Shares.

As the Placing Shares are to be issued by the Company pursuant to the General Mandate, no additional approval from the Shareholders will be required for the Placing.

WARNING: Since the Placing is subject to the conditions precedent set forth in the Placing Agreement, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

17 December 2020 (before trading hours of the Stock Exchange)

Parties

- (i) the Company, as the issuer; and
- (ii) Citigroup Global Markets Limited, as the Placing Agent.

Placing

Pursuant to the Placing Agreement, the Placing Agent has agreed, as the placing agent of the Company, to place 300,000,000 Placing Shares (or, failing which, to purchase itself as principal) on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owner(s) are Independent Third Parties at the Placing Price of HK\$13.00 per Placing Share on the terms and conditions provided in the Placing Agreement.

The Placing Agent

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placees

The Placing Shares will be placed to at least six Placees who will be selected professional, institutional and other investors, who and whose ultimate beneficial owner(s) shall not be any connected persons of the Company. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.

The Placing Shares

As at the date of this announcement, the Company has 8,509,059,816 Shares that have been issued and are fully paid or credited as fully paid. The number of 300,000,000 Placing Shares represents approximately 3.53% of the total existing issued share capital of the Company as at the date of this announcement and approximately 3.41% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming there is no other change to the share capital of the Company between the date of the Placing Agreement and the Closing Date save for the issue of the Placing Shares). The aggregate nominal value of the Placing Shares is HK\$30,000,000.

Placing Price

The Placing Price of HK\$13.00 per Placing Share:

- i. represents a discount of 6.7% to the closing price of HK\$13.94 per Share as quoted on the Stock Exchange on the day immediately prior to the date of the Placing Agreement; and
- ii. represents a discount of 6.1% to the average closing price of HK\$13.84 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price of HK\$13.00 per Placing Share was determined on arm's length basis between the Company and the Placing Agent based on current market conditions and the prevailing market price of the Shares.

Ranking of the Placing Shares

The Placing Shares, when issued pursuant to the Placing Agreement, will be duly and validly authorized, issued, fully paid and non-assessable, free from any pre-emptive right, resale right, right of first refusal or similar right and free and clear of all pledges, liens and encumbrances, equities, security interests or other claims and will rank pari passu in all respects with the other Shares then in issue and together with all rights attaching to them as at the date of issue of the Placing Shares.

Conditions precedent of the Placing

Completion of the Placing Agreement is conditional upon, inter alia:

- (i) the listing division of the Stock Exchange granting listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares under the Placing Agreement);

- (ii) the Placing Agent having received an opinion from its U.S. counsel dated the Closing Date to the effect that the offer and sale of the Placing Shares by the Placing Agent under the Placing Agreement are not required to be registered under the Securities Act and such other matters as the Placing Agent shall reasonably request;
- (iii) the Placing Agent having received an opinion from the counsel for the Company as to Cayman Islands laws dated the Closing Date relating to such matters as the Placing Agent shall reasonably request; and
- (iv) the Placing Agent having received an opinion of the counsel for the Company as to Hong Kong laws dated the Closing Date relating to such matters as the Placing Agent shall reasonably request.

All of the conditions above (save and except condition (i) above) are waivable by the Placing Agent. If the above conditions are not fulfilled or where applicable, waived by at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date (or such other time and date as the parties to the Placing Agreement may agree in writing and in compliance with the Listing Rules), the obligations and liabilities of the parties under the Placing Agreement shall cease and none of the parties to the Placing Agreement shall have any claim against each other save for antecedent breaches.

Completion of the Placing

Completion of the Placing will take place on the Closing Date, or such other time and date as the parties to the Placing Agreement may agree in writing and in compliance with the Listing Rules.

Since the Placing is subject to the conditions precedent set forth in the Placing Agreement, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

No issue of new Shares by the Company

Pursuant to the Placing Agreement, the Company undertakes to the Placing Agent that from the date of the Placing Agreement and for a period of 90 days from the Closing Date, the Company will not, except for the Placing Shares and save pursuant to (a) the terms of any employee share option scheme of the Company publicly

announced by the Company or (b) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with its articles of association:-

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interest in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

unless with the prior written consent of the Placing Agent.

