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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)



Xinyi Glass Holdings Limited

信義玻璃控股有限公司

*(Incorporated in the Cayman
Islands with limited liability)*

(Stock code: 00868)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
(PURCHASE OF PRODUCTION EQUIPMENT AND GLASS PRODUCTS)
AND
CLARIFICATIONS ON CONNECTED TRANSACTION
(FORMATION OF XINYI SILICON)**

The XYS Board and the XYG Board refer to the Previous Connected Transaction Joint Announcements. As the 2021 Production Equipment Purchase Agreements and the 2021 Glass Purchase Agreements are about to expire, the XYS Board and the XYG Board have decided to renew the continuing connected transactions for a term of one year from 1 January 2022 to 31 December 2022 (both days inclusive) by entering into the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement on 29 December 2021 (after trading hours).

Implications under the Listing Rules

For the purpose of Chapter 14A of the Listing Rules, the continuing connected transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement were treated as if they were one transaction entered into simultaneously between the XYS Group as the purchaser and the XYG Group as the supplier.

Xinyi Solar

Xinyi Glass is a substantial shareholder (as such term is defined under the Listing Rules) of Xinyi Solar. Hence, Xinyi Glass is a connected person of Xinyi Solar and the transactions contemplated under each of the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement constitute continuing connected transactions for Xinyi Solar.

Given that the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the annual caps of the transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement (on an aggregated basis) is more than 0.1% but less than 5%, the continuing connected transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Xinyi Glass

The Controlling Shareholders are the controlling shareholders (as such term is defined under the Listing Rules) of Xinyi Glass. The Controlling Shareholders and their respective family members (as defined under the Listing Rules) can control the composition of a majority of the XYS Board. Accordingly, Xinyi Solar and its subsidiaries are majority controlled companies (as defined under the Listing Rules) held by the Controlling Shareholders and their respective family members and are hence associates of the Controlling Shareholders and connected persons of Xinyi Glass. The transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement constitute continuing connected transactions for Xinyi Glass.

Given that the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the annual caps of the transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement (on an aggregated basis) is more than 0.1% but less than 5%, the continuing connected transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Clarifications to the Polysilicon Project Joint Announcement

The XYS Board also refers to Polysilicon Project Joint Announcement and wishes to clarify that as none of the applicable percentage ratios in respect of the maximum funding commitment to be provided by Xinyi Solar to Xinyi Silicon exceeds 5.0%, the formation of Xinyi Silicon only constitutes a connected transaction (as such term is defined under the Listing Rules) for Xinyi Solar, but it does not constitute a discloseable transaction (as such term is defined under the Listing Rules) for Xinyi Solar.

INTRODUCTION

The XYS Board and the XYG Board refer to the Previous Connected Transaction Joint Announcements. As the 2021 Production Equipment Purchase Agreements and the 2021 Glass Purchase Agreements are about to expire, the XYS Board and the XYG Board have decided to renew the continuing connected transactions for a term of one year from 1 January 2022 to 31 December 2022 (both days inclusive) by entering into the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement on 29 December 2021 (after trading hours).

2022 PRODUCTION EQUIPMENT PURCHASE AGREEMENT

Principal terms

The following sets forth the principal terms of the 2022 Production Equipment Purchase Agreement:

- Date:** 29 December 2021
- Parties:** Xinyi Solar (Hong Kong) (for itself and on behalf of other members of the XYS Group) as the purchaser and
Wuhu Jinsanshi as the supplier.
- Term:** From 1 January 2022 to 31 December 2022 (both days inclusive).
- Subject matter:** Wuhu Jinsanshi shall be responsible for the supply, installation and testing of the Production Equipment at such locations as required by members of the XYS Group. The Production Equipment shall satisfy the requirements and the specifications from time to time required by the relevant member of the XYS Group and the applicable national and industry standards in the PRC. The Production Equipment will be used as part of the production facilities of the XYS Group.

