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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)*



**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)*

**CONNECTED AND  
DISCLOSEABLE TRANSACTION**

**Exercise of Call Option (Group 4)  
pursuant to the Solar Farm Agreement  
and the Solar Farm (Group 4) Agreement**

**CONNECTED  
TRANSACTION**

**Disposal of Call Right Assets (Group 4)  
pursuant to the Solar Farm Agreement  
and the Solar Farm (Group 4) Agreement**

On 28 April 2023, Xinyi Energy delivered to Xinyi Solar the Call Notice (Group 4) to exercise the Call Option (Group 4) pursuant to the terms and conditions of the Solar Farm Agreement. The Call Right Assets (Group 4) comprise five utility-scale ground-mounted solar farm projects in the PRC in the total approved capacity of 636.5 MW.

On 28 April 2023, the Solar Farm (Group 4) Agreement was entered into in relation to the disposal of the Target Shares (Group 4) for the Call Right Price (Group 4).

**Implications under the Listing Rules**

*In relation to Xinyi Energy*

As the Solar Farm (Group 3) Agreement and the Solar Farm (Group 4) Agreement were entered into by a member of XYE Group (as purchaser) and a member of the XYS Group (as vendor) and that the Solar Farm (Group 3) Agreement was completed within the previous 12-month period, the Solar Farm (Group 3) Transaction and the transactions contemplated under the Solar Farm (Group 4) Agreement should be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules for the purpose of determining the implications under the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in relation to the exercise of the Call Option (Group 4) is (a) if aggregated with the exercise of the Call Option (Group 3) for the purpose of the Listing Rules, more than 5% but less than 25% and (b) more than 5% but less than 25% on a stand-alone basis. As such, the exercise of the Call Option (Group 4) would be subject to the reporting and announcement requirements under Chapters 14 and 14A of the Listing Rules and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A shareholders' circular to be despatched by Xinyi Energy containing, inter alia, (a) further information on the exercise of the Call Option (Group 4) pursuant to the Solar Farm Agreement and the Solar Farm (Group 4) Agreement; (b) a letter of recommendations from the XYE Independent Board Committee; (c) a letter of advice from the XYE Independent Financial Adviser; and (d) a notice of the XYE EGM is expected to be despatched to the shareholders of Xinyi Energy on or before 17 May 2023 in full compliance with the requirements under the Listing Rules.

*In relation to Xinyi Solar*

As of the date of this joint announcement, Xinyi Solar owns 49.03% of the equity interest in Xinyi Energy and remains the single largest shareholder of Xinyi Energy. Xinyi Energy continues to be a non-wholly owned subsidiary of Xinyi Solar. As of the date of this joint announcement, the XYS Controlling Shareholders and their respective associates are interested in 49.24% of the XYS Shares and are also interested in 26.22% of the XYE Shares. Accordingly, Xinyi Energy is a connected subsidiary of Xinyi Solar under Chapter 14A of the Listing Rules.

As the Solar Farm (Group 3) Agreement and the Solar Farm (Group 4) Agreement were entered into by a member of the XYE Group (as purchaser) and a member of the XYS Group (as vendor) and that the Solar Farm (Group 3) Agreement was completed within the previous 12-month period, the Solar Farm (Group 3) Transaction and the transactions contemplated under the Solar Farm (Group 4) Agreement should be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules for the purpose of determining the implications under the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in relation to the disposal of the Call Right Assets (Group 4) is (a) if aggregated with the disposal of the Call Right Assets (Group 3) for the purpose of the Listing Rules, more than 1% but less than 5% and (b) more than 1% but less than 5% on a stand-alone basis. As such, the disposal of the Call Right Assets (Group 4) is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## BACKGROUND INFORMATION

The XYE Directors and the XYS Directors refer to the Solar Farm Agreement, pursuant to which Xinyi Solar has granted the Call Option to Xinyi Energy. In April 2022, Xinyi Energy had exercised the Call Option (Group 3) and the Solar Farm (Group 3) Transaction was completed in December 2022 and February 2023.

On 28 April 2023, Xinyi Energy delivered to Xinyi Solar the Call Notice (Group 4) to exercise the Call Option (Group 4) to acquire the Call Right Assets (Group 4) pursuant to the terms and conditions of the Solar Farm Agreement. The Call Right Assets (Group 4) comprise five utility-scale ground-mounted solar farm projects in the PRC in the total approved capacity of 636.5 MW.

On 28 April 2023, the Solar Farm (Group 4) Agreement was entered into in relation to the disposal of the Target Shares (Group 4) for the Call Right Price (Group 4).