Termination

The Placing Agreement may be terminated by the Placing Agent at any time prior to 4:00 p.m. (Hong Kong time) on the Closing Date if:-

- (a) there develops, occurs or comes into force:-
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the sole opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or the Group as a whole; or
 - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the sole opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgment of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) a general moratorium on commercial banking activities in Hong Kong, the United States, the PRC, the United Kingdom, the European Union (or any member thereof) or Singapore declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the United States, the PRC, the European Union (or any member thereof), Singapore or the United Kingdom; or
 - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the transfer thereof; or
 - (vi) any outbreak or escalation of hostilities or act of terrorism or the declaration of war involving Hong Kong, the PRC, the European Union (or any member thereof), or Singapore; or
 - (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Singapore Stock Exchange or the London Stock Exchange, the New York Stock Exchange, or the NASDAQ Stock Market due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) any breach of any of the representations, warranties and undertakings by the Company set forth in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the sole opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the transactions contemplated by the Placing Agreement, or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (c) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the sole opinion of the Placing Agent is adverse to the success of the Placing.

The Placing Agent may terminate the Placing Agreement at any time if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the Placing Agreement.

The Directors are not aware of the occurrence of the above mentioned events which may trigger the termination of the Placing Agreement as of the date of this announcement.

GENERAL MANDATE

The Placing Shares will be issued under the General Mandate granted to the Directors at the AGM. The Company was authorised to issue and allot 1,616,407,437 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM. Subsequent to the allotment and issue of 282,000,000 placing Shares as disclosed in the Company's announcements dated 3 September 2020 and 10 September 2020, 1,334,407,437 Shares remained issuable under the existing General Mandate as at the date of this announcement. As the Placing Shares are to be issued by the Company pursuant to the General Mandate, no additional approval from the Shareholders will be required for the Placing.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for listing of and permission to deal in the Placing Shares.

USE OF PROCEEDS

The gross proceeds from the Placing Agreement are approximately HK\$3,900 million. The net proceeds from the Placing to be received by the Company upon completion of the Placing will amount to approximately HK\$3,876 million after deducting professional fees and all related expenses. On this basis, the net issue price per Placing Share is approximately HK\$12.92 per Share. The Company intends to use the net proceeds raised from the Placing for capital expenditure of solar glass production capacity expansion, solar farm projects, and general working capital of the Group.

REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that the Placing will provide the Company with an opportunity to raise further capital for the Company while broadening its Shareholders' base and capital base. The Directors (including the independent non-executive Directors) consider that the Placing Agreement was entered into under normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fundraising activity in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
3 September 2020	Placing of 282,000,000 new shares under the General Mandate	Approximately HK\$2,645.4 million	Solar glass production capacity expansion and general working capital of the Group.	Approximately HK\$298 million has been used for expansion of solar glass production capacity.

Save as abovementioned, the Company had not carried out any equity fund raising exercise in the twelve months period immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as of the date of this announcement; and (ii) immediately after completion of the Placing, on the assumptions that there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Placing save for the issue of the Placing Shares:-

