
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your Shares, you should at once hand this circular, together with the accompanying form of election, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2020
AND
SCRIP DIVIDEND SCHEME**

TABLE OF CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	3
LETTER FROM THE BOARD	
1. Introduction	5
2. Details of the Scrip Dividend Scheme	5
3. Conditions of the Scrip Dividend Scheme	6
4. Effect of the Scrip Dividend Scheme	6
5. Election Form	6
6. Overseas Shareholders	7
7. Listing of Scrip Shares and Despatch of Certificates	8
8. Odd Lots	9
9. Recommendation and Advice	9

DEFINITIONS

In this circular including the Election Form (as defined below), unless the context otherwise requires, the capitalised terms used herein shall have the following meanings:

“Board”	the board of Directors;
“CCASS”	Central Clearing and Settlement System operated by Hong Kong Exchanges and Clearing Limited;
“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, and the Shares of which are listed on the main board of Stock Exchange (stock code: 00968);
“Directors”	the directors of the Company;
“Election Form(s)”	the form(s) of election in relation to the Scrip Dividend accompanying this circular;
“Eligible Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date;
“Final Dividend”	means the final dividend of 17.0 HK cents per Share for the year ended 31 December 2020 payable to the Shareholders whose names appear on the Register of Members on the Record Date;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company on the Record Date are outside Hong Kong;
“Philippines”	the Republic of Philippines;
“Record Date”	means Monday, 7 June 2021;
“Register of Members”	the register of members of the Company maintained by the Registrar in Hong Kong;

DEFINITIONS

“Registrar”	the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Scrip Dividend”	the Scrip Share(s) to be allotted and issued as alternative to cash payment for the Final Dividend upon the election by the Shareholders;
“SEC”	the Securities and Exchange Commission in the Philippines;
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 1 March 2021 in relation to the Final Dividend pursuant to which the Eligible Shareholders will receive the Final Dividend wholly or partly by way of the Scrip Shares, in lieu of cash, unless the relevant Eligible Shareholder elects to receive the Final Dividend wholly in cash;
“Scrip Share(s)”	the new Share(s) to be allotted, issued and credited as fully paid under the Scrip Dividend Scheme;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“SRC”	the Securities Regulation Code of the Philippines;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent

EXPECTED TIMETABLE

Closure of Register of Members

(both dates inclusive) from Thursday, 3 June 2021
to Monday, 7 June 2021

Record Date for determination of

entitlements to the Final Dividend Monday, 7 June 2021

Trading days for determination of

market value of Scrip Shares from Tuesday, 1 June 2021 to
Monday, 7 June 2021

Dispatch of Election Form Thursday, 10 June 2021

Latest time for return of

the Election Form to the Registrar² 4:30 p.m. on Monday, 28 June 2021

Dispatch of certificates for

Scrip Shares and cash dividend warrants Wednesday, 7 July 2021

Commencement of dealings in Scrip Shares Thursday, 8 July 2021

Notes:

1. All times refer to Hong Kong local time.

2. The Election Form should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Registrar no later than 4:30 p.m. on Monday, 28 June 2021 at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning: (i) in force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Monday, 28 June 2021, the deadline will be 5:00 p.m. on the same business day; or (ii) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Monday, 28 June 2021, the new deadline will be 4:30 p.m. on the next business day which does not have either of such warnings in force at any time between 9:00 a.m. and 4:30 p.m..

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. LEE Yin Yee, B.B.S. (*Chairman*)
Mr. LEE Yau Ching (*Chief Executive Officer*)
Mr. LI Man Yin
Mr. CHEN Xi

Non-executive Directors:

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*
(*Vice Chairman*)
Mr. LEE Shing Put, B.B.S.

