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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**

### **CONTINUING CONNECTED TRANSACTIONS PURCHASE OF THE AUTOMATION EQUIPMENT BY XINYI SOLAR**

### **RENEWAL OF THE LEASE AGREEMENTS BETWEEN XINYI SOLAR GROUP AND XINYI GLASS GROUP**

#### **PURCHASE OF AUTOMATION EQUIPMENT**

On 21 January 2016 (after trading hours), the Equipment Purchase Framework Agreement was entered into between the Xinyi Solar Group and the Xinyi Glass Group. The Equipment Purchase Framework Agreement is valid for a period of six months. The Automation Equipment is used by Xinyi Solar Group as part of its production facilities.

#### **LEASES OF FACTORY PREMISES BETWEEN THE XINYI SOLAR GROUP AND THE XINYI GLASS GROUP**

##### **Solar Lease Agreements**

As disclosed in the Listing Document, pursuant to the Solar Lease Agreements, the Xinyi Solar Group leases from the Xinyi Glass Group certain factory premises in Wuhu and Tianjin for a period of three years from 1 September 2013 to 31 August 2016. The annual caps under the Solar Lease Agreements up to the year ended 31 December 2015 have been disclosed in the Listing Document, and the lease payments under Solar Lease Agreements have not exceeded such annual caps. Although the Solar Lease Agreements have yet to expire, the Cap Amount (Solar Leases) was not disclosed in the Listing Document. The parties intend to renew the lease agreements upon the same terms and conditions except that the lease payments have been determined and adjusted (if necessary) with reference to the then market level by an independent valuer.

## **Glass Lease Agreement**

As disclosed in the Listing Document, pursuant to the Glass Lease Agreement, the Xinyi Glass Group leases from the Xinyi Solar Group certain factory premises in Wuhu for a period of three years from 1 September 2013 to 31 August 2016. The annual cap under the Glass Lease Agreement up to the year ended 31 December 2015 has been disclosed in the Listing Document, and lease payments under the Glass Lease Agreement has not exceeded such annual cap. Although the Glass Lease Agreement has yet to expire, the Cap Amount (Glass Lease) was not disclosed in the Listing Document. The parties intend to renew the lease agreements upon the same terms and conditions except that the lease payments have been determined and adjusted (if necessary) with reference to the then market level by an independent valuer.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar holding 28.16% of the issued share capital of Xinyi Solar, directly and indirectly, through its wholly-owned subsidiaries, namely Xinyi Glass (BVI) and Xinyi Glass (Hong Kong). Hence, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules.

The following table sets for a summary of the Cap Amount (Equipment), the Cap Amount (Solar Leases) and the Cap Amount (Glass Lease):

<b>Particulars of the transactions</b>	<i>HK\$'000</i>
Equipment Purchase Framework Agreement	15,620
Solar Lease Agreements	5,946
Glass lease Agreement	1,087

As the applicable percentage ratios (under Chapter 14 of the Listing Rules) represented by each of the Cap Amount (Equipment) and the aggregate of the Cap Amount (Solar Leases) and Cap Amount (Glass Lease) is less than 5.0%, all of the transactions constitute continuing connected transactions for Xinyi Solar which are exempt from the independent Shareholders' approval but subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules. If the Equipment Purchase Framework Agreement is renewed later in 2016 the Xinyi Solar Board and the Xinyi Glass Board will comply with the applicable requirements under the Listing Rules taking into consideration of the Cap Amount (Equipment).

## **BACKGROUND INFORMATION**

The Xinyi Solar Board and the Xinyi Glass Board refer to the Joint Announcement and the Listing Document. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Joint Announcement. In the Joint Announcement, the Xinyi Solar Board and the Xinyi Glass Board announced that there were continuing connected transactions between the Xinyi Solar Group and the Xinyi Glass Group arising from the purchase of the Automation Equipment. It was also disclosed in the Listing Document that there were leases of properties between the Xinyi Solar Group and the Xinyi Glass Group under the Solar Lease Agreements and the Glass Lease Agreement, the annual caps of which up to the year ended 31 December 2015 have been disclosed in the Listing Document.

