

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



**XINYI ELECTRIC
STORAGE HOLDINGS
LIMITED**
信義儲電控股有限公司
*(Incorporated in the Cayman
Islands with limited liability)*
(Stock code: 08328)



**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)

JOINT ANNOUNCEMENT

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS 2023 SALES FRAMEWORK AGREEMENTS

2023 XYS Sales Framework Agreement

The XES Board and the XYG Board jointly announce that the 2023 XYS Sales Framework Agreement was entered into on 31 October 2023 (after trading hours), pursuant to which the XES Group will continue to supply to the XYG Group the Electric Storage Products as part of their ordinary course of businesses for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026.

2023 XYG Sales Framework Agreement

The XES Board and the XYG Board jointly announce that the 2023 XYG Sales Framework Agreement was entered into on 31 October 2023 (after trading hours), pursuant to which the XES Group will continue to supply to the XYG Group the Electric Storage Products as part of their ordinary course of businesses for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026.

Implications under the GEM Listing Rules for Xinyi Electric Storage

As of the date of this joint announcement, the XES Controlling Shareholders and their respective associates are interested in 65.79% of the share capital of Xinyi Glass and 26.14% of the share capital of Xinyi Solar (disregarding the indirect interest being held through Xinyi Glass). Xinyi Glass is also interested in 23.40% of the share capital of Xinyi Solar. The XES Controlling Shareholders thus control and exercise more than 30% voting power at general meetings of each of Xinyi Glass and Xinyi Solar. Accordingly, Xinyi Glass, Xinyi Solar and each of their respective subsidiaries are connected persons of Xinyi Electric Storage under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.80(1) of the GEM Listing Rules, the XYS Annual Caps and the XYG Annual Caps shall be aggregated as they were entered into by Xinyi Electric Storage with parties connected with one another. As the aggregated maximum Annual Caps exceeds HK\$10,000,000 and one or more of the applicable percentage ratios for the aggregated maximum Annual Caps is greater than 5.0% under the GEM Listing Rules, the entering into of each of the 2023 Sales Framework Agreements constitutes a continuing connected transaction for Xinyi Electric Storage under Chapter 20 of the GEM Listing Rules. Each of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps will be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The XES EGM will be convened at which ordinary resolutions will be proposed to the XES Independent Shareholders to consider and if appropriate, approve the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps. Any vote of the XES Independent Shareholders at the XES EGM will be taken by poll. For the purpose of seeking the approval of the XES Independent Shareholders, a circular containing, inter alia, (a) details of the 2023 Sales Framework Agreements; (b) a letter from the XES Independent Board Committee; (c) a letter of advice from the XES Independent Financial Adviser to advise the XES Independent Board Committee and the XES Independent Shareholders; and (d) a notice of the XES EGM will be despatched to the shareholders of Xinyi Electric Storage not later than 28 November 2023 as additional time is required for Xinyi Electric Storage to prepare and finalise certain information to be contained in the circular.

Implications under the Listing Rules for Xinyi Solar

As of the date of this joint announcement, various XYS Directors, namely Dr. LEE Yin Yee, S.B.S., B.B.S., M.H., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* and Mr. LI Man Yin and their respective associates are interested in more than 30% in aggregate of the issued share capital of Xinyi Electric Storage. Accordingly, Xinyi Electric Storage is a connected person of Xinyi Solar under Chapter 14A of the Listing Rules and the transactions with the XES Group under the 2023 XYS Sales Framework Agreement constitute continuing connected transactions for Xinyi Solar.

As the XYS Annual Caps represent more than 0.1% but less than 5.0% of the applicable percentage ratios under the Listing Rules for Xinyi Solar and are expected to exceed HK\$3.0 million, the 2023 XYS Sales Framework Agreement, the transactions contemplated thereunder and the XYS Annual Caps will be subject to the reporting, announcement and annual review requirements but will be exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Implications under the Listing Rules for Xinyi Glass

Based on the latest available financial information of Xinyi Glass as of and for the six months ended 30 June 2023 and the year ended 31 December 2022, the transaction amounts involved under the 2023 XYG Sales Framework Agreement fall within the *de minimis* threshold for Xinyi Glass under Chapter 14A of the Listing Rules.