## CALL RIGHT PRICE

As disclosed in the XYS Solar Farm Announcement, the XYS Solar Farm Circular and the XYE Prospectus, the Call Right Price under the Solar Farm Agreement shall be determined according to the following:

The Call Right Price is equal to the greater of:

- (a) (Adjusted EBITDA<sup>1</sup> during Designated 12-month of Operation<sup>2</sup> + Sales revenue value-added tax) x 7.2 (the Implied Multiple) (the “**First Limb**”); and
- (b) such amount representing one hundred and ten percent (110%) of the actual reasonable and documented construction costs of such Call Right Asset (the “**Second Limb**”).

<sup>1</sup> “**Adjusted EBITDA**” is defined as the consolidated EBITDA after eliminating the effect of the Adjustments, if applicable, for that year. The “**Adjustments**” refer to adjustments of certain items which are charged or credited to the consolidated income statements for the relevant year, being:

- other gain/(loss), net;
- other income;
- unrealised revaluation gains, including impairment provisions or reversal of impairment provisions;
- impairment of goodwill/recognition of negative goodwill; and
- material non-cash gains/losses.

<sup>2</sup> “**Designated 12-month of Operation**” shall commence from the first calendar day of the calendar month immediately after the targeted date of completion of the acquisition of the Call Right Assets.

The Call Right Price will be deducted by such amount representing the net liabilities as of the date of completion of the transaction. If the proposed acquisition of the Call Right Assets is to be conducted by way of acquisition of equity interest in a holding company of the Call Right Assets, the Call Right Price will be deducted by such amount representing the net liabilities of the holding company of the Call Right Assets as of the completion date.

## **PRINCIPAL TERMS OF THE SOLAR FARM (GROUP 4) AGREEMENT**

Following the exercise of the Call Option (Group 4), the primary purpose of entering into the Solar Farm (Group 4) Agreement is to set forth the specific terms and conditions for the disposal of the Call Right Assets (Group 4). The transactions contemplated under the Solar Farm (Group 4) Agreement will require the approval of the XYE Independent Shareholders. The Solar Farm (Group 4) Agreement is entered into pursuant to the Solar Farm Agreement and the material terms of which are not inconsistent with the Solar Farm Agreement (which has been approved at an extraordinary general meeting of Xinyi Solar held on 21 November 2018).

The principal terms of the Solar Farm (Group 4) Agreement are set forth below:

**Date:** 28 April 2023

**Parties:**

- (a) The Vendor, as the vendor;
- (b) Xinyi Solar; and
- (c) the Purchaser, as the purchaser.

The Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Target Shares (Group 4), representing the entire issued share capital of the Target Members (Group 4). Xinyi Solar has agreed to procure completion of the reorganisation to the effect that all Target Members (Group 4) are held by the Vendor as its wholly-owned subsidiaries.

**Subject  
matter:**

All issued shares of the Target Members (Group 4).

Based on the unaudited combined financial information of the Target Members (Group 4) for the year ended 31 December 2022, the unaudited combined total assets and net assets of the Target Members (Group 4) as of 31 December 2022 amounted to HK\$365.5 million and HK\$4.1 million, respectively. As of 31 March 2023, the unaudited combined total assets and net assets of the Target Members (Group 4) amounted to HK\$440.9 million and HK\$4.4 million, respectively. The unaudited combined financial information of the Target Members (Group 4) for the three years ended 31 December 2022 and the three months ended 31 March 2023 is as follows:

	Year ended 31 December			Three months ended 31 March
	2020 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)	2022 (HK\$'000) (Unaudited)	2023 (HK\$'000) (Unaudited)
Net profit before tax	—	—	4,130	89
Net profit after tax	—	—	4,203	197
Net profit after tax attributable to equity owners	—	—	4,203	197

As of the date of this joint announcement, each of the Target Members (Group 4) is an indirect wholly-owned subsidiary of Xinyi Solar. Upon completion of the transactions contemplated under the Solar Farm (Group 4) Agreement, each of the Target Members (Group 4) will become a wholly-owned subsidiary of Xinyi Energy. As Xinyi Energy is a non-wholly owned subsidiary of Xinyi Solar, each of the Target Members (Group 4) will change to be a non-wholly owned subsidiary of Xinyi Solar.