The purpose of this announcement is to provide the Shareholders and prospective investors of Xinyi Solar and Xinyi Glass with updated information on these continuing connected transactions and the implications thereof under the Listing Rules. The Xinyi Solar Board and the Xinyi Glass Board confirm that all of these transactions are and will continue to be conducted on an arm's length basis with normal commercial terms and are in the respective interests of Xinyi Solar and Xinyi Glass and their respective shareholders as a whole.

## **PURCHASE OF AUTOMATION EQUIPMENT**

On 21 January 2016 (after trading hours), the Equipment Purchase Framework Agreement was entered into between the Xinyi Solar Group and the Xinyi Glass Group. The Equipment Purchase Framework Agreement is valid for a period of six months. The Automation Equipment is used by Xinyi Solar Group as part of its production facilities.

### **Principal terms of the Equipment Purchase Framework Agreement**

The following sets forth the principal terms of the Equipment Purchase Framework Agreement:-

Date:	21 January 2016
Parties:	Xinyi Solar (Hong Kong) acting for members of the Xinyi Solar Group, as the purchaser of the Automation Equipment Wuhu Jinsanshi as the seller
Term:	Commenced from 21 January 2016 to 30 June 2016

Subject matter of the  
Equipment Purchase  
Framework  
Agreement:

Members of the Xinyi Solar Group will purchase from Wuhu Jinsanshi the Automation Equipment. The Automation Equipment must satisfy the requirements and the specifications from time to time approved by the Xinyi Solar Group. Before confirming the acceptance of delivery, the Automation Equipment must be installed by Wuhu Jinsanshi at such locations as designated by members of the Xinyi Solar Group and must be tested and trial run to the satisfaction of the Xinyi Solar Group within the required time period.

The Automation Equipment will be subject to a warranty period of 12 months from the date of acceptance of delivery. Such warranty period may be extended to 18 months if there is any delay in the date of acceptance of delivery. During the warranty period, Wuhu Jinsanshi will provide on-site guidance and repair and replacement services for free.

Aggregate purchase  
price:

The total purchase price is expected to be not more than RMB13.28 million (equivalent to HK\$15.62 million) which shall be payable by the Xinyi Solar Group in four instalments as follows:-

- (a) 10% of the Aggregate Purchase Price, within 10 business days in the PRC following the date of the Equipment Purchase Framework Agreement;
- (b) 70% of the purchase price of each Automation Equipment, not less than five business days in the PRC immediately before the proposed date of delivery of the relevant Automation Equipment;
- (c) 10% of the purchase price of the relevant Automation Equipment being accepted for delivery, five business days in the PRC after the date of receipt of the invoice of Wuhu Jinsanshi for payment; and
- (d) 10% of the purchase price of the relevant Automation Equipment, upon expiry of the warranty period.

In light of the above maximum purchase price, the Cap Amount (Equipment) is set at RMB13.28 million (equivalent to HK\$15.62 million).

Other terms and conditions:	Customary representations and warranties by Wuhu Jinsanshi in contracts for sales and purchase of plant and machinery and production equipment, such as no infringement of third parties' intellectual property rights, confidentiality obligation, due compliance with the applicable quality and safety standards and the provision of after-sales services in addition to the warranty period.
Determination of the Cap Amount (Equipment):	The Cap Amount (Equipment) is determined by Wuhu Jinsanshi and Xinyi Solar on an arm's length basis with reference to the prices charged by Wuhu Jinsanshi for similar equipment sold to Independent Third Parties.
Governing law:	The law of the PRC

### **Reasons for and benefits of entering into the Equipment Purchase Framework Agreement**

Wuhu Jinsanshi has become a non-wholly owned subsidiary of Xinyi EnergySmart (Wuhu) since October 2015. Members of the Xinyi Solar Group have purchased production equipment from Wuhu Jinsanshi since June 2011. As a result of this business relationship, Wuhu Jinsanshi is familiar with the requirements and the specifications for the production equipment used by the Xinyi Solar Group. Each of the previous purchases was confirmed by separate purchase orders with detailed specifications for the required production equipment. The purpose of entering into the Equipment Purchase Framework Agreement is to set forth all terms and conditions and the purchase prices for the Automation Equipment.

