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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**

### **(1) RENEWAL OF THE AGREEMENTS FOR THE PURCHASE OF GLASS PRODUCTS AND AUTOMATION EQUIPMENT (2) REVISION OF THE ANNUAL CAP FOR TRANSPORTATION SERVICES**

The Xinyi Solar Board and the Xinyi Glass Board wish to announce the renewal of certain continuing connected transactions for Xinyi Solar pursuant to the Renewal Agreements.

#### **PURCHASE OF GLASS PRODUCTS**

On 20 December 2016, the 2017 Glass Supply Framework Agreement was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Glass Products from Xinyi Glass Group in 2017. The Glass Products will be used by Xinyi Solar Group for its production purpose and the construction of the greenhouse within the solar farms.

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

On 20 December 2016, the 2017 Equipment Purchase Framework Agreement was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Automation Equipment from Wuhu Jinsanshi in 2017. The Automation Equipment will be used by Xinyi Solar Group as part of the production facilities for the production of solar glass products.

## **PROVISION OF TRANSPORTATION SERVICES**

On 20 December 2016, the 2017 Supplemental Transportation Service Framework Agreement was entered into pursuant to which the maximum amount of estimated cost payable to Xinhe Logistics in 2017 has been adjusted because of the increased demand for the transportation services from Xinyi Solar.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar. 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 each of the 2017 Cap Amount (Glass), 2017 Cap Amount (Equipment) and the 2017 Cap Amount (Transportation) are less than 5.0%, the transactions under each of the Renewal 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 Renewal 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 Announcements. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Joint Announcements. In the Joint Announcements, the Xinyi Solar Board and the Xinyi Glass Board announced that there were continuing connected transactions between Xinyi Solar Group and Xinyi Glass Group in respect of (a) the purchase of Glass Products under the Glass Supply Framework Agreement (2016-2H); (b) the purchase of the Automation Equipment under the Equipment Purchase Framework Agreement (2016-2H); and (c) the provision of Transportation Services under the Transportation Service Framework Agreement.

As the governing agreements for the above transactions are about to expire, the purpose of this announcement is to provide the shareholders and prospective investors of Xinyi Solar and Xinyi Glass with updated information on the Renewal Agreements for the purchase of the Glass Products and the Automation Equipment and the revision of the cap amount under the Transportation Service Framework Agreement.

The Xinyi Solar Board and the Xinyi Glass Board confirm that the above 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 GLASS PRODUCTS**

On 20 December 2016, the 2017 Glass Supply Framework Agreement was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Glass Products from Xinyi Glass Group in 2017. The Glass Products will be used by Xinyi Solar Group for its production purpose and the construction of the greenhouse within the solar farms.

**Principal terms and conditions of the 2017 Glass Supply Framework Agreement (which is the renewal of the Glass Supply Framework Agreement (2016-1H) and the Glass Supply Framework Agreement (2016-2H))**

**Date:** 20 December 2016

**Parties:** Xinyi Glass Group, *as the vendor of the Glass Products*  
Xinyi Solar Group, *as the purchaser of the Glass Products*

**Term:** One year commencing from 1 January 2017 to 31 December 2017

**Subject matter of the 2017 Glass Supply Framework Agreement:** (a) Float glass products of 10.04 million square metres to be used by Xinyi Solar Group for the production of its back glass products at the maximum purchase amount of RMB105.12 million (equivalent to HK\$117.99 million).  
(b) Construction glass products of approximately 72,000 sq. m. to be used by Xinyi Solar Group for the construction of greenhouse located in its solar farms at the maximum purchase amount of RMB8.64 million (equivalent to HK\$9.70 million).

In light of the above, the 2017 Cap Amount (Glass) is determined at RMB113.76 million (equivalent to HK\$127.69 million).

**Other terms:** All other terms and conditions of the purchase of the Glass Products will remain unchanged. Further information on which is set forth in the announcement of the Company dated 29 June 2016.

**Determination of the 2017 Cap Amount (Glass Products):** The 2017 Cap Amount (Glass Products) is determined taking into consideration the expected purchase volume required and the estimated purchase prices of the float glass and the construction glass during the term of the 2017 Glass Supply Framework Agreement.