The XES Board and the XYS Board refer to the 2021 Announcement. As the 2021 XYS Sales Framework Agreement will expire on 31 December 2023, on 31 October 2023 (after trading hours), the 2023 XYS Sales Framework Agreement has been entered into, pursuant to which the XES Group will continue to supply to the XYS Group the Electric Storage Products as part of their ordinary course of businesses for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026.

The XES Board and the XYG Board refer to the 2021 Announcement. As the 2021 XYG Sales Framework Agreement will expire on 31 December 2023, on 31 October 2023 (after trading hours), the 2023 XYG Sales Framework Agreement has been entered into, pursuant to which the XES Group will continue to supply to the XYG Group the Electric Storage Products as part of their ordinary course of businesses for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026.

PRINCIPAL TERMS OF THE 2023 SALES FRAMEWORK AGREEMENTS

The purpose of entering into the 2023 Sales Framework Agreements is to provide a mutually agreed contractual framework for the ongoing sales and purchase transactions of the Electric Storage Products. The terms of the 2023 XYS Sales Framework Agreement and the 2023 XYG Sales Framework Agreement are identical except for the transaction amounts under each of the agreements.

The following sets forth a summary of the principal terms of the 2023 Sales Framework Agreements:

- Date:** 31 October 2023 (after trading hours).
- Parties:**
 - For the 2023 XYS Sales Framework Agreement:*
 - (a) Xinyi Solar, as the purchaser; and
 - (b) Xinyi Electric Storage, as the supplier.
 - For the 2023 XYG Sales Framework Agreement:*
 - (a) Xinyi Glass (Hong Kong), as the purchaser; and
 - (b) Xinyi Electric Storage, as the supplier.
- Effective Date:** The date on which (i) the entering into of the 2023 XYS Sales Framework Agreement, the transactions contemplated thereunder and the XYS Annual Caps, and (ii) the entering into of the 2023 XYG Sales Framework Agreement, the transactions contemplated thereunder and the XYG Annual Caps, are approved by the XES Independent Shareholders at the XES EGM respectively.
- Term:** For a term of three years commencing on 1 January 2024 and expiring on 31 December 2026.
- Subject matter:** Electric Storage Products, which will be produced according to the technical specifications and requirements of the XYS Group and the XYG Group as purchasers.

After-sale service:

The XES Group will provide repair and replacement services free of charge on quality issues during the following warranty period:

- (a) lithium battery packs: five years;
- (b) direct-current lithium battery systems: five years;
- (c) uninterruptible power supply lithium battery systems: one year to three years;
- (d) lithium battery energy storage systems: (i) three years for the core equipment such as power conversion systems and batteries and (ii) one year for other equipment and accessories; and
- (e) other lithium battery products: case-by-case basis pursuant to terms of the purchase contract.

Condition precedent:

Approval by the XES Independent Shareholders at the XES EGM by way of poll.

Payment:

The purchase will be conducted by way of purchase contracts which set forth the detailed information on the products to be ordered, including the product models, technical specifications, quantity, unit price, payment terms and delivery terms.

For (a) lithium battery packs, the purchase prices will be payable within 15 days after delivery.

For (b) direct-current lithium battery systems; (c) uninterruptible power supply lithium battery systems; and (d) lithium energy storage systems,

- (a) 30% of the purchase prices will be payable within 10 days immediately after the date of the entering into of the purchase contract;
- (b) 40% of the purchase prices will be payable within 10 days after the purchaser being satisfied of the result of the preliminary inspection on quality; and

- (c) 30% of the purchase prices will be payable within 10 days after the final inspection on the quality of the products and the receipt of the full amount value add tax invoice by the purchaser.

For (e) other lithium battery products, the purchase prices will be payable in accordance with such payment schedule to be mutually agreed by the parties.

PRICING BASIS

The selling prices are to be determined between Xinyi Electric Storage and Xinyi Solar (*under the 2023 XYS Sales Framework Agreement*) and Xinyi Glass (Hong Kong) (*under the 2023 XYG Sales Framework Agreement*) on an arm's length basis and upon normal commercial terms, which shall be no less favourable than the prices for comparable products offered by Xinyi Electric Storage to independent third parties, or by independent third parties to Xinyi Solar or Xinyi Glass (Hong Kong) (as the case may be).

