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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**

On 26 July 2016 (after trading hours), the Equipment Purchase Framework Agreement (2016-2H) was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Automation Equipment from Xinyi Glass Group for the six months ending 31 December 2016. The Automation Equipment will be used by Xinyi Solar Group as part of the production facilities for the production of solar glass products.

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar holding in aggregate 29.53% of the issued share capital of Xinyi Solar by itself or 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.

As the applicable percentage ratios (under Chapter 14 of the Listing Rules) represented by the Aggregate Cap Amount (Equipment) is less than 5.0%, the transactions thereunder 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.

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

## **BACKGROUND INFORMATION**

The Xinyi Solar Board and the Xinyi Glass Board refer to the Joint Announcement. 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 under the Equipment Purchase Framework Agreement (2016-1H).

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 as well as the transactions under the Equipment Purchase Framework Agreement (2016-2H) and the implications thereof under the Listing Rules. The Xinyi Solar Board and the Xinyi Glass Board confirm that all of these transactions have been 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 26 July 2016 (after trading hours), the Equipment Purchase Framework Agreement (2016-2H) was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Automation Equipment from Xinyi Glass Group for the six months ending 31 December 2016. The Automation Equipment will be used by Xinyi Solar Group as part of the production facilities for the production of solar glass products.

## **PRINCIPAL TERMS OF THE EQUIPMENT PURCHASE FRAMEWORK AGREEMENT (2016-2H)**

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

<b>Date:</b>	26 July 2016
<b>Parties:</b>	Xinyi Solar (Hong Kong) acting for members of the Xinyi Solar Group, as the purchaser of the Automation Equipment  Wuhu Jinsanshi as the seller
<b>Term:</b>	Commenced from 26 July 2016 to 31 December 2016

**Subject matter of the  
Equipment Purchase  
Framework  
Agreement  
(2016-2H):**

Members of the Xinyi Solar Group will purchase the Automation Equipment from Wuhu Jinsanshi. 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 relevant 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.

**Determination and  
payment of the  
selling prices of the  
Automation  
Equipment:**

The total purchase price is expected to be not more than RMB34.64 million (equivalent to HK\$40.28 million) which shall be payable by the Xinyi Solar Group in four instalments as follows:

- (a) 10% of the total purchase price, within 10 business days in the PRC after the signing of the respective purchase agreements;
- (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, within 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 the expiry of the warranty period.

<b>Other terms and conditions:</b>	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.
<b>Determination of the Cap Amount (Equipment) (2016-2H):</b>	The Cap Amount (Equipment) (2016-2H) 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.
<b>Governing law:</b>	The law of the PRC

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE FRAMEWORK AGREEMENT (2016-2H)**

Wuhu Jinsanshi has become a member of Xinyi Glass Group 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 Agreements 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 (2016-2H) are identical to the terms and conditions of the Equipment Purchase Framework Agreement (2016-1H) as well as the previous purchases of production equipment from Wuhu Jinsanshi. The Xinyi Solar Directors consider that by entering into the Equipment Purchase Framework Agreement (2016-2H), members of the Xinyi Solar Group can continue to purchase the Automation Equipment at the 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 (2016-2H) to be of a term of six months. The Xinyi Solar Directors and the Xinyi Glass Directors will review the market conditions and will decide whether a renewal of the Equipment Purchase Framework Agreement (2016-2H) would be appropriate and in the best interest of Xinyi Solar Group and Xinyi Glass Group, respectively.

In light of the above, the Xinyi Solar Directors consider that the Equipment Purchase Framework Agreement (2016-2H) 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 its shareholders as a whole. The Xinyi Glass Board considers that the Equipment Purchase Framework Agreement (2016-2H) is entered into in its ordinary and usual course of business of Xinyi Glass and will broaden the revenue base of 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.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar holding in aggregate 29.53% of the issued share capital of Xinyi Solar by itself or 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.

As the applicable percentage ratios (under Chapter 14 of the Listing Rules) represented by the Aggregate Cap Amount (Equipment) is less than 5.0%, the transactions under the Equipment Purchase Framework Agreements 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. The transactions under the Equipment Purchase Framework Agreements 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 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.

### Principal business activities of 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.

## DEFINITIONS USED IN THIS ANNOUNCEMENT

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

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|------------------------------------|---|
| “Aggregate Cap Amount (Equipment)” | means the aggregate of the Cap Amount (Equipment) (2016-1H) and the Cap Amount (Equipment) (2016-2H) of RMB47.92 million (equivalent to HK\$55.90 million);                     |
| “Automation Equipment”             | means the automation equipment including papering stacker, coating machine, conveyor purchased or to be purchased by Xinyi Solar Group from Wuhu Jinsanshi;                     |
| “Cap Amount (Equipment) (2016-1H)” | means the maximum purchase amount of the Automation Equipment under the Equipment Purchase Framework Agreement (2016-1H) of RMB13.28 million (equivalent to HK\$15.62 million); |
| “Cap Amount (Equipment) (2016-2H)” | means the maximum purchase amount of the Automation Equipment under the Equipment Purchase Framework Agreement (2016-2H) of RMB34.64 million (equivalent to HK\$40.28 million); |
| “connected person(s)”              | has the meaning ascribed thereto under the Listing Rules;   |

“Equipment Purchase Framework Agreement (2016-1H)”	means the equipment purchase framework agreement dated 21 January 2016 entered into between Wuhu Jinsanshi and Xinyi Solar (Hong Kong) in relation to the sales and purchase of the Automation Equipment for the six months ended 30 June 2016;
“Equipment Purchase Framework Agreement (2016-2H)”	means the equipment purchase framework agreement dated 26 July 2016 entered into between Wuhu Jinsanshi and Xinyi Solar (Hong Kong) in relation to the sales and purchase of the Automation Equipment for the six months ending 31 December 2016;
“Equipment Purchase Framework Agreements”	means collectively, the Equipment Purchase Framework Agreement (21016-1H) and the Equipment Purchase Framework Agreement (2016-2H);
“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 21 January 2016;
“Independent Third Parties”	means third parties independent from and connected with any 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 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;
“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, a non-wholly owned subsidiary of Xinyi Glass and a member of Xinyi Glass Group;
“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 (BVI)”	means Xinyi Automobile Glass (BVI) Company Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Xinyi Glass and a member of Xinyi Glass Group;
“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Xinyi Glass and a member of Xinyi Glass Group;
“Xinyi Glass Board”	means the board of Xinyi Glass Directors;
“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 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 (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, a wholly-owned subsidiary of Xinyi Solar and a member of Xinyi Solar Group;
“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; 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, 26 July 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 for the Cap Amount (Equipment) (2016-1H) and the rate of RMB0.86 = HK\$1.0 for the Cap Amount (Equipment) (2016-2H). 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, G.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](http://www.xinyiglass.com) and Xinyi Solar at [www.xinyisolar.com](http://www.xinyisolar.com).