Payment terms:

The purchase price will be payable by way of bank transfers or bills in the PRC in four instalments as follows:

- (a) 10% of the amount under each purchase order will be payable within ten (10) business days in the PRC after the date of the purchase order placed under the 2022 Production Equipment Purchase Agreement;
- (b) 50% of the amount under each purchase order will be payable within five (5) business days in the PRC before the delivery of the Production Equipment;
- (c) 30% of the amount under each purchase order will be payable within fifteen (15) business days in the PRC immediately after the delivery and acceptance of the Production Equipment by the relevant member of the XYS Group; and
- (d) 10% of the amount under each purchase order will be payable within fifteen (15) business days in the PRC from the expiry date of the warranty period.

Warranty period:

The Production Equipment provided by Wuhu Jinsanshi is subject to a warranty period of 12 months from the date of acceptance of delivery. Such warranty period may be extended to 18 months for tailor-made production equipment or facilities. During the warranty period, Wuhu Jinsanshi will provide on-site testing and repairs and replacement services at its own costs.

Other terms and conditions:

Wuhu Jinsanshi has made representations and warranties which are customary for sale and purchase contracts for production equipment, such as compliance with the quality and safety standards, provision of after-sales services, confidentiality and indemnities against infringement of third parties' intellectual property rights in relation to the Production Equipment or its technologies.

Historical annual cap and historical transaction amount

The annual cap under the 2021 Production Equipment Purchase Agreements is RMB232.3 million (equivalent to approximately HK\$279.1 million), and the actual transaction amount thereunder for the eleven months ended 30 November 2021 was RMB140.4 million (equivalent to approximately HK\$168.7 million). The XYS Directors and the XYG Directors expect that the actual transaction amount under the 2021 Production Equipment Purchase Agreements would not exceed the annual cap.

Annual cap for the 2022 Production Equipment Purchase Agreement and basis for determining the purchase price

The XYS Directors and the XYG Directors expect that the transaction amount (excluding PRC value-added tax) under the 2022 Production Equipment Purchase Agreement would not exceed RMB234.8 million (equivalent to approximately HK\$287.0 million), which also represents the annual cap under the 2022 Production Equipment Purchase Agreement. Such annual cap has been determined with reference to the following:

- (a) the historical transaction amount of the Production Equipment purchased under the 2021 Production Equipment Purchase Agreements;
- (b) the material costs and the production costs expected to be incurred by Wuhu Jinsanshi in producing the Production Equipment;
- (c) the complexity and technical specifications of the Production Equipment; and
- (d) the price quotations currently obtained from independent third parties.

There is no minimum transaction amount stipulated in the 2022 Production Equipment Purchase Agreement. If the transaction amount under the 2022 Production Equipment Purchase Agreement is expected to exceed the annual cap or there is any change to any of the material terms of the 2022 Production Equipment Purchase Agreement, Xinyi Solar and Xinyi Glass will comply with the applicable requirements under the Listing Rules, as and when appropriate.

The actual purchase prices under the 2022 Production Equipment Purchase Agreement will be determined by the relevant member of the XYS Group and Wuhu Jinsanshi on an arm's length basis upon normal commercial terms with reference to the following factors:

- (a) the production cost incurred by Wuhu Jinsanshi plus a markup percentage as profit and
- (b) the then market prices of comparable production equipment.

The markup percentage will be determined with reference to (i) the average profit margin to be earned by independent third parties in the supply of comparable equipment and (ii) the additional costs in producing comparable equipment or facilities in accordance with the specific requirements and advanced features on a tailor-made basis. In any event, the purchase prices shall not be higher than the prices of comparable equipment charged by Wuhu Jinsanshi to independent third parties.

Reasons and benefits for the 2022 Production Equipment Purchase Agreement

The entering into of the 2022 Production Equipment Purchase Agreement provides the XYS Group with a convenient and cost-effective source of supply of the Production Equipment, and it enables the XYS Group to continue to purchase the Production Equipment for the purpose of maintaining and improving its production facilities for the solar glass products. The entering into of the 2022 Production Equipment Purchase Agreement also increases the sales of Wuhu Jinsanshi which would benefit the XYG Group. The XYS Directors and the XYG Directors confirm that the entering into of the 2022 Production Equipment Purchase Agreement is conducted as part of the ordinary course of business of the XYS Group and the XYG Group on an arm's length basis upon normal commercial terms.