**Governing law:** The law of the PRC

**PURCHASE OF AUTOMATION EQUIPMENT**

On 20 December 2016, the 2017 Equipment Purchase Framework Agreement was entered into pursuant to which Xinyi Solar Group has agreed to continue to purchase the Automation Equipment from Xinyi Glass Group in 2017. 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 and conditions of the 2017 Equipment Purchase Framework Agreement (which is the renewal of the Equipment Purchase Framework Agreement (2016-1H) and the Equipment Purchase Framework Agreement (2016-2H))**

**Date:** 20 December 2016

**Parties:** Wuhu Jinsanshi, *as the vendor of the Automation Equipment*  
  
Xinyi Solar (Hong Kong) acting for members of the Xinyi Solar Group, *as the purchaser of the Automation Equipment*

**Term:** One year commencing from 1 January 2017 to 31 December 2017

**Subject matter of the 2017 Equipment Purchase Framework Agreement:** 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.

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.

**Other terms:**

The maximum total purchase price is expected to be RMB40.0 million (equivalent to HK\$44.9 million), the payment terms of which will be identical to the Equipment Purchase Framework Agreement (2016-2H).

All other terms and conditions of the purchase of the Automation Equipment will remain unchanged. Further information on which is set forth in the announcement of the Company dated 26 July 2016.

**Determination of the 2017  
Cap Amount  
(Equipment):**

The 2017 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

**PROVISION OF TRANSPORTATION SERVICES**

On 20 December 2016, the 2017 Supplemental Transportation Service Framework Agreement was entered into for the sole purpose of increasing the expected annual transportation volume of glass products produced by and raw materials used by Xinyi Solar Group in 2017 from 1.04 million tonnes to 2.08 million tonnes.

**Principal terms and conditions of the 2017 Supplemental Transportation Service Framework Agreement**

**Date:** 20 December 2016

**Parties:** Xinhe Logistics, *as the service provider of the Transportation Services*

Xinyi Solar (Wuhu), acting for members of the Xinyi Solar Group, *as the party sourcing the Transportation Services*

<b>Term:</b>	One year commencing from 1 January 2017 to 31 December 2017
<b>Subject matter of the 2017 Supplemental Transportation Service Framework Agreement:</b>	<p>Upon the request of Xinyi Solar (Wuhu), Xinhe Logistics shall provide road and river transportation services in the PRC for the glass products and the raw materials for members of the Xinyi Solar Group. Xinyi Solar Group will not be obliged to use the Transportation Services on an exclusive basis.</p> <p>The expected annual transportation volume of glass products produced by and raw materials used by Xinyi Solar Group in 2017 will be 2.08 million tonnes. The increase is due to the increase in the production volume of Xinyi Solar Group.</p>
<b>Determination and payment of the Transportation Services:</b>	<p>Based on the current applicable freight rates in the PRC, the estimated cost payable by Xinyi Solar Group to Xinhe Logistics for the Transportation Services in 2017 will be RMB187.0 million (equivalent to HK\$209.9 million).</p> <p>The cost for the Transportation Services will be determined from time to time with reference to the prevailing standard freight rates charged by other independent transportation service providers for comparable transactions during the same period.</p>
<b>Other terms:</b>	All other terms and conditions of the provision of the Transportation Services will remain unchanged. Further information on which is set forth in the announcement of the Company dated 12 August 2015.
<b>Determination of the 2017 Revised Cap Amount (Transportation Services):</b>	The 2017 Revised Cap Amount (Transportation Services) is determined on an arm's length basis upon normal commercial terms with reference to, and cannot be higher and less favorable than, the standard freight rates charged by Independent Third Parties.
<b>Governing law:</b>	The law of the PRC

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWAL AGREEMENTS**

The Renewal Agreements represent the continuation of the existing products or services currently provided by Xinyi Glass Group to Xinyi Solar Group on an arm's length basis upon normal commercial terms.