**Call Right  
Assets  
(Group 4):**

The Call Right Assets (Group 4) are as follows:

Name of the Call Right Assets (Group 4)	Approved capacity (MW)	Name of the direct holding company	Approved Feed-in-Tariff rate (RMB)	Expected time of completion of construction	Expected time or time of commencement of operation
Jiangmen Solar Farm (江門光伏電站)	150.0	Xinze Kaiping	0.453	3rd quarter of 2023	1st quarter of 2022
Zhanjiang Solar Farm (Phase Three) (湛江光伏電站(第3期))	200.0	Xinchuang Lianjiang	0.453	4th quarter of 2023	4th quarter of 2023
Shenxiang Solar Farm (沈巷光伏電站)	84.5	Xinfu Wuhu	0.3844	4th quarter of 2023	3rd quarter of 2023
Wanzhi Solar Farm (Phase One) (灣沚光伏電站(第1期))	100.0	Xinzhi Wuhu	0.3844	4th quarter of 2023	3rd quarter of 2023
Hexian Solar Farm (和縣光伏電站)	102.0	Xinyi Hexian	0.3844	3rd quarter of 2023	1st quarter of 2023
<b>Total</b>	<b>636.5</b>				

**Call Right  
Price  
(Group 4):**

The Call Right Price (Group 4) is determined according to the terms of the Solar Farm Agreement and the Solar Farm (Group 4) Agreement.

The XYE Directors and the XYS Directors have reviewed the formula in determining the Call Right Price and confirm that the Call Right Price for Jiangmen Solar Farm would be determined according to the First Limb, and the Call Right Price for Zhanjiang Solar Farm (Phase Three), Shenxiang Solar Farm, Wanzhi Solar Farm (Phase One) and Hexian Solar Farm would be determined according to the Second Limb.

As of the date of this joint announcement, the Call Right Price (Group 4), subject to adjustment below, has been estimated by Xinyi Solar and Xinyi Energy to be RMB2,297.9 million (equivalent to HK\$2,619.0 million).

**Adjustment to  
the Call  
Right Price  
(Group 4):**

For the purpose of determining the Call Right Price (Group 4), the Vendor shall provide to the Purchaser:

- (a) the unaudited combined accounts of the Target Members (Group 4) (the “**Provisional Closing Accounts**”) as of the close of business on the last day of the previous month prior to the Completion Date (Group 4) *on or before* the Completion Date (Group 4); and
- (b) the unaudited combined accounts of the Target Members (Group 4) (the “**Closing Accounts**”) as of the close of business on the Completion Date (Group 4) within ten (10) business days *after* the Completion Date (Group 4).

The Provisional Closing Accounts and the Closing Accounts shall be prepared by the Target Members (Group 4) to the satisfaction of the Purchaser.

**Payment  
terms:**

The Purchaser shall pay:

- (a) 90% of the Call Right Price (Group 4) (as determined on the basis of the Provisional Closing Accounts) on the Completion Date (Group 4);
- (b) any shortfall between the Call Right Price (Group 4) (as determined under (a) above) and the Call Right Price (Group 4) (as determined on the basis of the Closing Accounts within fifteen (15) business days after the Completion Date (Group 4)); and
- (c) the remaining 10% of the Call Right Price (Group 4) (on the basis of the Closing Accounts) within twelve (12) months after the Completion Date (Group 4).

The payment of the Call Right Price (Group 4) will be made by Xinyi Energy out of its internal and external financial resources available to it.

**Conditions precedent:**

Completion under the Solar Farm (Group 4) Agreement is subject to the following conditions:

- (a) all representations and warranties made by the Vendor and Xinyi Solar remaining true, complete and accurate at all times between the date of the Solar Farm (Group 4) Agreement and the Completion Date (Group 4), and the Vendor and Xinyi Solar having performed all of their obligations required to be performed by the Completion Date (Group 4) thereunder and not been in breach of the Solar Farm (Group 4) Agreement;
- (b) the reorganisation to the effect that all Target Members (Group 4) are held by the Vendor as its wholly-owned subsidiaries has been completed;
- (c) the Purchaser having received a PRC legal opinion dated the Completion Date (Group 4) on each of the Target Members (Group 4) established in the PRC confirming, inter alia, its corporate existence, shareholding structure, assets and the validity of its interests in and certain operational aspects and licensing matters of the Call Right Assets (Group 4) in the form and substance satisfactory to the Purchaser;
- (d) the approval by the XYE Independent Shareholders at the XYE EGM of the resolution(s) approving the Solar Farm (Group 4) Agreement and the exercise of the Call Option (Group 4) pursuant to the Solar Farm Agreement and the Solar Farm (Group 4) Agreement; and
- (e) all internal and external approvals required by the parties to the Solar Farm (Group 4) Agreement for the execution, delivery and performance of the Solar Farm (Group 4) Agreement (including the shareholders approvals of the Target Members (Group 4)) having been obtained.