2022 GLASS PURCHASE AGREEMENT

Principal terms

The following sets forth the principal terms of the 2022 Glass Purchase Agreement:

- Date:** 29 December 2021
- Parties:** Xinyi Solar (for itself and on behalf of other members of the XYS Group) as the purchaser and Xinyi Glass (Hong Kong) (for itself and on behalf of other members of the XYG Group) as the supplier.
- Term:** From 1 January 2022 to 31 December 2022 (both days inclusive).
- Subject matter:** The XYS Group will purchase from the XYG Group the following Glass Products:
- a) 10,000 tonnes of float glass at the aggregate estimated purchase amount of not more than RMB26.6 million (equivalent to approximately HK\$32.4 million), which will be used by the XYS Group for the production of back glass products; and

- b) 80,000 square meters of architectural glass at the aggregate purchase amount of not more than RMB11.6 million (equivalent to approximately HK\$14.2 million), which will be used by the XYS Group for the construction of office buildings and factories.

Payment terms: The purchase prices will be payable by way of bank transfers or bills in the PRC on a monthly basis.

Historical annual cap and historical transaction amount

The annual cap under the 2021 Glass Purchase Agreements is RMB125.3 million (equivalent to approximately HK\$150.5 million), and the actual transaction amount thereunder for the eleven months ended 30 November 2021 was RMB119.0 million (equivalent to approximately HK\$142.7 million). The XYS Directors and the XYG Directors expect that the actual transaction amount under the 2021 Glass Purchase Agreements would not exceed the annual cap.

Annual cap for the 2022 Glass Purchase Agreement and basis for determining the purchase price

The XYS Directors and the XYG Directors expect that the transaction amount (excluding PRC value-added tax) under the 2022 Glass Purchase Agreement would not exceed RMB38.2 million (equivalent to approximately HK\$46.6 million), which also represents the annual cap under the 2022 Glass Purchase Agreement. The decrease in the expected transaction amount, as compared with the same under the 2021 Glass Purchase Agreements, is primarily due to the reduced use of processed float glass to substitute solar glass as the backsheet for solar modules. Such annual cap has been determined with reference to the following:

- (a) the historical transaction amount of the Glass Products purchased by the XYS Group under the 2021 Glass Purchase Agreements and
- (b) the expected purchase volume of the Glass Products as may be required to be sourced from the XYG Group.

There is no minimum transaction amount stipulated in the 2022 Glass Purchase Agreement. If the transaction amount under the 2022 Glass Purchase Agreement is expected to be more than its annual cap or there is any change to any of the material terms of the 2022 Glass Purchase Agreement, Xinyi Solar and Xinyi Glass will comply with the applicable requirements under the Listing Rules, as and when appropriate.

The actual purchase prices under the 2022 Glass Purchase Agreement will be determined by Xinyi Solar and the relevant members of the XYG Group on an arm's length basis upon normal commercial terms with reference to the following factors:

- (a) The purchase prices of the float glass products will be adjusted on a monthly basis to reflect the changes in the market selling prices of the solar glass products of the XYS Group in the following month. This pricing arrangement allows the XYS Group and the XYG Group to adjust the purchase prices in light of the latest market selling prices of float glass products used in solar application.

- (b) The purchase prices of the architectural glass products will be based on the prevailing net ex-factory prices of similar glass products from time to time plus a markup or discount rate of not more than 10% depending on a number of factors, such as the thickness of the glass, size of purchase order, product specifications (the size of the glass and production complexity, production lead time, delivery location) as well as the packaging and logistics costs.

Reasons and benefits for the 2022 Glass Purchase Agreement

The entering into of the 2022 Glass Purchase Agreement provides the XYS Group with a convenient and cost-effective source of supply of the Glass Products with savings in the transportation and handling costs due to the close proximity of the production facilities. It also enables the XYS Group to continue to secure a stable source of supply of the Glass Products for its production use and other business needs. The entering into of the 2022 Glass Purchase Agreement provides the XYG Group with additional sales of glass products. The XYS Directors and the XYG Directors confirm that the entering into of the 2022 Glass Purchase Agreement is conducted as part of the ordinary course of business of the XYS Group and the XYG Group on an arm's length basis upon normal commercial terms.