Given that products under the 2023 Sales Framework Agreements are made-to-order according to the required technical specifications and capacity of the products, there is no fixed or standard unit price, or published reference price. In determining the selling prices, the XES Group will charge on a "cost-plus" basis. Based on the required technical specifications and capacity of the relevant Electric Storage Products, the XES Group will assess the scope of the relevant order and prepare a cost estimate, which mainly includes the materials cost, labour cost, and delivery and installation cost, with respect to the supply of the products. Such cost estimate will be used as the basis of the selling price of the products. The selling prices will be determined with reference to the production costs incurred by the XES Group plus a mark-up percentage in the range of 7% to 25%. The percentage will be determined with reference to:

- (a) the average profit margin earned in supplying the products of similar type and features to independent third parties;
- (b) the additional costs in producing the products in accordance with the specific technical requirements and advanced features;
- (c) customers' feedbacks; and
- (d) competitors' pricing information (if available).

The selling prices and the mark-up percentage under the 2023 Sales Framework Agreements will be subject to review by the management of the relevant departments of the XES Group and the XYS Group (*under the 2023 XYS Sales Framework Agreement*) and the XYG Group (*under the 2023 XYG Sales Framework Agreement*) on a regular basis.

ANNUAL CAPS AND HISTORICAL TRANSACTION AMOUNTS

The annual caps and historical transaction amounts for the battery packs and energy storage systems under the 2021 XYS Sales Framework Agreement and the 2021 XYG Sales Framework Agreement for the period from 28 May to 31 December 2021, the year ended 31 December 2022 and the nine months ended 30 September 2023 are set forth as follows:

	For the period from 28 May to 31 December 2021	Year ended 31 December 2022	Nine months ended 30 September 2023
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
<i>Under the 2021 XYS Sales Framework Agreement</i>			
Annual caps	30.0	82.0	74.0 (Note)
Historical transaction amounts	0.1	12.3	35.4
<i>Under the 2021 XYG Sales Framework Agreement</i>			
Annual caps	7.5	6.0	5.0 (Note)
Historical transaction amounts	4.3	5.6	3.6

Note:

This amount is for the year ending 31 December 2023.

The table below sets forth the Annual Caps:

	Year ending 31 December		
	2024	2025	2026
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
XYS Annual Caps	127.7	110.8	100.6
XYG Annual Caps	21.3	14.3	13.6
Total	149.0	125.1	114.2

If the transaction amount under any of the 2023 Sales Framework Agreements is expected to be more than the relevant Annual Caps or there is any material change to any of the terms of the 2023 Sales Framework Agreements, Xinyi Electric Storage, Xinyi Solar and Xinyi Glass will comply with the applicable requirements under the GEM Listing Rules and the Listing Rules, as and when appropriate.

Basis used in determining the XYS Annual Caps

In estimating the XYS Annual Caps for the three years ending 31 December 2026, the XES Directors and the XYS Directors have considered, among others, the current market prices and the expected purchase volume of the Electric Storage Products as may be required under the 2023 XYS Sales Framework Agreement and the relevant historical selling prices and profit margins of the XES Group for sales of similar products to independent third parties.

The following sets forth the factors considered by the XYS Directors in determining the XYS Annual Caps:

- (a) The XYS Directors expect that the XYS Group would need to increase the installation volume of energy storage systems and that 5.0% to 20.0% (depending on the requirements on different provinces/municipalities) of the total electricity generation capacity (in terms of megawatt) of the grid connected solar farm projects of the XYS Group would be required to install the energy storage systems. Based on the estimated cost per watt-hour of the energy storage systems of RMB0.84, RMB0.76 and RMB0.72 for the three years ending 31 December 2026, respectively, the estimated total purchase and installation costs involved in the installation of the energy storage systems at the solar farm projects newly constructed by the XYS Group would be RMB74.0 million, RMB62.4 million and RMB59.3 million for the three years ending 31 December 2026, respectively.
- (b) The production costs of the energy storage systems are expected to decrease with time and hence, the amount of the XYS Annual Cap is estimated to gradually decrease accordingly. The XYS Directors confirm that the number of units of the energy storage systems proposed to be installed at the solar farm projects newly constructed by the XYS Group is expected to be at a high level throughout the term of the 2023 XYS Sales Framework Agreement.
- (c) The remaining balance under each of the XYS Annual Caps, i.e. RMB53.7 million, RMB48.4 million and RMB41.3 million, for the three years ending 31 December 2026, respectively, mainly represents the estimated amount of purchase and the related installation costs of (i) lithium battery packs, (ii)

uninterruptible power supply lithium battery systems, (iii) lithium battery energy storage systems for peak shaving and valley filling purpose to lower the production costs and (iv) other lithium battery products, all of which are mainly to be used/installed in the XYS Group's solar glass production facilities.