### **2017 Glass Supply Framework Agreement**

Xinyi Solar Group has been purchasing float glass and construction glass products since 2015 because of its production requirements and the construction of the greenhouse within the solar farms. The Xinyi Solar Board considers that the 2017 Glass Supply Framework Agreement, which is a continuation of the previous agreements, regulates the business relationship between Xinyi Glass Group and Xinyi Solar Group on the purchase of the Glass Products. The Xinyi Solar Directors confirm that the 2017 Glass Supply Framework Agreement is entered into in the ordinary and usual course of business of Xinyi Solar and will provide Xinyi Solar Group with a convenient and cost-effective source of glass products with savings in transportation and handling costs due to the close proximity of the production facilities and enables Xinyi Solar Group to continue to secure a stable and reliable supply of the Glass Products.

### **2017 Equipment Purchase Framework Agreement**

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. The 2017 Equipment Purchase Framework Agreement, which is a continuation of the previous agreements, sets forth all terms and conditions for the purchase of Automation Equipment, and it enables Xinyi Solar Group to continue to purchase the Automation Equipment as part of its production facilities.

### **2017 Supplemental Transportation Service Framework Agreement**

The 2017 Supplemental Transportation Service Framework Agreement contains the same terms and conditions as in the Transportation Service Framework Agreement except for the 2017 Revised Cap Amount (Transportation Services).

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 Renewal Agreements to be of a term of one year. The Xinyi Solar Directors and the Xinyi Glass Directors will review the market conditions and will decide whether renewal of the Agreements 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 Renewal Agreements have 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 2017 Glass Supply Framework Agreement, the 2017 Equipment Purchase Framework Agreement and the 2017 Supplemental Transportation Service Framework Agreement are entered into in the ordinary and usual course of business of Xinyi Glass Group and will broaden its revenue base.

As each of the following Xinyi Solar Directors, namely Datuk LEE Yin Yee, B.B.S., Datuk 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 Renewal Agreements.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar. 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 each of the 2017 Cap Amount (Glass), 2017 Cap Amount (Equipment) and the 2017 Cap Amount (Transportation) are less than 5.0%, the transactions under each of the Renewal 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 Renewal 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 sales 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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|---|---|
| <b>“2017 Cap Amount (Equipment)”</b>                                  | means the maximum purchase amount of the Automation Equipment under the 2017 Equipment Purchase Supply Agreement of RMB40.0 million (equivalent to HK\$44.9 million);   |
| <b>“2017 Cap Amount (Glass Products)”</b>                             | means the maximum purchase amount of the Glass Products under the 2017 Glass Supply Framework Agreement of RMB113.76 million (equivalent to HK\$127.69 million);  |
| <b>“2017 Equipment Purchase Framework Agreement”</b>                  | means the equipment purchase framework agreement dated 20 December 2016 entered into between Wuhu Jinsanshi and Xinyi Solar (Hong Kong) in relation to the sales and purchase of the Automation Equipment;  |
| <b>“2017 Glass Supply Framework Agreement”</b>                        | means the glass supply framework agreement dated 20 December 2016 in relation to the sales and purchase of the Glass Products;  |
| <b>“2017 Revised Cap Amount (Transportation)”</b>                     | means the maximum cost of the Transportation Services under the 2017 Supplemental Transportation Service Framework Agreement of RMB187.0 million (equivalent to HK\$209.9 million);   |
| <b>“2017 Supplemental Transportation Service Framework Agreement”</b> | means the glass transportation supplemental service framework agreement dated 20 December 2016 entered into between Xinhe Logistics and Xinyi Solar (Wuhu) for the provision of the Transportation Services for the year ending 31 December 2017; |

<b>“Automation Equipment”</b>	means the automation equipment including papering stacker, coating machine and conveyor purchased or to be purchased by Xinyi Solar Group from Wuhu Jinsanshi;
<b>“connected person(s)”</b>	has the meaning ascribed thereto under the Listing Rules;
<b>“Equipment Purchase Framework Agreement (2016-1H)”</b>	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;
<b>“Equipment Purchase Framework Agreement (2016-2H)”</b>	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;
<b>“Glass Products”</b>	means the float glass and the construction glass products to be sold by Xinyi Glass Group to Xinyi Solar Group under the Glass Supply Framework Agreement;
<b>“Glass Supply Framework Agreement (2016-1H)”</b>	means the glass supply framework agreement dated 23 December 2015 in relation to the sales and purchase of the Glass Products for the six months ended 30 June 2016;
<b>“Glass Supply Framework Agreement (2016-2H)”</b>	means the glass supply framework agreement dated 29 June 2016 in relation to the sales and purchase of the Glass Products for the six months ending 31 December 2016;
<b>“Hong Kong”</b>	means The Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Hong Kong dollars” or “HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;