Independent Non-executive Directors:

Mr. CHENG Kwok Kin, Paul
Mr. LO Wan Sing, Vincent
Mr. KAN E-ting, Martin

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Headquarters and principal
place of business in China:*

Xinyi PV Glass Industrial Zone
2 Xinyi Road
Wuhu Economic and Technology
Development Zone
Wuhu City, Anhui Province
China

Principal place of business in

Hong Kong:

Unit 2109-2115, 21/F,
Rykadan Capital Tower
No. 135 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

10 June 2021

To the Shareholders

Dear Sir or Madam

**FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2020
AND
SCRIP DIVIDEND SCHEME**

LETTER FROM THE BOARD

1. INTRODUCTION

On 1 March 2021, the Company announced that the Board has recommended the declaration and payment of Final Dividend to the Shareholders whose names appear on the Register of Members on the Record Date. Shareholders may elect to receive the Final Dividend in cash, or wholly or partly, in the form of the Scrip Shares in lieu of cash. At the annual general meeting of the Company held on Friday, 28 May 2021, the Final Dividend (with scrip option) was approved by Shareholders.

As announced on 1 March 2021, the Register of Members was closed from Thursday, 3 June 2021 to Monday, 7 June 2021 (both days inclusive), during which period no transfer of Shares was registered. In order to qualify for the Final Dividend, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Wednesday, 2 June 2021.

The purpose of this circular is to set forth the procedures which apply in relation to the Scrip Dividend Scheme and the action(s) which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

2.1 Election available to Eligible Shareholders

Under the Scrip Dividend Scheme, the Eligible Shareholders have the following choices to receive the Final Dividend:

- (a) the cash amount of 17.0 HK cents for each Share held on the Record Date; or
- (b) an allotment and issue of the Scrip Shares; or
- (c) partly in cash and partly in the form of the Scrip Shares.

The Final Dividend in cash will be paid in Hong Kong dollars regardless of the registered address of the Shareholders as at the Record Date.

2.2 Market value

For the purpose of calculating the number of the Scrip Shares to be allotted under choices (b) and (c) above, the market value (the “**Market Value**”) of the Scrip Shares has been fixed at 95% of the average closing price per Share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 1 June 2021 and ended on Monday, 7 June 2021 (both days inclusive) rounded down to two decimal places. In this connection, the average closing price is HK\$13.416 and hence, the Market Value is determined to be HK\$12.74.

LETTER FROM THE BOARD

2.3 Basis of allotment

Accordingly, the number of the Scrip Shares will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of the} & & \text{Number of existing Shares} & & \\ \text{Scrip Shares} & = & \text{held on the Record Date for} & \times & \frac{17.0 \text{ HK cents}}{\text{HK\$12.74}} \\ & & \text{which election is made} & & \text{(Final Dividend)} \\ & & \text{under the Scrip Dividend} & & \text{(Market Value)} \\ & & \text{Scheme} & & \end{array}$$

The number of the Scrip Shares to be issued to each Eligible Shareholder pursuant to its/his/her election will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares under choices (b) and (c) above will be disregarded and the benefit thereof will be accrued to the Company. The Scrip Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares except that the Scrip Shares themselves will not be entitled to the Final Dividend.

3. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Scrip Shares to be issued in respect of the Final Dividend.

If this condition is not satisfied, the Scrip Dividend will not become effective and the Election Form will be void. The Final Dividend will then be paid wholly in cash.

4. EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 8,811,014,660 Shares in issue as of the Record Date, if all Eligible Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be HK\$1,497,872,492. If all Eligible Shareholders elect to receive the Scrip Shares in lieu of cash, the number of the Scrip Shares to be issued will be 117,572,409 Shares, representing 1.33% of the existing numbers of Shares in issue and 1.32% of the numbers of Shares in issue as enlarged by the issue of the Scrip Shares.

Shareholders should note that the Scrip Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the SFO). **Shareholders who are in doubt as to how these provisions may affect them as a result of the issue of the Scrip Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

5. ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to elect to receive the Final Dividend wholly in the form of Scrip Shares or partly in cash and partly in the form of Scrip Shares in lieu of cash.

LETTER FROM THE BOARD

Shareholders who wish to elect to receive Scrip Share in lieu of cash in respect of the Final Dividend, whether in whole or in part, must complete the Election Form in accordance with the instructions printed thereon and return them to the Registrar not later than 4:30 p.m. on Monday, 28 June 2021 to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. No acknowledgement of receipt of the Election Form will be issued.