If any of the above conditions has not been satisfied in accordance with the Solar Farm (Group 4) Agreement at or before 1:00 p.m. on or before the Completion Date (Group 4), then unless the Vendor and the Purchaser agree otherwise in writing, the Completion Date (Group 4) shall be postponed to the Long-stop Date (Group 4).



If any of the above conditions has not been satisfied in accordance with the Solar Farm (Group 4) Agreement at or before 1:00 p.m. on or before the Long-stop Date (Group 4), then unless the Vendor and the Purchaser agree otherwise in writing, the Solar Farm (Group 4) Agreement shall be terminated, and neither parties to the Solar Farm (Group 4) Agreement shall have any claim or cause of action against the other, save for any antecedent breach and the return of the Call Right Price (Group 4) (to the extent paid by the Purchaser) by the Vendor to the Purchaser within five (5) business days after determination of the Solar Farm (Group 4) Agreement.

As of the date of this joint announcement, none of the above conditions has been satisfied.

**Completion Date (Group 4):** On a business day (a) on or before 31 March 2024 or (b) such other date as the Vendor and the Purchaser may agree in writing, but in any event shall not be later than the first anniversary of the date of the Call Notice (Group 4).

**Governing Law:** The laws of the PRC.

## **REASONS FOR AND BENEFITS OF THE EXERCISE OF CALL OPTION (GROUP 4) AND THE ENTERING INTO OF THE SOLAR FARM (GROUP 4) AGREEMENT**

### **In relation to Xinyi Energy**

The Solar Farm Agreement is an integral part of the spin-off of Xinyi Energy from Xinyi Solar for the purpose of establishing a clear business delineation. The Solar Farm (Group 4) Agreement has been entered into for the purpose of acquiring the Call Right Assets (Group 4) by Xinyi Energy pursuant to the Solar Farm Agreement and the Solar Farm (Group 4) Agreement.

The XYE Directors (including the members of the XYE Acquisition Committee but excluding the independent non-executive XYE Directors who will express their opinion after considering the advice from the XYE Independent Financial Adviser) consider that it will be in Xinyi Energy's interests and the interest of its shareholders to continue to source construction completed and grid-connected utility-scale ground-mounted solar farm projects from the XYS Group. Given Xinyi Energy's established relationship with Xinyi Solar, its experience, market position, and the fact that Xinyi Solar is Xinyi Energy's holding company, the XYE Directors (including the members of the XYE Acquisition Committee but excluding the independent non-executive XYE Directors who will express their opinion after

considering the advice from the XYE Independent Financial Adviser) further consider that the terms of the Solar Farm (Group 4) Agreement (including the amount of Call Right Price (Group 4)) are fair and reasonable and it would be in Xinyi Energy's interests and the interests of its shareholders to exercise the Call Option (Group 4) and enter into the Solar Farm (Group 4) Agreement.

### **In relation to Xinyi Solar**

Upon completion pursuant to the Solar Farm (Group 4) Agreement, each of the Target Members (Group 4) will change from being wholly-owned subsidiaries of Xinyi Solar to non-wholly owned subsidiaries of Xinyi Solar and their financial results will continue to be consolidated into that of the XYS Group. Any difference between the fair value of the Call Right Price (Group 4) and the amount by which the non-controlling interest of the Target Members (Group 4) is adjusted as a result of completion of the Solar Farm (Group 4) Agreement and is recognised in equity attributable to the Vendor. Based on the latest estimated Call Right Price (Group 4) as of the date of this joint announcement, the XYS Group will recognise a net increase in equity attributable to owners of Xinyi Solar of HK\$95.2 million. However, the actual financial impact will depend on the final amount of the Call Right Price (Group 4) and the carrying amount of the net assets of the Target Members (Group 4) as of the Completion Date (Group 4). The proceeds from disposal of the Call Right Assets (Group 4) are expected to be used in selected existing business of the XYS Group, i.e. solar glass production capacity expansion, development and construction of solar farm projects as well as general working capital.

The XYS Directors (including the independent non-executive XYS Directors) consider that the terms of the Solar Farm (Group 4) Agreement (including the amount of the Call Right Price (Group 4)) are fair and reasonable and that the disposal of the Call Right Assets (Group 4) and the entering into of the Solar Farm (Group 4) Agreement are beneficial to the XYS Group and the shareholders of Xinyi Solar as it provides a well-defined approach for the XYS Group to dispose of the construction completed and grid connected utility-scale ground-mounted solar farm projects developed or constructed by it at prices which are negotiated on an arm's length basis upon normal commercial terms. In addition, as Xinyi Energy is a non-wholly owned subsidiary of Xinyi Solar, this will enable Xinyi Solar to continue to share the revenue and profit from the electricity generated from the solar farm projects after the disposal.