<b>“Independent Third Parties”</b>	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);
<b>“Joint Announcements”</b>	means the joint announcement of Xinyi Solar and Xinyi Glass dated 12 August 2015, 29 June 2016, and 26 July 2016;
<b>“Listing Rules”</b>	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Main Board”</b>	means the main board of the Stock Exchange;
<b>“PRC”</b>	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;
<b>“Renewal Agreements”</b>	means collectively, the 2017 Equipment Purchase Framework Agreement; the 2017 Glass Supply Framework Agreement and the 2017 Supplemental Transportation Services Framework Agreement;
<b>“Renminbi” or “RMB”</b>	means Renminbi yuan, the lawful currency of the PRC;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“substantial shareholder”</b>	has the meaning ascribed thereto under the Listing Rules;
<b>“Transportation Services”</b>	means the road and river transportation services in the PRC to be provided by Xinhe Logistics for the Glass products produced by Xinyi Solar Group under the Transportation Service Agreement and the 2017 Supplemental Transportation Service Framework Agreement;

<b>“Transportation Service Framework Agreement”</b>	means the glass transportation service framework agreement dated 12 August 2015 entered into between Xinhe Logistics and Xinyi Solar (Wuhu) for the provision of the Transportation Services from the period 12 August 2015 to 31 December 2017;
<b>“Wuhu Jinsanshi”</b>	means Wuhu Jinsanshi Numerical Control Technology Co. Ltd. (蕪湖金三氏數控科技有限公司), a limited liability company established in the PRC, a non-wholly owned subsidiary of Xinyi Glass and a member of Xinyi Glass Group;
<b>“Xinhe Logistics”</b>	means Wuhu Xinhe Logistics Company Limited (蕪湖信和物流有限公司) a limited liability company established in the PRC on 27 June 2014 and a wholly-owned subsidiary of Xinyi EnergySmart (Wuhu);
<b>“Xinyi EnergySmart (Wuhu)”</b>	means Xinyi EnergySmart (Wuhu) Co. Limited (信義節能玻璃(蕪湖)有限公司), a limited liability company established in the PRC on 6 March 2007 and a wholly-owned subsidiary of Xinyi Glass;
<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 Main Board (stock code: 00868);
<b>“Xinyi Glass Board”</b>	means the board of Xinyi Glass Directors;
<b>“Xinyi Glass Directors”</b>	means the directors (including the independent non-executive directors) of Xinyi Glass;

<b>“Xinyi Glass Group”</b>	means Xinyi Glass and its subsidiaries;
<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 Main Board (stock code: 00968);
<b>“Xinyi Solar (Hong Kong)”</b>	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;
<b>“Xinyi Solar Board”</b>	means the board of Xinyi Solar Directors;
<b>“Xinyi Solar Directors”</b>	means the directors (including the independent non-executive directors) of Xinyi Solar;
<b>“Xinyi Solar Group”</b>	means Xinyi Solar and its subsidiaries;
<b>“Xinyi Solar (Wuhu)”</b>	means Xinyi PV Products (Anhui) Holdings Ltd. (信義光伏產業(安徽)控股有限公司), a limited liability company established in the PRC on 6 March 2007 and a wholly-owned subsidiary of Xinyi Solar; and
<b>“%”</b>	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, 20 December 2016

*For the purpose of this announcement, the exchange rate of RMB0.8909 to HK\$1.0 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amounts in HK\$ or RMB have been, could have been or may be converted at such rate.*

*As of the date of this announcement, the Xinyi Solar Board comprises four executive directors, namely Datuk 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, Datuk 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.hk](http://www.xinyiglass.com.hk) and Xinyi Solar at [www.xinyisolar.com](http://www.xinyisolar.com).*