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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)**

**JOINT ANNOUNCEMENT**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
SALES AND PURCHASE OF SILICA SAND**

As the 2024 Silica Sand Agreement will expire on 31 December 2024, subsidiaries of Xinyi Solar and Xinyi Glass have entered into the 2025 Silica Sand Agreement for a renewed term of one year from 1 January 2025 to 31 December 2025 (both days inclusive).

Pursuant to the 2025 Silica Sand Agreement, a subsidiary of Xinyi Solar will continue to sell to members of the XYG Group silica sand for the production of float glass.

**Implications under the Listing Rules**

*Xinyi Solar*

Xinyi Glass is a substantial shareholder of Xinyi Solar. Hence, Xinyi Glass is a connected person of Xinyi Solar and the transactions contemplated under the 2025 Silica Sand 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 for the 2025 Silica Sand Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the 2025 Silica Sand 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 hence are associates of the Controlling Shareholders and connected persons of Xinyi Glass. The transactions contemplated under the 2025 Silica Sand 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 2025 Silica Sand Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the 2025 Silica Sand 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.

As the 2024 Silica Sand Agreement will expire on 31 December 2024, subsidiaries of Xinyi Solar and Xinyi Glass have entered into the 2025 Silica Sand Agreement for a renewed term of one year from 1 January 2025 to 31 December 2025 (both days inclusive).

Pursuant to the 2025 Silica Sand Agreement, a subsidiary of Xinyi Solar will continue to sell to members of the XYG Group silica sand for the production of float glass.

## **2025 SILICA SAND AGREEMENT**

### **Principal terms**

The following sets forth the principal terms of the 2025 Silica Sand Agreement:

<b>Date:</b>	30 December 2024 (after trading hours)
<b>Parties:</b>	Hepu Xinyi as the seller and Xinyi Glass (Hong Kong) as the purchaser.
<b>Term:</b>	From 1 January 2025 to 31 December 2025 (both days inclusive).

**Subject matter:** The XYG Group will purchase from Hepu Xinyi not more than 540,000 tonnes of silica sand at an aggregate estimated purchase amount of not more than RMB71.0 million (equivalent to HK\$76.2 million). The silica sand can be used for the production of float glass.

**Estimated transaction price and payment terms:** The sales of silica sand will be charged at the then prevailing market prices, which will be settled by way of bank transfers on a monthly basis within thirty (30) days at the end of each month.

### **Historical annual cap and historical transaction amount**

The annual cap under the 2024 Silica Sand Agreement was RMB96.4 million (equivalent to HK\$105.8 million) and the actual transaction amount thereunder for the eleven months ended 30 November 2024 was RMB51.9 million (equivalent to HK\$56.4 million). The XYS Directors and the XYG Directors expect that the actual transaction amount under the 2024 Silica Sand Agreement would not exceed the annual cap.

### **Annual cap for the 2025 Silica Sand Agreement and its basis**

The XYS Directors and the XYG Directors expect that the transaction amount (excluding PRC value-added tax) under the 2025 Silica Sand Agreement would not exceed RMB71.0 million (equivalent to HK\$76.2 million), which also represents the annual cap under the 2025 Silica Sand Agreement. Such annual cap has been determined with reference to the following:

- (a) the historical transaction amount under the 2024 Silica Sand Agreement;
- (b) the expected purchase volume of silica sand as may be purchased by the XYG Group under the 2025 Silica Sand Agreement;
- (c) the prevailing price of silica sand of the same quality in the open market;
- (d) the mining and processing costs incurred and/or to be incurred by Hepu Xinyi in producing the silica sand; and
- (e) the price quotations of silica sand of the same quality provided by Hepu Xinyi to independent third parties.

There is no minimum transaction amount stipulated in the 2025 Silica Sand Agreement. If the annual transaction amount under the 2025 Silica Sand Agreement is expected to exceed the annual cap or there is any change to the material terms of the 2025 Silica Sand Agreement, Xinyi Solar and Xinyi Glass will comply with the applicable requirements under the Listing Rules, as and when appropriate.

The actual transaction prices of silica sand will be determined on an arm's length basis upon normal commercial terms with reference to the prevailing net *ex-factory* price of the silica sand of the same quality from time to time. In the price negotiation process, at least two price quotations would be obtained from independent third parties for comparison. In any event, the purchase prices to be paid by the XYG Group will not be higher than the prices of silica sand of the same quality charged by Hepu Xinyi to independent third parties.

### **REASONS AND BENEFITS FOR THE 2025 SILICA SAND AGREEMENT**

The sand mine owned by the XYS Group in Beihai, Guangxi Zhuang Autonomous Region, the PRC produces different types of silica sand for different applications. As certain silica sand extracted from the mine is not suitable for the production of solar glass products, the XYS Board considers that it would be more suitable to sell such silica sand to the XYG Group for the production of float glass products. The sales of the silica sand will be conducted at market prices and will provide the XYG Group with a convenient and reliable source of supply of silica sand for the production of float glass.

The sales and purchase transactions under the 2025 Silica Sand Agreement will continue to allow the XYS Group to fully utilise its resources based on the features and the functional properties of different types of silica sand. Such arrangements will also reduce the transportation time and cost for the XYG Group.