The Xinyi Solar Directors confirm that the terms and conditions of the purchase of the Automation Equipment under the Equipment Purchase Framework Agreement are not materially different from the terms and conditions of the previous purchases of production equipment from Wuhu Jinsanshi. The Xinyi Solar Directors consider that by entering into the Equipment Purchase Framework Agreement, members of the Xinyi Solar Group can secure the scheduled delivery and installation of the Automation Equipment at agreed prices for the production purpose.

As the market conditions may change from time to time, both the Xinyi Solar Directors and the Xinyi Glass Directors consider that it would be appropriate for the Equipment Purchase Framework Agreement to be of a short term up to 30 June 2016. The Xinyi Solar Directors and Xinyi Glass Directors would review the market conditions from time to time and will decide whether renewal of the Equipment Purchase Framework Agreement would be appropriate and in the best interest of the Xinyi Solar Group and the Xinyi Glass Group, respectively.

In light of the above, the Xinyi Solar Directors consider that the Equipment Purchase Framework Agreement has been entered into (a) in the ordinary and usual course of the business of Xinyi Solar, (b) on normal commercial terms and (c) on terms that are fair and reasonable and in the interest of Xinyi Solar and Xinyi Solar Shareholders as a whole. The Xinyi Glass Board considers that the Equipment Purchase Framework Agreement is entered into in its ordinary and usual course of business of the Xinyi Glass Group and will broaden the revenue base of the Xinyi Glass Group.

As each of the following Xinyi Solar Directors, namely Datuk LEE Yin Yee, B.B.S., Mr. TUNG Ching Sai and Mr. LI Man Yin, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the relevant resolutions approving the Equipment Purchase Framework Agreement.

## **LEASES OF FACTORY PREMISES BETWEEN THE XINYI SOLAR GROUP AND THE XINYI GLASS GROUP**

### **Solar Lease Agreements**

As disclosed in the Listing Document, pursuant to the Solar Lease Agreements, the Xinyi Solar Group leases from the Xinyi Glass Group certain factory premises in Wuhu and Tianjin for a period of three years from 1 September 2013 to 31 August 2016. The annual caps under the Solar Lease Agreements up to the year ended 31 December 2015 have been disclosed in the Listing Document, and the lease payments under Solar Lease Agreements have not exceeded such annual caps. Although the Solar Lease Agreements have yet to expire, the Cap Amount (Solar Leases) was not disclosed in the Listing Document. The parties intend to renew the lease agreements upon the same terms and conditions except that the lease payments have been determined and adjusted (if necessary) with reference to the then market level by an independent valuer.

As each of the following Xinyi Solar Directors, namely Datuk LEE Yin Yee, B.B.S., Mr. TUNG Ching Sai and Mr. LI Man Yin, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the relevant resolutions approving the Solar Lease Agreements.

## **Glass Lease Agreement**

As disclosed in the Listing Document, pursuant to the Glass Lease Agreement, the Xinyi Glass Group leases from the Xinyi Solar Group certain factory premises in Wuhu for a period of three years from 1 September 2013 to 31 August 2016. The annual cap under the Glass Lease Agreement up to the year ended 31 December 2015 has been disclosed in the Listing Document, and lease payments under the Glass Lease Agreement has not exceeded such annual cap. Although the Glass Lease Agreement has yet to expire, the Cap Amount (Glass Lease) was not disclosed in the Listing Document. The parties intend to renew the lease agreements upon the same terms and conditions except that the lease payments have been determined and adjusted (if necessary) with reference to the then market level by an independent valuer.