If you do not return the Election Form to the Registrar at the above address by the time stated above, you will be deemed to have chosen to receive the Final Dividend wholly in cash.

Shareholders who wish to receive the Final Dividend wholly in cash should not complete the Election Form.

The deadline for return of the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- a. in force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Monday, 28 June 2021. Instead, the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;
- b. in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Monday, 28 June 2021. Instead, the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of such warnings in force at any time between 9:00 a.m. and 4:30 p.m..

Shareholders who submit a form of election but do not specify the number of Shares in respect of which they are electing to receive Scrip Shares, or if they elect to receive Scrip Shares in respect of a greater number of Shares than their registered holding, they will be deemed to have chosen to receive the Scrip Shares in respect of all the Shares of which they were then registered as the holders on the Record Date.

6. OVERSEAS SHAREHOLDERS

Based on the relevant legal opinion obtained and/or on account of the relevant legal and/or regulatory restrictions and/or requirements as at the Record Date, Overseas Shareholders are eligible to participate in the Scrip Dividend Scheme. Your attention is drawn to the following statement in respect of Philippines:

Philippines

Based on the register of members of the Company as at the Record Date, there was one Shareholder whose address as shown in the register of members of the Company situated in the Philippines (the "**Philippines Shareholder**"). The Philippines Shareholder should note that, to the extent that the SRC will apply, exemption from registration in respect of the offering and distribution of the Scrip Shares pursuant to the Scrip Dividend Scheme is claimed under Section 10.1(d) (stock dividend or other distribution out of surplus) and Section 10.1 (k) (private placement) of the SRC. No confirmation needs to be obtained from the SEC that the offer of the Scrip Shares to the Philippines

LETTER FROM THE BOARD

Shareholder pursuant to the Scrip Dividend Scheme qualifies as an exempt transaction, and therefore, no such confirmation has been obtained. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SEC UNDER THE SRC. ANY FUTURE OFFER OR SALE OF THE SECURITIES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

The Scrip Dividend Scheme is made in compliance with the laws of Hong Kong and with all other relevant codes, rules and other requirements that apply to the Scrip Dividend Scheme in Hong Kong. All Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consent is required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive Scrip Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

7. LISTING OF SCRIP SHARES AND DESPATCH OF CERTIFICATES

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued in relation to the Final Dividend. Subject to such approval being granted, the commencement of dealings in the Scrip Shares on the Stock Exchange is expected to be on Thursday, 8 July 2021 and thereupon the Scrip Shares will be accepted as eligible securities for deposit, clearance and settlement on CCASS.

It is expected that the certificates for Scrip Shares (which, when issued, will rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Scrip Shares) and cash dividend warrants for payment of the Final Dividend will be sent by ordinary mail to Shareholders at the risk of those entitled thereto on Wednesday, 7 July 2021. All certificates for the Scrip Shares are non-renounceable.

The Shares are listed, and dealt in, on the Stock Exchange. No Shares are listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other Stock Exchange.

LETTER FROM THE BOARD

8. ODD LOTS

Scrip Shares issued to the Shareholders pursuant to an election to receive some or all of their Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 2,000 Shares). No special arrangements will be put in place by the Company to facilitate the top-up, trading or disposal of Scrip Shares issued in odd lots.

9. RECOMMENDATION AND ADVICE

Whether or not it is to the Eligible Shareholders' advantages to receive cash or the Scrip Shares, in whole or in part, depends upon their own individual circumstances, and the decision in this regard and all effects (including any tax implication) resulting therefrom are the sole responsibility of each Eligible Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Eligible Shareholders who are trustees are recommended to seek professional advice as to whether the choice of receiving the Final Dividend in Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Eligible Shareholders should note that any receipt of Scrip Shares by them may give rise to disclosure requirements under Part XV of the SFO. Eligible Shareholders who are in doubt as to how these provisions may affect them are recommended to seek professional advice.

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