Name of Shareholders	As of the date of this announcement		Approximate shareholding immediately after completion of the Placing	
	Number of Shares	%	Number of Shares	%
Xinyi Group (Glass) Company Limited	2,013,600,933	23.66	2,013,600,933	22.86
Xinyi Glass Holdings Limited	831	—	831	—
Realbest Investment Limited (<i>Note 1</i>)	850,641,989	10.00	850,641,989	9.66
High Park Technology Limited (<i>Note 2</i>)	308,003,771	3.62	308,003,771	3.50
Copark Investment Limited (<i>Note 3</i>)	218,010,049	2.56	218,010,049	2.47
Telerich Investment Limited (<i>Note 4</i>)	298,742,161	3.51	298,742,161	3.39
Perfect All Investments Limited (<i>Note 5</i>)	90,279,566	1.06	90,279,566	1.02
Goldbo International Limited (<i>Note 6</i>)	130,562,133	1.53	130,562,133	1.48
Goldpine Limited (<i>Note 7</i>)	121,714,337	1.43	121,714,337	1.38
Linkall Investment Limited (<i>Note 8</i>)	88,222,041	1.04	88,222,041	1.00
Herosmart Holdings Limited (<i>Note 9</i>)	86,858,695	1.02	86,858,695	0.99
Other individual Shareholders who are related to the above or the Directors (<i>Note 10</i>)	<u>94,785,125</u>	<u>1.11</u>	<u>94,785,125</u>	<u>1.08</u>
Total for the controlling shareholders and directors of the Company	4,301,421,631	50.55	4,301,421,631	48.83
Public Shareholders				
Other public Shareholders	4,207,638,185	49.45	4,207,638,185	47.76
Places under the Placing	<u>—</u>	<u>—</u>	<u>300,000,000</u>	<u>3.41</u>
Total	<u>8,509,059,816</u>	<u>100.00</u>	<u>8,809,059,816</u>	<u>100.00</u>

Notes:-

1. Realbest Investment Limited is wholly-owned by Dr. LEE Yin Yee, B.B.S., an executive Director.
2. High Park Technology Limited is wholly-owned by Mr. TUNG Ching Bor.
3. Copark Investment Limited is wholly-owned by Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* a non-executive Director.

4. Telerich Investment Limited is wholly-owned by Mr. LEE Sing Din, the father of Mr. LEE Yau Ching, who is an executive Director.
5. Perfect All Investments Limited is wholly-owned by Mr. LI Man Yin, an executive Director.
6. Goldbo International Limited is wholly-owned by Mr. LI Ching Wai.
7. Goldpine Limited is wholly-owned by Mr. SZE Nang Sze.
8. Linkall Investment Limited is wholly-owned by Mr. NG Ngan Ho.
9. Herosmart Holdings Limited is wholly-owned by Mr. LI Ching Leung.
10. Mr. LEE Sing Din is interested in 36,946,515 Shares, Mr. TUNG Ching Bor is interested in 19,265,333 Shares, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* is interested in 16,279,822 Shares, Mr. NG Ngan Ho is interested in 2,514,901 Shares, Mr. LI Man Yin is interested in 5,566,038 Shares, Mr. LI Ching Leung is interested in 8,291,997 Shares, Mr. SZE Nang Sze is interested in 3,690,043 Shares, Mr. LI Ching Wai is interested in 2,000,000 Shares, and Mr. CHEN Xi, an executive Director, is interested in 230,476 Shares.

GENERAL INFORMATION

The 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, the Group is also engaged in the development and operation of solar farms and the engineering, procurement and construction services.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the meanings as set forth below:-

“AGM”	the annual general meeting of the Company held on 15 May 2020
“Business Day”	any day (excluding Saturdays, Sundays and public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which banks generally are open for business in Hong Kong

“Closing Date”	the date of completion of the Placing, being the Business Day upon which the last of the conditions to completion of the Placing is fulfilled but in any event no later than 28 December 2020
“Company”	Xinyi Solar Holdings Limited 信義光能控股有限公司, a company incorporated in the Cayman Islands with limited liability on 11 January 2011, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00968)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placees”	any professional, institutional and other investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Citigroup Global Markets Limited
“Placing Agreement”	the agreement dated 17 December 2020 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$13.00 per Placing Share
“Placing Share(s)”	a total of 300,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Securities Act”	U.S. Securities Act of 1933, as amended from time to time
“Share(s)”	means ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

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

Hong Kong, 17 December 2020

As of the date of this announcement, the Board comprises four executive Directors, namely, Dr. LEE Yin Yee, B.B.S. (Chairman of the 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, J.P. 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 announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and of the Company at www.xinyisolar.com.