Basis used in determining the XYG Annual Caps

In estimating the XYG Annual Caps for the three years ending 31 December 2026, the XES Directors and the XYG Directors have considered, among others, the current market prices and the expected purchase volume of the Electric Storage Products as may be required under the 2023 XYG Sales Framework Agreement and the historical prices and profit margins of the XES Group for sales of similar products to independent third parties. The purchase amount of the Electric Storage Products for the three years ending 31 December 2026 is estimated by the XYG Directors based on the following:

- (a) the need for installation of uninterruptible power supply lithium battery systems in new production lines to be set up by the XYG Group during 2024;
- (b) the installation of lithium battery energy storage systems in various production facilities for peak shaving and valley filling purpose to lower the production costs;
- (c) the increasing use of chargeable lithium battery products for a number of plant and machinery (including the loading machines) for production purpose; and
- (d) the replacement of the less efficient and less environmental-friendly power systems with the latest generations of power supply products.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 SALES FRAMEWORK AGREEMENTS

Part of the ordinary course of business of the XES Group is the production and sales of different types of battery packs and energy storage systems, including the Electric Storage Products. The XES Group has the required production capacity and technologies to produce such products. The XES Board considers that the 2023 Sales Framework Agreements will continue to provide a steady business flow to the XES Group.

Both the XYS Board and the XYG Board consider that it would be appropriate and commercially viable for them to continue to source the Electric Storage Products from the XES Group as the XES Group has been developed with the required production technology and production facilities that can provide in-time supply of these made-to-order products upon such acceptable terms.

GENERAL INFORMATION ON THE PARTIES

Xinyi Electric Storage is an investment holding company. The XES Group is principally engaged in the production and sales of electric storage products and photovoltaic films products in the PRC. The XES Group is also providing engineering, procurement and construction services for solar energy projects in the PRC and other countries. In Hong Kong, the XES Group provides automobile glass repair and replacement services.

Xinyi Solar is an investment holding company. The XYS Group is principally engaged in the production and sales of solar glass products, which are carried out internationally, through its production facilities in the PRC and Malaysia. In addition, the XYS Group is also engaged in the development and operation of solar farm projects.

Xinyi Glass (Hong Kong) is a wholly-owned subsidiary of Xinyi Glass and an investment holding and trading company. Xinyi Glass is an investment holding company. 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.

INTERNAL CONTROL MEASURES ADOPTED BY XINYI ELECTRIC STORAGE

The XES Group will continue to adopt the following internal control measures to monitor the transactions contemplated under the 2023 Sales Framework Agreements:

- (a) The senior management and relevant departments of the XES Group will review and assess whether the terms set forth in a specific purchase contract are consistent with each of the 2023 Sales Framework Agreements, no less favourable than those offered to independent third parties, and adhere to the respective pricing basis of the transactions by implementing the following checking procedures:
 - (i) collate updated information on the prevailing market prices of the products from time to time to ensure the selling prices are no less favourable to those offered to independent third parties. Market prices will be obtained through, among other things, recent transactions of the XES Group with independent third parties, pricing information obtained through enquiry with other industry players and desk-top research on industry websites; and

- (ii) review the profit margin is in the expected range and in alignment with the margin for sale to independent third parties to ensure the selling price is calculated on a cost-plus basis and the mark-up percentage is commensurate with the complexity and technical specifications of the product.
- (b) Specifically assigned personnel from the relevant departments of the XES Group will monitor the actual transaction amounts on a regular basis to ensure that the Annual Caps would not be exceeded and due compliance with the respective pricing basis of the transactions.
- (c) The finance department of the XES Group will monitor the transaction amounts contemplated under each of the 2023 Sales Framework Agreements on a regular basis and will prepare a summary of the transaction amounts on a monthly basis.
- (d) The internal audit department of the XES Group will review and conduct sample checks on the sale amounts under each of the 2023 Sales Framework Agreements, which constitute continuing connected transactions for Xinyi Electric Storage during the course of its annual review to ensure that the pricing basis and internal control procedures under each of the 2023 Sales Framework Agreements are complied with.
- (e) The independent non-executive XES Directors will review the continuing connected transactions on an annual basis and report their opinion to the XES Board.
- (f) The auditors of Xinyi Electric Storage will conduct annual review on the transactions contemplated by the 2023 Sales Framework Agreements and report their findings and conclusions to the XES Board.