INTERNAL CONTROL MEASURES ADOPTED BY THE XYS GROUP AND THE XYG GROUP

For the purpose of monitoring and regulating the continuing connected transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement, the XYS Group and the XYG Group have established the following internal control measures:

- (a) The senior management and the relevant departments of the XYS Group and the XYG Group will review and assess on a regular basis whether the terms set forth in specific purchase order are (i) consistent with the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement; (ii) comparable to those offered by or offered to independent third parties; and (iii) consistent with the respective pricing bases of the transactions by implementing the following checking procedures:

In relation to the purchase of the Production Equipment:

- for standard equipment, solicit price quotations from independent third parties to ensure the purchase price and contract terms are fair and reasonable and comparable to those offered by independent third parties and
- for newly developed or custom-made equipment which is not practical to get price quote from the other prospective suppliers, obtain breakdown of costs for each type of equipment and perform comparison of the material costs and the production costs incurred by Wuhu Jinsanshi with the pricing information from the open market and the historical data extracted from the in-house database of the XYS Group, for the purpose of ensuring that the purchase price is calculated on a cost-plus basis and the markup percentage is commensurate with the complexity and the technical specifications of the equipment.

In relation to the purchase of the Glass Products:

- collect updated information on the prevailing market prices of the Glass Products from time to time to ensure the purchase prices charged by the XYG Group will not be less favourable than those offered by independent third parties. Market prices will be obtained through, among other things, quotations from independent third parties, recent transactions of the XYS Group with independent third parties and general pricing information obtained from industry researches and websites and
 - perform checking to ensure any markup or discount is properly determined with reference to the specific order requirements such as the thickness of the glass, size of order, product specifications, production lead time, delivery location as well as packaging and logistics costs.
- (b) Designated personnel from the relevant departments of the XYS Group and the XYG Group will monitor the actual transaction amounts on a regular basis to ensure that the actual transaction amounts under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement would not exceed the annual caps and due compliance with the respective pricing basis of the transactions. A monthly report will be prepared accordingly.
- (c) The internal audit department of the XYS Group and the XYG Group will review and conduct sample checks on the purchase amounts under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement during the course of its annual review to ensure that the pricing basis and internal control procedures under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement are complied with.

- (d) The independent non-executive XYS Directors and the independent non-executive XYG Directors will review the continuing connected transactions on an annual basis and report their opinion to the XYS Board and the XYG Board, respectively.
- (e) The auditors of Xinyi Solar and Xinyi Glass will conduct annual review on the transactions contemplated by the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement and report their findings and conclusions to the XYS Board and the XYG Board, respectively.

GENERAL INFORMATION OF THE PARTIES

Xinyi Solar is an investment holding company and a company listed on the Stock Exchange (stock code: 00968). The XYS 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 XYS Group is also engaged in the development and operation of solar farms in the PRC. Xinyi Solar (Hong Kong) is a wholly-owned subsidiary of Xinyi Solar and principally engaged in investment holding and the trading of solar glass products.

Xinyi Glass is an investment holding company and a company listed on the Stock Exchange (stock code: 00868). The XYG Group is principally engaged in the production and sales of a wide range of glass products, including automobile glass, architectural glass, float glass and other glass products for different commercial and industrial applications. Xinyi Glass (Hong Kong) is a wholly-owned subsidiary of Xinyi Glass and an investment holding and trading company. Wuhu Jinsanshi is a non-wholly owned subsidiary of Xinyi Glass and principally engaged in the manufacturing of automatic machines for solar glass factory and other glass related industry.

VIEWS OF THE XYS BOARD AND THE XYG BOARD

Xinyi Solar

As Dr. LEE Yin Yee, B.B.S., the chairman of the XYS Board and an executive XYS Director, is the chairman of the XYG Board and an executive XYG Director and has interests in the XYG Shares in issue, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, the vice-chairman of the XYS Board and a non-executive XYS Director, is an executive XYG Director and has interests in the XYG Shares in issue, and Mr. LI Man Yin, an executive XYS Director, has interests in the XYG Shares in issue, each of them has abstained from voting on the resolutions on the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement at the relevant XYS Board meeting.