## **INFORMATION ON XINYI ENERGY, THE PURCHASER, XINYI SOLAR AND THE VENDOR**

### **Xinyi Energy and the Purchaser**

The XYE Group is a leading non-State owned solar farm owner and operator in the PRC in terms of the approved capacity of the utility-scale ground-mounted solar farm projects in operation owned by the XYE Group and under its management. Established and spun-off from Xinyi Solar, the XYE Group owns and operates utility-scale ground-mounted solar farm projects initially developed and constructed by Xinyi Solar. The Purchaser is an indirect wholly-owned subsidiary of Xinyi Energy and is principally engaged in the management and operation of solar farm in the PRC. As of the date of this joint announcement, Xinyi Energy and its subsidiaries are indirect non-wholly owned subsidiaries of Xinyi Solar.

### **Xinyi Solar and the Vendor**

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 construction of solar farms. The Vendor is an indirect wholly-owned subsidiary of Xinyi Solar and is an investment holding company. As of the date of this joint announcement, Xinyi Solar is owned as to 49.24% by the XYS Controlling Shareholders and their respective associates and 50.76% by members of the public.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **In relation to Xinyi Energy**

As the Solar Farm (Group 3) Agreement and the Solar Farm (Group 4) Agreement were entered into by a member of the XYE Group (as purchaser) and a member of the XYS Group (as vendor) and that the Solar Farm (Group 3) Agreement was completed within the previous 12-month period, the Solar Farm (Group 3) Transaction and the transactions contemplated under the Solar Farm (Group 4) Agreement should be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules for the purpose of determining the implications under the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in relation to the exercise of the Call Option (Group 4) is (a) if aggregated with the exercise of the Call Option (Group 3) for the purpose of the Listing Rules, more than 5% but less than 25% and (b) more than 5% but less than 25% on a stand-alone basis.

As such, the exercise of the Call Option (Group 4) would be subject to the reporting and announcement requirements under Chapters 14 and 14A of the Listing Rules and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **In relation to Xinyi Solar**

As of the date of this joint announcement, Xinyi Solar owns 49.03% of the equity interest in Xinyi Energy and remains the single largest shareholder of Xinyi Energy. Xinyi Energy continues to be a non-wholly owned subsidiary of Xinyi Solar. As of the date of this joint announcement, the XYS Controlling Shareholders and their respective associates are interested in 49.24% of the XYS Shares and are also interested in 26.22% of the XYE Shares. Accordingly, Xinyi Energy is a connected subsidiary of Xinyi Solar under Chapter 14A of the Listing Rules.

As the Solar Farm (Group 3) Agreement and the Solar Farm (Group 4) Agreement were entered into by a member of the XYE Group (as purchaser) and a member of the XYS Group (as vendor) and that the Solar Farm (Group 3) Agreement was completed within the previous 12-month period, the Solar Farm (Group 3) Transaction and the transactions contemplated under the Solar Farm (Group 4) Agreement should be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules for the purpose of determining the implications under the Listing Rules.

The highest applicable percentage ratio (as defined under the Listing Rules) in relation to the disposal of the Call Right Assets (Group 4) is (a) if aggregated with the disposal of the Call Right Assets (Group 3) for the purpose of the Listing Rules, more than 1% but less than 5% and (b) more than 1% but less than 5% on a stand-alone basis. As such, the disposal of the Call Right Assets (Group 4) is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Solar Farm Agreement has been approved at an extraordinary general meeting of Xinyi Solar held on 21 November 2018.

### **XYE EGM AND CLOSURE OF REGISTER OF MEMBERS OF XINYI ENERGY**

The XYE EGM will be held on Friday, 2 June 2023 for the purpose of considering and, if thought fit, approving the Solar Farm (Group 4) Agreement.

The register of members of Xinyi Energy will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to determine the entitlement to attend and vote at

the XYE EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 May 2023.

The XYE Controlling Shareholders have indicated that they would abstain from voting at the XYE EGM. Save as disclosed above, to the best of knowledge, information and belief having made all reasonable enquiries by the XYE Directors, no other shareholders of Xinyi Energy or any of its associates has a material interest in the Solar Farm (Group 4) Agreement and hence, no other shareholders of Xinyi Energy would be required to abstain from voting on the relevant resolutions to be proposed at the XYE EGM.