APPROVAL BY THE BOARDS OF DIRECTORS

Xinyi Electric Storage

As Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, a non-executive XES Director, is concurrently an executive XYG Director and a non-executive XYS Director and has interests in the share capital of Xinyi Glass and Xinyi Solar, Mr. NG Ngan Ho, an executive XES Director, is concurrently a non-executive XYG Director and has interests in the share capital of Xinyi Glass and Xinyi Solar, and Mr. LEE Shing Kan, a non-executive XES Director, is concurrently an executive XYG Director, each of them has abstained from voting on the resolutions for considering and approving the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps in the relevant XES Board meeting.

Having excluded the above persons who have material interests in the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps, the XES Directors (excluding the independent non-executive XES Directors whose view will be contained in the circular to be despatched to the shareholders of Xinyi Electric Storage after considering the advice of the XES Independent Financial Adviser) are of the opinion that:

- (i) the 2023 Sales Framework Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the 2023 Sales Framework Agreements and the transactions contemplated thereunder are and will be conducted in the ordinary and usual course of business of the XES Group and in the interest of Xinyi Electric Storage and its shareholders as a whole.

Xinyi Solar

As each of the following XYS Directors, namely Dr. LEE Yin Yee, S.B.S., B.B.S., M.H., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* and Mr. LI Man Yin, has interests in the share capital of Xinyi Electric Storage, each of them has abstained from voting on the resolutions for considering and approving the entering into of the 2023 XYS Sales Framework Agreement, the transactions contemplated thereunder and the XYS Annual Caps in the relevant XYS Board meeting.

Having excluded the above persons which have material interests in the entering into of the 2023 XYS Sales Framework Agreement, the transactions contemplated thereunder and the XYS Annual Caps, the XYS Board (including the independent non-executive XYS Directors) is of the opinion that:

- (i) the 2023 XYS Sales Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable;
- (ii) the XYS Annual Caps are fair and reasonable; and
- (iii) the 2023 XYS Sales Framework Agreement and the transactions contemplated thereunder are and will be conducted in the ordinary and usual course of business of the XYS Group and in the interest of Xinyi Solar and its shareholders as a whole.

Xinyi Glass

As each of the following XYG Directors, namely Dr. LEE Yin Yee, S.B.S., B.B.S., M.H., Datuk Wira TUNG Ching Bor, D.C.S.M., Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. NG Ngan Ho, Mr. LI Ching Leung, Mr. LI Ching Wai and Mr. SZE Nang Sze, has interests in the share capital of Xinyi Electric Storage, each of them has abstained from voting on the resolutions for considering and approving the entering into of the 2023 XYG Sales Framework Agreement, the transactions contemplated thereunder and the XYG Annual Caps in the relevant XYG Board meeting.

IMPLICATIONS UNDER THE GEM LISTING RULES FOR XINYI ELECTRIC STORAGE

Continuing connected transactions

As of the date of this joint announcement, the XES Controlling Shareholders and their respective associates are interested in 65.79% of the share capital of Xinyi Glass and 26.14% of the share capital of Xinyi Solar (disregarding the indirect interest being held through Xinyi Glass). Xinyi Glass is also interested in 23.40% of the share capital of Xinyi Solar. The XES Controlling Shareholders thus control and exercise more than 30% voting power at general meetings of each of Xinyi Glass and Xinyi Solar. Accordingly, Xinyi Glass, Xinyi Solar and each of their respective subsidiaries are connected persons of Xinyi Electric Storage under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.80(1) of the GEM Listing Rules, the XYS Annual Caps and the XYG Annual Caps shall be aggregated as they were entered into by Xinyi Electric Storage with parties connected with one another. As the aggregated maximum Annual Caps exceeds HK\$10,000,000 and one or more of the applicable percentage ratios for each of the Annual Caps is greater than 5.0% under the GEM Listing Rules, the entering into of each of the 2023 Sales Framework Agreements constitutes a continuing connected transaction for Xinyi Electric Storage under Chapter 20 of the GEM Listing Rules. Each of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps will be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Approval of the XES Independent Shareholders

The XES EGM will be convened at which ordinary resolutions will be proposed to the XES Independent Shareholders to consider and if appropriate, approve the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps. Any vote of the XES Independent Shareholders at the XES EGM will be taken by poll.