Excluding the XYS Directors who have abstained from voting, the XYS Board (including all independent non-executive XYS Directors) considers that the transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement have been entered into (a) on normal commercial terms after arm's length negotiations; (b) in the ordinary and usual course of the business of the XYS Group; and (c) on terms that are fair and reasonable and in the interest of Xinyi Solar and its shareholders as a whole.

Xinyi Glass

As Dr. LEE Yin Yee, B.B.S., the chairman of the XYG Board and an executive XYG Director, is the chairman of the XYS Board and an executive XYS Director and has interests in the XYS Shares in issue, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, an executive XYG Director, is the vice-chairman of the XYS Board and a non-executive XYS Director and has interests in the XYS Shares in issue, and each of Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, a non-executive XYG Director, has interests in the XYS Shares in issue, each of them has abstained from voting on the resolutions on the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement at the relevant XYG Board meeting.

Excluding the XYG Directors who have abstained from voting, the XYG Board (including all independent non-executive XYG Directors) considers that the transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement have been entered into (a) on normal commercial terms after arm's length negotiations; (b) in the ordinary and usual course of the business of the XYG Group; and (c) on terms that are fair and reasonable and in the interest of Xinyi Glass and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

For the purpose of Chapter 14A of the Listing Rules, the continuing connected transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement were treated as if they were one transaction entered into simultaneously between the XYS Group as the purchaser and the XYG Group as the supplier.

Xinyi Solar

Xinyi Glass is a substantial shareholder (as such term is defined under the Listing Rules) of Xinyi Solar. Hence, Xinyi Glass is a connected person of Xinyi Solar and the transactions contemplated under each of the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement constitute continuing connected transactions for Xinyi Solar.

Given that the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the annual caps of the transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement (on an aggregated basis) is more than 0.1% but less than 5%, the continuing connected transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Xinyi Glass

The Controlling Shareholders are the controlling shareholders (as such term is defined under the Listing Rules) of Xinyi Glass. The Controlling Shareholders and their respective family members (as defined under the Listing Rules) can control the composition of a majority of the YYS Board. Accordingly, Xinyi Solar and its subsidiaries are majority controlled companies (as defined under the Listing Rules) held by the Controlling Shareholders and their respective family members and are hence associates of the Controlling Shareholders and connected persons of Xinyi Glass. The transactions contemplated under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement constitute continuing connected transactions for Xinyi Glass.

Given that the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the annual caps of the transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement (on an aggregated basis) is more than 0.1% but less than 5%, the continuing connected transactions under the 2022 Production Equipment Purchase Agreement and the 2022 Glass Purchase Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CLARIFICATIONS TO THE POLYSILICON PROJECT JOINT ANNOUNCEMENT

The YYS Board also refers to Polysilicon Project Joint Announcement and wishes to clarify that as none of the applicable percentage ratios in respect of the maximum funding commitment to be provided by Xinyi Solar to Xinyi Silicon exceeds 5.0%. Hence, the formation of Xinyi Silicon only constitutes a connected transaction (as such term is defined under the Listing Rules) for Xinyi Solar, but does not constitute a discloseable transaction (as such term is defined under the Listing Rules) for Xinyi Solar.

As such, the title of the section headed “*Implications under the Listing Rules — Xinyi Solar — Connected transaction and discloseable transaction*” in the Polysilicon Project Announcement should be changed to “*Implications under the Listing Rules — Xinyi Solar — Connected transaction*” and the following paragraph under the section be deleted:

“The formation of Xinyi Silicon, being a non-wholly owned subsidiary of Xinyi Solar, also constitutes a discloseable transaction for Xinyi Solar as the relevant percentage ratios for Xinyi Solar exceed 5% but are less than 25%, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.”

Save as disclosed above, all other information in the Polysilicon Project Joint Announcement remains unchanged.

