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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)**

### **SUPPLEMENTAL ANNOUNCEMENT PLACING OF NEW SHARES UNDER GENERAL MANDATE**



#### **Placing Agent**

Reference is made to the announcements of the Company dated 3 September 2020 and 10 September 2020 (the “**1<sup>st</sup> Placing Announcements**”) in relation to the placing of 282,000,000 new shares of the Company (the “**1<sup>st</sup> Placing**”) pursuant to the terms of the placing agreement dated 3 September 2020 entered into between the Company and the Placing Agent, and the announcement of the Company dated 17 December 2020 (the “**2<sup>nd</sup> Placing Announcement**”) in relation to the placing of 300,000,000 new shares of the Company (the “**2<sup>nd</sup> Placing**”) pursuant to the terms of the placing agreement dated 17 December 2020 entered into between the Company and the Placing Agent. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the 2<sup>nd</sup> Placing Announcement.

The Company would like to provide the following supplemental information in respect of the 1<sup>st</sup> Placing Announcements and 2<sup>nd</sup> Placing Announcement.

As disclosed in the 1st Placing Announcements, the net proceeds of approximately HK\$2,645.4 million from the 1<sup>st</sup> Placing was intended to be used for capital expenditure of solar glass production capacity expansion and general working capital of the Group. As at the date of this announcement, HK\$2,116.3 million (representing 80% of the total net proceeds of HK\$2,645.4 million) from the 1<sup>st</sup> Placing has been designated to finance the construction costs for four new solar glass production lines each with daily melting capacity of 1,000 tonnes. These production lines are currently under construction and are expected to commence commercial production in 2021. The remaining balance of HK\$529.1 million (representing 20% of the total net proceeds of HK\$2,645.4 million) has been used for general working capital of the Group.

As disclosed in the 2<sup>nd</sup> Placing Announcement, the net proceeds of approximately HK\$3,876 million from the Placing was intended to be used for capital expenditure of solar glass production capacity expansion, solar farm projects, and general working capital of the Group. On 16 December 2020, the Ministry of Industry and Information Technology in the PRC issued a consultation paper on the Implementation Regulations on Replacement of Production Capacity in the Cement and Glass Businesses 《水泥玻璃行業產能置換實施辦法(修訂稿)》 (the “**Implementation Measures**”). The Directors believe that the replacement capacity requirement of new solar glass production lines would be removed pursuant to the Implementation Measures (if materialized), thereby creating potential business opportunities for the Group to increase solar glass production capacity in the near future in addition to the expansion previously planned in September 2020. As such, it would be advantageous to the Group to strengthen its capital base for the purpose of future expansion of its solar glass and solar farm business. The Directors (including the independent non-executive Directors) are therefore of the view that the 2<sup>nd</sup> Placing would be in the interest of the Company and its Shareholders as a whole.

The following table sets forth the proposed use of the net proceeds of HK\$3,876 million from the 2<sup>nd</sup> Placing:

	<i>HK\$ million</i>	<i>% of the net proceeds</i>
Capital expenditure for the expansion of solar glass production capacity	1,938	50.0
Development and construction of new solar farm projects	1,163	30.0
General working capital	<u>775</u>	<u>20.0</u>
Total	<u><u>3,876</u></u>	<u><u>100.0</u></u>

The Board confirms that the above supplemental information does not affect other information contained in the 1<sup>st</sup> Placing Announcements and 2<sup>nd</sup> Placing Announcement. Save as disclosed above, the contents of the 1<sup>st</sup> Placing Announcements and 2<sup>nd</sup> Placing Announcement remain unchanged.

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

Hong Kong, 24 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.*

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