As the XES Controlling Shareholders have material interests in the 2023 Sales Framework Agreements, each of the XES Controlling Shareholders will be required to abstain from voting at the XES EGM. Save for this and to the best knowledge, information and belief of the XES Directors, as of the date of this joint announcement, no other shareholder of Xinyi Electric Storage has a material interest in the 2023 Sales Framework Agreements and therefore no other shareholder of Xinyi Electric Storage is required to abstain from voting on the proposed resolutions approving the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps.

Establishment of the XES Independent Board Committee

The XES Independent Board Committee has been established to advise and give recommendation to the XES Independent Shareholders on the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps. Ballas Capital Limited has been appointed as the XES Independent Financial Adviser to advise the XES Independent Board Committee and the XES Independent Shareholders in this regard.

Despatch of shareholders' circular

For the purpose of seeking the approval of the XES Independent Shareholders, a circular containing, inter alia, (a) details of the 2023 Sales Framework Agreements; (b) a letter from the XES Independent Board Committee; (c) a letter of advice from the XES Independent Financial Adviser to advise the XES Independent Board Committee and the XES Independent Shareholders; and (d) a notice of the XES EGM, will be despatched to the shareholders of Xinyi Electric Storage not later than 28 November 2023 as additional time is required for Xinyi Electric Storage to prepare and finalise certain information to be contained in the circular.

IMPLICATIONS UNDER THE LISTING RULES FOR XINYI SOLAR

As of the date of this joint announcement, various XYS Directors, namely Dr. LEE Yin Yee, S.B.S., B.B.S., M.H., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* and Mr. LI Man Yin and their respective associates are interested in more than 30% in aggregate of the issued share capital of Xinyi Electric Storage. Accordingly, Xinyi Electric Storage is a connected person of Xinyi Solar under Chapter 14A of the Listing Rules and the transactions with the XES Group under the 2023 XYS Sales Framework Agreement constitute continuing connected transactions for Xinyi Solar.

As the XYS Annual Caps represent more than 0.1% but less than 5.0% of the applicable percentage ratios under the Listing Rules for Xinyi Solar and are expected to exceed HK\$3.0 million, the 2023 XYS Sales Framework Agreement, the transactions contemplated thereunder and the XYS Annual Caps will be subject to the reporting, announcement and annual review requirements but will be exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES FOR XINYI GLASS

Based on the latest available financial information of Xinyi Glass as of and for the six months ended 30 June 2023 and the year ended 31 December 2022, the transaction amounts involved under the 2023 XYG Sales Framework Agreement fall within the *de minimis* threshold for Xinyi Glass under Chapter 14A of the Listing Rules. This joint announcement is made by Xinyi Glass on a voluntary basis.

DEFINITIONS USED IN THIS JOINT ANNOUNCEMENT

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

“2021 Announcement”	means the joint announcement of Xinyi Electric Storage and Xinyi Solar dated 8 April 2021;
“2021 XYG Sales Framework Agreement”	means the product sales framework agreement dated 8 April 2021 entered into between Xinyi Glass (Hong Kong) and Xinyi Electric Storage for the sales of battery packs and energy storage systems by the XES Group to the XYG Group, which will expire on 31 December 2023;

“2021 XYS Sales Framework Agreement”	means the product sales framework agreement dated 8 April 2021 entered into between Xinyi Solar and Xinyi Electric Storage for the sales of battery packs and energy storage systems by the XES Group to the XYS Group, which will expire on 31 December 2023;
“2023 Sales Framework Agreements”	means the 2023 XYG Sales Framework Agreement and the 2023 XYS Sales Framework Agreement;
“2023 XYG Sales Framework Agreement”	means the product sales framework agreement dated 31 October 2023 entered into between Xinyi Glass (Hong Kong) and Xinyi Electric Storage for the sales of the Electric Storage Products by the XES Group to the XYG Group;
“2023 XYS Sales Framework Agreement”	means the product sales framework agreement dated 31 October 2023 entered into between Xinyi Solar and Xinyi Electric Storage for the sales of the Electric Storage Products by the XES Group to the XYS Group;
“Annual Caps”	means the XYG Annual Caps and the XYS Annual Caps;
“associate(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“Electric Storage Products”	refers to (a) lithium battery packs; (b) direct-current lithium battery systems; (c) uninterruptible power supply lithium battery systems; (d) lithium battery energy storage systems; and (e) other lithium battery products to be supplied by the XES Group to the XYS Group and the XYG Group under the 2023 Sales Framework Agreements;
“GEM”	refers to The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“GEM Listing Rules”	means The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited;