DEFINITIONS USED IN THIS JOINT ANNOUNCEMENT

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

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| “2021 Glass Purchase Agreements” | means the glass purchase agreement dated 8 January 2021 (as supplemented by the supplemental agreement dated 11 May 2021) for the purchase of the Glass Products, which will expire on 31 December 2021; |
| “2021 Production Equipment Purchase Agreements” | means the production equipment purchase agreement dated 8 January 2021 (as supplemented by the supplemental agreement dated 11 May 2021) for the purchase of the Production Equipment, which will expire on 31 December 2021; |
| “2022 Glass Purchase Agreement” | means the glass purchase agreement dated 29 December 2021 entered into between Xinyi Solar (for itself and on behalf of other members of the XYS Group) as purchaser and Xinyi Glass (Hong Kong) (for itself and on behalf of other members of the XYG Group) as supplier of the Glass Products for an one-year term commencing on 1 January 2022; |

“2022 Production Equipment Purchase Agreement”	means the production equipment purchase agreement dated 29 December 2021 entered into between Xinyi Solar (Hong Kong) (for itself and on behalf of other members of the XYX Group) as purchaser and Wuhu Jinsanishi as supplier of the Production Equipment for an one-year term commencing on 1 January 2022;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholders”	refers to Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M, J.P.</i> , Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. NG Ngan Ho, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. LI Ching Leung and their respective controlled corporations;
“Glass Products”	means the float glass and the architectural glass products produced by the XYG Group in its ordinary course of business;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;
“independent third parties”	means third party(ies) independent of and not connected with any of the connected person(s) of the relevant listed company(ies) and their respective associates;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Polysilicon Project Joint Announcement”	means the joint announcement issued by Xinyi Solar and Xinyi Glass dated 16 December 2021;
“Previous Connected Transaction Joint Announcements”	means the joint announcements issued by Xinyi Solar and Xinyi Glass dated 8 January 2021 and 11 May 2021;

“PRC”	means the People’s Republic of China which for the purpose of this joint announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
“Production Equipment”	refers to different types of production equipment, such as calendaring equipment, tempering equipment, stacking equipment, anti-reflective coating equipment and drilling equipment, produced by Wuhu Jinsanshi in its ordinary course of business;
“RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Wuhu Jinsanshi”	means 蕪湖金三氏數控科技有限公司 (Wuhu Jinsanshi Numerical Control Technology Co. Ltd.*), a limited liability company established in the PRC and a non-wholly owned subsidiary of Xinyi Glass;
“Xinyi Glass”	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, all the shares of which are listed on the Stock Exchange (stock code: 00868);
“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited (信義集團(玻璃)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Silicon”	means Xinyi Silicon Holdings Limited (信義晶硅控股有限公司), a company incorporated in the BVI with limited liability and is owned as to 52.0% by Xinyi Solar and 48.0% by Xinyi Glass;

“Xinyi Solar”	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, all the shares of which are listed on the Stock Exchange (stock code: 00968);
“Xinyi Solar (Hong Kong)”	means Xinyi Solar (Hong Kong) Limited (信義光能(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Solar;
“XYG Board”	means the board of directors of Xinyi Glass;
“XYG Director(s)”	means the director(s) of Xinyi Glass;
“XYG Group”	means Xinyi Glass and its subsidiaries;
“XYG Shares”	means the issued shares of Xinyi Glass;
“XYS Board”	means the board of directors of Xinyi Solar;
“XYS Director(s)”	means the director(s) of Xinyi Solar;
“XYS Group”	means Xinyi Solar and its subsidiaries;
“XYS Shares”	means the issued shares of Xinyi Solar; and
“%”	means per cent.

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

By order of the board of directors of
Xinyi Glass Holdings Limited
Dr. LEE Yin Yee, B.B.S.
Chairman

Hong Kong, 29 December 2021

* *For identification only.*

Unless the context requires otherwise and except for the historical transaction amount (which use the respective actual historical transaction rates), the translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8183 = HK\$1.0. No representation is made that any amount in RMB and HK\$ can be or could have been converted at the relevant dates at these rates or any other rates at all.

As of the date of this joint announcement, the XYS Board comprises four executive XYS Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the XYS Board), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, two non-executive XYS 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 XYS Directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.

As of the date of this joint announcement, the XYG Board comprises four executive XYG Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the XYG Board), Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. and Mr. LEE Shing Kan, four non-executive XYG Directors, namely Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and five independent non-executive XYG Directors, namely Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., JP, Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.

This joint announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk, Xinyi Solar at www.xinyisolar.com and Xinyi Glass at www.xinyiglass.com.