A shareholders' circular to be despatched by Xinyi Energy containing, inter alia, (a) further information on the exercise of the Call Option (Group 4) pursuant to the Solar Farm Agreement and the Solar Farm (Group 4) Agreement; (b) a letter of recommendations from the XYE Independent Board Committee; (c) a letter of advice from the Xinyi Energy Independent Financial Adviser; and (d) a notice of the XYE EGM is expected to be despatched to the shareholders of Xinyi Energy on or before 17 May 2023 in full compliance with the requirements under the Listing Rules.

## **DEFINITIONS USED IN THIS JOINT ANNOUNCEMENT**

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

<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“BVI”</b>	means the British Virgin Islands;
<b>“Call Notice (Group 4)”</b>	means the notice dated 28 April 2023 delivered by Xinyi Energy to Xinyi Solar for the purpose of exercising the Call Option (Group 4);
<b>“Call Option”</b>	means the call option granted by Xinyi Solar to Xinyi Energy under the Solar Farm Agreement, pursuant to which Xinyi Energy may acquire from Xinyi Solar the Call Right Assets;
<b>“Call Option (Group 3)”</b>	refers to the Call Option previously exercised by Xinyi Energy for the acquisition of the Call Right Assets (Group 3);

<b>“Call Option (Group 4)”</b>	refers to the Call Option currently exercised by Xinyi Energy to acquire the Call Right Assets (Group 4);
<b>“Call Right Assets”</b>	means the substantially completed construction and grid-connected utility-scale ground-mounted solar farm projects developed or constructed by the XYS Group which include the Call Right Assets (Group 3) and the Call Right Assets (Group 4) for the purpose of this joint announcement;
<b>“Call Right Assets (Group 3)”</b>	means the Call Right Assets in the total approved capacity of 650.0 MW previously acquired by Xinyi Energy pursuant to the exercise of the Call Option (Group 3) among which, one of the solar farms with the approved capacity of 200.0 MW has been withdrawn from the list of the Call Right Assets;
<b>“Call Right Assets (Group 4)”</b>	means the five solar farms in the total approved capacity of 636.5 MW, namely Jiangmen Solar Farm, Zhanjiang Solar Farm (Phase Three), Shenxiang Solar Farm, Wanzhi Solar Farm (Phase One) and Hexian Solar Farm respectively owned and operated by Xinze Kaiping, Xinchuang Lianjiang, Xinfu Wuhu, Xinzhi Wuhu and Xinyi Hexian, proposed to be acquired by the Purchaser under the Call Option (Group 4);
<b>“Call Right Price” and “Call Right Price (Group 4)”</b>	means the exercise price in relation to the exercise of the Call Option and the Call Option (Group 4);
<b>“Completion Date (Group 4)”</b>	means the date of completion of the sale and purchase transaction contemplated under the Solar Farm Agreement (Group 4), which is expected to be on or before 31 March 2024;
<b>“connected subsidiary”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Feed-in-Tariff”</b>	means the feed-in-tariff regime currently implemented by the PRC Government for the provision of subsidy, i.e. the tariff adjustment, to the solar farm operators in the PRC by way of tariff adjustment;

<b>“Hexian Solar Farm”</b>	means Hexian Solar Farm (和縣光伏電站), the utility-scale ground-mounted solar farm project located in He County, Anhui Province, the PRC with an approved capacity of 102.0 MW, which is operated and wholly-owned by Xinyi Hexian;
<b>“Hong Kong”</b>	means The Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Jiangmen Solar Farm”</b>	means Jiangmen Solar Farm (江門光伏電站), the utility-scale ground-mounted solar farm project located in Jiangmen City, Guangdong Province, the PRC with an approved capacity of 150.0 MW, which is operated and wholly-owned by Xinze Kaiping;
<b>“Listing Rules”</b>	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Long-stop Date (Group 4)”</b>	means a business day (a) on or before 31 May 2024 or (b) such other date as the Vendor and the Purchaser may agree in writing, but in any event shall not be later than 60 days from the first anniversary of the date of the Call Notice (Group 4);
<b>“MW”</b>	means unit of energy (power), megawatt;
<b>“PRC”</b>	means The People’s Republic of China, excluding Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this joint announcement;
<b>“Purchaser”</b>	Xinyi Solar (Wuhu) Limited* 信義光能(蕪湖)有限公司, a company established in the PRC, a wholly-owned subsidiary of Xinyi Energy;
<b>“RMB”</b>	means Renminbi, the lawful currency of the PRC;
<b>“Shenxiang Solar Farm”</b>	means Shenxiang Solar Farm (沈巷光伏電站), the utility-scale ground-mounted solar farm project located in Shenxiang Town, Anhui Province, the PRC with an approved capacity of 84.5 MW, which is operated and wholly-owned by Xinfu Wuhu;