As each of the following Xinyi Solar Directors, namely Datuk LEE Yin Yee, B.B.S., Mr. TUNG Ching Sai and Mr. LI Man Yin, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the relevant resolutions approving the Glass Lease Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar holding 28.16% of the issued share capital of Xinyi Solar, directly and indirectly, through its wholly-owned subsidiaries, namely Xinyi Glass (BVI) and Xinyi Glass (Hong Kong). Hence, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules.

The following table sets for a summary of the Cap Amount (Equipment), the Cap Amount (Solar Leases) and the Cap Amount (Glass Lease):

<b>Particulars of the transactions</b>	<i>HK\$'000</i>
Equipment Purchase Framework Agreement	15,620
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As the applicable percentage ratios (under Chapter 14 of the Listing Rules) represented by each of the Cap Amount (Equipment) and the aggregate of the Cap Amount (Solar Leases) and Cap Amount (Glass Lease) is less than 5.0%, all of the transactions constitute continuing connected transactions for Xinyi Solar which are exempt from the independent Shareholders' approval but subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing



Rules. If the Equipment Purchase Framework Agreement is renewed later in 2016 the Xinyi Solar Board and the Xinyi Glass Board will comply with the applicable requirements under the Listing Rules taking into consideration of the Cap Amount (Equipment).

The transactions under the Equipment Purchase Framework Agreement, the Solar Lease Agreements and the Glass Lease Agreement do not constitute continuing connected transactions for Xinyi Glass. This announcement is therefore jointly issued by Xinyi Glass on a voluntary basis.

## **GENERAL INFORMATION**

### **Principal business activities of the Xinyi Solar Group**

Xinyi Solar Group is principally engaged in the production and sale of solar glass products at its production complex in the PRC as well as the development and operation of solar farms in the PRC. All shares of Xinyi Solar are listed on the Main Board. Xinyi Solar (Wuhu) is a wholly-owned subsidiary of Xinyi Solar, and Xinyi Solar (Tianjin Branch) is a branch company of Xinyi Solar (Wuhu).

### **Principal business activities of the Xinyi Glass Group**

Xinyi Glass Group is principally engaged in the production and sales of a wide range of glass products, including automobile glass, construction glass, float glass and other glass products for different commercial and industrial applications. All shares of Xinyi Glass are listed on the Main Board. Xinyi EnergySmart (Wuhu) is a wholly-owned subsidiary of Xinyi Glass, and Wuhu Jinsanshi is a 85.7%-owned subsidiary of Xinyi Glass as of the date of this announcement.

## **DEFINITIONS USED IN THIS ANNOUNCEMENT**

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

“Cap Amount (Equipment)”	means the maximum purchase amount of the Automation Equipment under the Equipment Purchase Supply Agreement;
“Cap Amount (Glass Lease)”	means the maximum annual amount of lease payment under the Glass Lease Agreement;
“Cap Amount (Solar Leases)”	means the maximum annual amount of lease payment under the Solar Lease Agreements;



“Automation Equipment”	means the automation equipment including papering stacker, coating machine, conveyor to be purchased by Xinyi Solar Group from Wuhu Jinsanshi;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Equipment Purchase Framework Agreement”	means the equipment purchase framework agreement dated 21 January 2016 entered into between Wuhu Jinsanshi and Xinyi Solar (Hong Kong);
“Glass Lease Agreement”	means the lease agreement dated 1 September 2013 entered into between Xinyi Solar (Wuhu) (as lessor) and Xinyi EnergySmart (Wuhu) (as lessee) in respect of certain factory premises in Wuhu of 11,000 sq.m., as disclosed in the Listing Document, which has been renewed upon the same terms and conditions and at the then prevailing market rent for three years commenced from 1 January 2016;
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong dollars” or “HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Joint Announcement”	means the joint announcement of Xinyi Solar and Xinyi Glass dated 16 October 2015;
“Independent Third Parties”	means third parties independent from and connected with any means member of the Xinyi Glass Group and the Xinyi Solar Group and their substantial shareholders and their respective associates (as such term is defined under Chapters 1 and 14A of the Listing Rules);
“Listing Document”	means the listing document of Xinyi Solar dated 22 November 2013;
“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;