“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong dollars” or “HK\$”	refers to Hong Kong dollars, the lawful currency of Hong Kong;
“independent third party(ies)”	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;
“Main Board”	means the main board of the Stock Exchange which is independent from and operated in parallel with GEM;
“PRC”	means The People’s Republic of China which for the purpose of this joint announcement does not include Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	refers to Renminbi, the lawful currency of the PRC;
“Stock Exchange”	refers to The Stock Exchange of Hong Kong Limited;
“XES Board”	means the board of directors of Xinyi Electric Storage;
“XES Controlling Shareholders”	means the controlling shareholders (as such term is defined under the GEM Listing Rules) of Xinyi Electric Storage, namely, Dr. LEE Yin Yee, S.B.S., B.B.S., M.H., Datuk Wira TUNG Ching Bor, D.C.S.M., Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., 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;
“XES Director(s)”	means the director(s) of Xinyi Electric Storage;

“XES EGM”	means the extraordinary general meeting to be convened by Xinyi Electric Storage for the purpose of approving the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps;
“XES Group”	means Xinyi Electric Storage and its subsidiaries;
“XES Independent Board Committee”	means an independent committee of the XES Board established with all independent non-executive XES Directors, namely Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, S.B.S., J.P., as members;
“XES Independent Financial Adviser”	means Ballas Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the XES Independent Board Committee and the XES Independent Shareholders in respect of the entering into of the 2023 Sales Framework Agreements, the transactions contemplated thereunder and the Annual Caps;
“XES Independent Shareholders”	means the independent shareholders of Xinyi Electric Storage;
“Xinyi Electric Storage”	means Xinyi Electric Storage Holdings Limited (信義儲電控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on GEM (stock code: 08328);
“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 Main Board (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 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 Main Board (stock code: 00968);
“XYG Annual Cap(s)”	means the maximum transaction amount under the 2023 XYG Sales Framework Agreement for the three years ending 31 December 2026;
“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;
“XYS Annual Cap(s)”	means the maximum transaction amount under the 2023 YYS Sales Framework Agreement for the three years ending 31 December 2026;
“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; and
“%”	denoted per cent.

By order of the board of directors of
Xinyi Electric Storage Holdings Limited
Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*
Chairman

By order of the board of directors of Xinyi Solar Holdings Limited LEE Yau Ching <i>Executive Director and</i> <i>Chief Executive Officer</i>	By order of the board of directors of Xinyi Glass Holdings Limited Dr. LEE Yin Yee, S.B.S., B.B.S., M.H. <i>Chairman</i>
---	---

Hong Kong, 31 October 2023

Unless the context requires otherwise, the conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 = RMB0.9368 for reference only. 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 XES Board comprises three executive directors, namely Mr. NG Ngan Ho, Ms. LI Pik Yung and Mr. WANG Mohan, two non-executive directors, namely Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. (Chairman) and Mr. LEE Shing Kan and three independent non-executive directors, namely Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, S.B.S., J.P..

As of the date of this joint announcement, the XYS Board comprises four executive directors, namely Mr. LEE Shing Put, B.B.S. (Vice Chairman), Mr. LEE Yau Ching, Mr. LI Man Yin and Mr. CHU Charn Fai, two non-executive directors, namely Dr. LEE Yin Yee, S.B.S., B.B.S., M.H. (Chairman) and Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P (Vice Chairman) and three independent non-executive directors, namely Mr. LO Wan Sing, Vincent, Mr. KAN E-ting, Martin and Ms. LEONG Chong Peng.

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

This joint announcement, for which the XES Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to Xinyi Electric Storage. The XES Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement will be published on the website of the Stock Exchange at www.hkexnews.hk, on the “Latest Listed Company Information” page for at least 7 days from the date of posting, and on the websites of Xinyi Glass at www.xinyiglass.com, Xinyi Solar at www.xinyisolar.com and Xinyi Electric Storage at www.xinyies.com.