<b>“Solar Farm Agreement”</b>	means the solar farm agreement dated 5 December 2018 entered by and between Xinyi Solar and Xinyi Energy;
<b>“Solar Farm (Group 3) Joint Announcement”</b>	refers to the joint announcement issued by Xinyi Energy and Xinyi Solar dated 11 April 2022;
<b>“Solar Farm (Group 3) Transaction”</b>	means acquisition of the Call Right Assets (Group 3), further information on which is set forth in the Solar Farm (Group 3) Joint Announcement, the XYE Solar Farm (Group 3) Circular and the joint announcements issued by Xinyi Energy and Xinyi Solar dated 4 January 2023 and 24 February 2023;
<b>“Solar Farm (Group 3) Agreement”</b>	refers to the sale and purchase agreement dated 11 April 2022 and entered into between Xinyi Power (BVI) Limited as the vendor and Xinyi Energy as the purchaser for the acquisition of the Call Right Assets (Group 3);
<b>“Solar Farm (Group 4) Agreement”</b>	refers to the sale and purchase agreement dated 28 April 2023 and entered into among the Vendor, Xinyi Solar and the Purchaser for the disposal of the Target Shares (Group 4);
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Target Members (Group 4)”</b>	means Xinze Kaiping, Xinchuang Lianjiang, Xinfu Wuhu, Xinchu Wuhu, Xinzhi Wuhu and Xinyi Hexian;
<b>“Target Shares (Group 4)”</b>	means the entire issued share capital of the Target Members (Group 4);
<b>“Vendor”</b>	means Sun Wisdom Development Limited (智日發展有限公司), a company incorporated in Hong Kong, a wholly-owned subsidiary of the Xinyi Solar;



<b>“Wanzhi Solar Farm (Phase One)”</b>	means Wanzhi Solar Farm (Phase One) (灣沚光伏電站(第1期)), the utility-scale ground-mounted solar farm project located in Wuhu City, Anhui Province, the PRC with an approved capacity of 100.0 MW, which is operated and wholly-owned by Xinzhi Wuhu;
<b>“Xinchu Wuhu”</b>	means Wuhu Xinchu Renewable Energy Limited* 蕪湖信儲新能源有限公司, a company established in the PRC and a wholly-owned subsidiary of Xinfu Wuhu following completion of the reorganisation;
<b>“Xinjuang Lianjiang”</b>	means Xinjuang Renewable Energy (Lianjiang) Limited* 信創新能源(廉江)有限公司, a company established in the PRC, the sole owner and operator of the Zhanjiang Solar Farm (Phase Three) and a wholly-owned subsidiary of the Vendor following completion of the reorganisation;
<b>“Xinfu Wuhu”</b>	means Wuhu Xinfu Renewable Energy Limited* 蕪湖信伏新能源有限公司, a company established in the PRC, the sole owner and operator of the Shenxiang Solar Farm and a wholly-owned subsidiary of the Vendor following completion of the reorganisation;
<b>“Xinyi Energy”</b>	means Xinyi Energy Holdings Limited (信義能源控股有限公司), a company incorporated in the BVI with limited liability, the shares of which are listed on the Stock Exchange (stock code: 03868);
<b>“Xinyi Hexian”</b>	means Xinyi Renewable Energy (Hexian) Limited* 信義新能源(和縣)有限公司, a company established in the PRC, the sole owner and operator of the Hexian Solar Farm and a wholly-owned subsidiary of the Vendor following completion of the reorganisation;
<b>“Xinyi Solar”</b>	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, the shares of which are listed on the Stock Exchange (stock code: 00968);