“PRC”	means The People’s Republic of China which for the purpose of this announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
“Renminbi” or RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Solar Lease Agreements”	means (a) the lease agreement dated 1 September 2013 entered into between Xinyi EnergySmart (Wuhu) (as lessor) and Xinyi Solar (Wuhu) (as lessee) in respect of certain factory premises in Wuhu of 11,000 sq.m. and (b) the lease agreement dated 1 September 2013 entered into between Xinyi Glass (Tianjin) (as lessor) and Xinyi Solar (Tianjin Branch) (as lessee) in respect of certain factory premises in Tianjin of 28,680 sq.m., as disclosed in the Listing Document, which have been renewed upon the same terms and conditions and at the then prevailing market rent for three years commenced from 1 January 2016;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Wuhu Jinsanshi”	means 蕪湖金三氏數控科技有限公司 (Wuhu Jinsanshi Numerical Control Technology Co. Ltd.*), a limited liability company established in the PRC and a non-wholly owned subsidiary of Xinyi Glass;
“Xinyi EnergySmart (Wuhu)”	means 信義節能玻璃(蕪湖)有限公司 (Xinyi EnergySmart (Wuhu) Co. Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass”	means Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board (stock code: 00868);
“Xinyi Glass Board”	means the board of Xinyi Glass Directors;

“Xinyi Glass (BVI)”	means Xinyi Automobile Glass (BVI) Company Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass Directors”	means the directors (including the independent non-executive directors) of Xinyi Glass;
“Xinyi Glass Group”	means Xinyi Glass and its subsidiaries;
“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass (Tianjin)”	means 信義玻璃(天津)有限公司 (Xinyi Glass (Tianjin) Co., Ltd.*), a limited liability company established in the PRC on 2 March 2004 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);
“Xinyi Solar Board”	means the board of Xinyi Solar Directors;
“Xinyi Solar Directors”	means the directors (including the independent non-executive directors) of Xinyi Solar;
“Xinyi Solar Group”	means Xinyi Solar and its subsidiaries;
“Xinyi Solar (Hong Kong)”	means Xinyi Solar (Hong Kong) Limited (信義光能(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Solar;
“Xinyi Solar (Tianjin Branch)”	means 信義光伏產業(安徽)控股有限公司天津分公司 (Xinyi PV Products (Anhui) Holdings Ltd. Tianjin Branch Company*), a branch company of Xinyi Solar (Wuhu) established on 7 January 2011;
“Xinyi Solar (Wuhu)”	means 信義光伏產業(安徽)控股有限公司 (Xinyi PV Products (Anhui) Holdings Ltd.*), a limited liability company established in the PRC on 6 March 2007 and a wholly-owned subsidiary of Xinyi Solar; and
“%”	means per cent.

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

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

Hong Kong, 21 January 2016

*\* For identification only.*

*Unless the context requires otherwise, the translation of RMB into HK\$ in this announcement is based on the rate of RMB0.85 = 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 announcement, the Xinyi Solar Board comprises four executive directors, namely Mr. TUNG Ching Sai, Mr. LEE Yau Ching, Mr. LI Man Yin and Mr. CHEN Xi, two non-executive directors, namely Datuk LEE Yin Yee, B.B.S. (Chairman of the Xinyi Solar Board) and Mr. LEE Shing Put, and three independent non-executive directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.*

*As of the date of this announcement, the Xinyi Glass Board comprises four executive directors, namely Datuk LEE Yin Yee, B.B.S. (Chairman of the Xinyi Glass Board), Mr. TUNG Ching Bor, Mr. TUNG Ching Sai and Mr. LEE Shing Kan, four non-executive directors, namely Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. LI Ching Leung, and five independent non-executive directors, namely Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Mr. WONG Ying Wai, S.B.S., JP., Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.*

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