The XYS Directors and the XYG Directors consider that the 2025 Silica Sand Agreement is entered into as part of the ordinary course of business of the XYS Group and the XYG Group and is conducted 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 the transactions contemplated under the 2025 Silica Sand Agreement, the XYS Group and the XYG Group will continue to adopt 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 of specific sales and purchase orders are consistent with the terms of the 2025 Silica Sand Agreement, comparable to those offered to or by independent third parties and adhere to the respective pricing basis of the transactions by implementing the following checking procedures:
  - (i) collate updated information in respect of the prevailing market prices of silica sand of comparable quality from time to time to ensure that the sales and purchase prices are comparable to those offered to or by independent third parties. Information on the market prices will be obtained through, among other things, quotations from independent third parties (if any), recent transactions of the XYS Group and the XYG Group with independent third parties and pricing information obtained from industry researches and online resources; and
  - (ii) perform checking to ensure any markup or discount is properly determined with reference to the specific order requirements such as the quality specifications of the silica sand, delivery location, packaging and logistics costs.
- (b) Specifically assigned 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 would not exceed the annual caps and would be in due compliance with the pricing basis of the transactions.
- (c) The finance department of the XYS Group and the XYG Group will monitor the transaction amounts contemplated under the 2025 Silica Sand Agreement on a regular basis and will prepare a summary of the transaction amounts on a monthly basis.

- (d) The internal audit department of the XYS Group and the XYG Group will review and conduct sample checks on the sales and purchase amounts under the 2025 Silica Sand Agreement during the course of its annual review to ensure that the pricing basis and internal control procedures under the agreement are complied with.
- (e) 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.
- (f) The auditors of Xinyi Solar and Xinyi Glass will conduct annual review on the transactions contemplated under the 2025 Silica Sand Agreement and report their findings and conclusions to the XYS Board and the XYG Board, respectively.

## **GENERAL INFORMATION ON THE PARTIES**

Hepu Xinyi is a wholly-owned subsidiary of Xinyi Solar and principally engaged in the mining and processing of silica sand. Xinyi Solar is an investment holding company and a company listed on the Stock Exchange. 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 farms 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 and a company listed on the Stock Exchange. 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.

## **APPROVAL BY THE BOARDS OF DIRECTORS**

### **Xinyi Solar**

As Dr. LEE Yin Yee, S.B.S., the chairman of the XYS Board and a non-executive XYS Director, is concurrently 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 concurrently 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 2025 Silica Sand Agreement in the relevant XYS Board meeting.

Excluding the XYS Directors who have abstained from voting, the XYS Directors (including all independent non-executive XYS Directors) are of the opinion that the transactions contemplated under the 2025 Silica Sand Agreement have been entered into (a) on normal commercial terms after an 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, S.B.S., the chairman of the XYG Board and an executive XYG Director, is concurrently the chairman of the XYS Board and a non-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 concurrently 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 Datuk Wira TUNG Ching Bor *D.C.S.M*, an executive XYG Director, 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 2025 Silica Sand Agreement in the relevant XYG Board meeting.

Excluding the XYG Directors who have abstained from voting, the XYG Directors (including all independent non-executive XYG Directors) are of the opinion that the transactions contemplated under the 2025 Silica Sand Agreement have been entered into (a) on normal commercial terms after an 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**

### **Xinyi Solar**

Xinyi Glass is a substantial shareholder of Xinyi Solar. Hence, Xinyi Glass is a connected person of Xinyi Solar and the transactions contemplated under the 2025 Silica Sand 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 for the 2025 Silica Sand Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the 2025 Silica Sand 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 hence are associates of the Controlling Shareholders and connected persons of Xinyi Glass. The transactions contemplated under the 2025 Silica Sand 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 2025 Silica Sand Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the 2025 Silica Sand 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.

### **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>“2024 Silica Sand Agreement”</b>	means the agreement dated 4 January 2024 entered into for the purchase of silica sand by Xinyi Glass (Hong Kong), which will expire on 31 December 2024;
<b>“2025 Silica Sand Agreement”</b>	means the agreement dated 30 December 2024 entered into between Hepu Xinyi and Xinyi Glass (Hong Kong) for a term of one year commencing on 1 January 2025;
<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;



<b>“Controlling Shareholders”</b>	refers to Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor, <i>D.C.S.M</i> , 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;
<b>“Hepu Xinyi”</b>	means 合浦信義礦業有限公司 (Hepu Xinyi Mining Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Xinyi Solar;
<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>“independent third party(ies)”</b>	means the 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;
<b>“Listing Rules”</b>	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“PRC”</b>	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;
<b>“RMB”</b>	means Renminbi, the lawful currency of the PRC;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“substantial shareholder(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Xinyi Glass”</b>	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);

<b>“Xinyi Glass (Hong Kong)”</b>	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;
<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, all the shares of which are listed on the Stock Exchange (stock code: 00968);
<b>“XYG Board”</b>	means the board of directors of Xinyi Glass;
<b>“XYG Director(s)”</b>	means the director(s) of Xinyi Glass;
<b>“XYG Group”</b>	means Xinyi Glass and its subsidiaries;
<b>“XYG Shares”</b>	means the issued shares of Xinyi Glass;
<b>“XYS Board”</b>	means the board of directors of Xinyi Solar;
<b>“XYS Director(s)”</b>	means the director(s) of Xinyi Solar;
<b>“XYS Group”</b>	means Xinyi Solar and its subsidiaries;
<b>“XYS Shares”</b>	means the issued shares of Xinyi Solar; and
<b>“%”</b>	denoted per cent.

By order of the board of directors of  
**Xinyi Solar Holdings Limited**  
**LEE Shing Put, B.B.S.**  
*Vice Chairman and Chief Executive Officer*

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

Hong Kong, 30 December 2024

*\* For identification purpose only.*

*Unless the context requires otherwise and 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 RMB0.9312 = 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 YYS Board comprises two non-executive directors, namely Dr. LEE Yin Yee, S.B.S.(Chairman) and Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. (Vice Chairman), four executive directors, namely Mr. LEE Shing Put, B.B.S. (Vice Chairman and Chief Executive Officer), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHU Charn Fai, 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. (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 M.H., 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 The Hon. Starry Lee Wai-king, G.B.S., J.P..*

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