<b>“Xinze Kaiping”</b>	means Xinze Renewable Energy (Kaiping) Limited* 信澤新能源(開平)有限公司, a company established in the PRC, the sole owner and operator of the Jiangmen Solar Farm and a wholly-owned subsidiary of the Vendor following completion of the reorganisation;
<b>“Xinzhi Wuhu”</b>	means Wuhu Xinzhi Renewable Energy Limited* 蕪湖信訖新能源有限公司, a company established in the PRC, the sole owner and operator of the Wanzhi Solar Farm (Phase One) and a wholly-owned subsidiary of the Vendor following completion of the reorganisation;
<b>“XYE Acquisition Committee”</b>	means the acquisition committee of the XYE Board established for the purpose of considering and if appropriate, approving acquisitions of the Call Right Assets;
<b>“XYE Board”</b>	means the board of directors of Xinyi Energy;
<b>“XYE Controlling Shareholders”</b>	has the meaning ascribed to it under the Listing Rules and, in the case of Xinyi Energy, refers to Xinyi Solar, 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. LI Man Yin, Mr. NG Ngan Ho, Mr. LI Ching Leung, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze and their respective controlled corporations;
<b>“XYE Directors”</b>	means the directors of Xinyi Energy;
<b>“XYE EGM”</b>	means the extraordinary general meeting of Xinyi Energy to be held on Friday, 2 June 2023 or any adjournment thereof, to consider and if thought fit, approve, among others, the Solar Farm (Group 4) Agreement, at which the XYE Controlling Shareholders will abstain from voting;
<b>“XYE Group”</b>	means Xinyi Energy and its subsidiaries;

<b>“XYE Independent Board Committee”</b>	means the independent board committee of the Board comprising all the independent non-executive XYE Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang, established to advise the XYE Independent Shareholders in relation to the exercise of the Call Option (Group 4) pursuant to the Solar Farm (Group 4) Agreement and the Solar Farm Agreement;
<b>“XYE Independent Financial Adviser”</b>	means the independent financial adviser to be appointed by the XYE Independent Board Committee to advise the XYE Independent Board Committee and the XYE Independent Shareholders in relation to the exercise of Call Option (Group 4) pursuant to the Solar Farm (Group 4) Agreement and the Solar Farm Agreement;
<b>“XYE Independent Shareholders”</b>	means shareholders of Xinyi Energy other than the XYE Controlling Shareholders;
<b>“XYE Prospectus”</b>	means the prospectus issued by Xinyi Energy dated 15 May 2019;
<b>“XYE Shares”</b>	means the issued shares of Xinyi Energy;
<b>“XYE Solar Farm (Group 3) Circular”</b>	means the circular issued by Xinyi Energy dated 13 May 2022;
<b>“XYS Board”</b>	means the board of directors of Xinyi Solar;
<b>“XYS Controlling Shareholders”</b>	has the meaning ascribed to it under the Listing Rules and, in the case of Xinyi Solar, refers to Xinyi Glass Holdings Limited (stock code: 00868) and its subsidiaries, Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai, P.S.M, D.M.S.M, J.P., Mr. LI Man Yin, Mr. NG Ngan Ho, Mr. LI Ching Leung, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze, and their respective controlled corporations;
<b>“XYS Directors”</b>	means the directors of Xinyi Solar;
<b>“XYS Group”</b>	means Xinyi Solar and its subsidiaries (other than members of the XYE Group);
<b>“XYS Shares”</b>	means the issued shares of Xinyi Solar;

<b>“XYS Solar Farm Announcement”</b>	means the announcement dated 2 November 2018 issued by Xinyi Solar;
<b>“XYS Solar Farm Circular”</b>	means the shareholders’ circular dated 2 November 2018 issued by Xinyi Solar;
<b>“Zhanjiang Solar Farm (Phase Three)”</b>	means Zhanjiang Solar Farm (Phase Three) (湛江光伏电站(第3期)), the utility-scale ground-mounted solar farm project located in Lianjiang City, Guangdong Province, the PRC with an approved capacity of 200.0 MW, which is operated and wholly-owned by Xinchuang Lianjiang; and
<b>“%”</b>	denotes as per cent.

By order of the board of directors of  
**Xinyi Energy Holdings Limited**  
**TUNG Fong Ngai**  
*Executive Director and*  
*Chief Executive Officer*

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

Hong Kong, 28 April 2023

*The translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8774 = 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 this rate or any other rates at all.*

*As of the date of this joint announcement, the XYE Board comprises five executive XYE Directors, namely Mr. LEE Shing Put, B.B.S. (Chairman of the XYE Board), 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 three independent non-executive XYE Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P., and Ms. LYU Fang.*

*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. LO Wan Sing, Vincent, Mr. KAN E-ting, Martin, and Ms. LEONG Chong Peng.*

*This joint announcement will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), Xinyi Energy at [www.xinyienergy.com](http://www.xinyienergy.com), and Xinyi Solar at [www.xinyisolar.com](http://www.xinyisolar.com).*

\* *The English translation of Chinese names or words in this joint announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words*