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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

(A) CONTINUING CONNECTED TRANSACTIONS OF XINYI SOLAR

IN RELATION TO

(1) PURCHASE AGREEMENTS FOR THE PURCHASE OF AUTOMATION EQUIPMENT AND GLASS PRODUCTS

AND

(2) LEASE AGREEMENTS

AND

(B) VOLUNTARY ANNOUNCEMENT BY XINYI GLASS

PURCHASE OF AUTOMATION EQUIPMENT

On 21 December 2017 (after trading hours), the 2018 Equipment Purchase Framework Agreement was entered into, pursuant to which Xinyi Solar (Hong Kong) a wholly-owned subsidiary of Xinyi Solar, (for and on behalf of itself and its subsidiaries) agreed to purchase the Automation Equipment from Wuhu Jinsanshi, a non-wholly owned subsidiary of Xinyi Glass, in 2018. The Automation Equipment will be used by Xinyi Solar (Hong Kong) and its subsidiaries as part of the production facilities for the production of solar glass products.

PURCHASE OF GLASS PRODUCTS

On 21 December 2017 (after trading hours), the 2018 Glass Supply Framework Agreement was entered into, pursuant to which Xinyi Solar Group agreed to purchase the Glass Products from Xinyi Glass (Hong Kong), a wholly-owned subsidiary of Xinyi Glass, and its subsidiaries in 2018. The Glass Products will be used by Xinyi Solar Group for its production of back glass products and the construction of the greenhouse within its solar farms.

LEASES OF OFFICE PREMISES BY XINYI SOLAR GROUP FROM XINYI GLASS GROUP

Xinyi Solar PRC Lease

On 21 December 2017 (after trading hours), the Xinyi Solar PRC Lease was entered into, pursuant to which Xinyi Solar (Wuhu), a wholly-owned subsidiary of Xinyi Solar, agreed to lease from Xinyi Energy Smart (Wuhu), a wholly-owned subsidiary of Xinyi Glass, an office premises in Wuhu, Anhui Province, the PRC.

Xinyi Energy PRC Lease

On 21 December 2017 (after trading hours), the Xinyi Energy PRC Lease was entered into, pursuant to which Xinyi Energy (Hong Kong), a non-wholly owned subsidiary of Xinyi Solar, agreed to lease from Xinyi Energy Smart (Wuhu), a wholly-owned subsidiary of Xinyi Glass, an office premises in Wuhu, Anhui Province, the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Since Xinyi Glass is a substantial shareholder of Xinyi Solar and owned 29.5% 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), Xinyi Glass and its subsidiaries are connected persons at issuer level of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules and the transactions contemplated under the Purchase Agreements and Lease Agreements constitute continuing connected transactions of Xinyi Solar.

As the 2018 Equipment Purchase Framework Agreement and the 2018 Glass Supply Framework Agreement have been entered into within the same 12-month period between Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, Xinyi Solar has aggregated them and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to each of the 2018 Cap Amount (Glass Products) and the 2018 Cap Amount (Equipment) on a stand-alone basis, and (ii) with reference to the 2018 Cap Amount (Glass Products) and 2018 Cap Amount (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements 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 Xinyi Solar PRC Lease, the Xinyi Energy PRC Lease, together with the other lease agreements entered into between Xinyi Glass Group and Xinyi Solar Group for lease of certain factory premises in the PRC (details of which were disclosed in the joint announcement issued by Xinyi Glass and Xinyi Solar on 21 January 2016) have been entered into or completed between Xinyi Glass Group and Xinyi Solar Group within the same 12-month period, Xinyi Solar has aggregated them and treated all of such leases as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated with reference to the Cap Amount (Xinyi Solar PRC Lease), Cap Amount (Xinyi Energy PRC Lease) and Cap Amount (Previous Leases) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Lease Agreements 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.

VOLUNTARY ANNOUNCEMENT BY XINYI GLASS

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

BACKGROUND INFORMATION OF THE PURCHASE AGREEMENTS

The Xinyi Solar Board and the Xinyi Glass Board refer to the 2016 Joint Announcement. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the 2016 Joint Announcement. In the 2016 Joint Announcement, the Xinyi Solar Board and the Xinyi Glass Board announced that there have been continuing connected transactions between Xinyi Solar Group and Xinyi Glass Group in respect of (a) the purchase of float glass and architectural glass products under 2017 Glass Supply Framework Agreement; and (b) the purchase of automation equipment including papering stacker, coating machine and conveyor under the 2017 Equipment Purchase Framework Agreement.

As the governing agreements for the above transactions are about to expire, Xinyi Glass Group and Xinyi Solar Group entered into the Purchase Agreements to secure the supply of the Glass Products and the Automation Equipment. The purpose of this joint announcement is to provide the shareholders and prospective investors of Xinyi Solar and Xinyi Glass with information on the Purchase Agreements for the purchase of the Glass Products and the Automation Equipment.

PURCHASE OF AUTOMATION EQUIPMENT

On 21 December 2017 (after trading hours), the 2018 Equipment Purchase Framework Agreement was entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) as purchaser, pursuant to which Xinyi Solar (Hong Kong) and its subsidiaries agreed to purchase the Automation Equipment from Wuhu Jinsanshi in 2018. The Automation Equipment will be used by Xinyi Solar (Hong Kong) and its subsidiaries as part of the production facilities for the production of solar glass products.

Principal terms of the 2018 Equipment Purchase Framework Agreement

The following sets forth the principal terms of the 2018 Equipment Purchase Framework Agreement:

Date: 21 December 2017

Parties: Wuhu Jinsanshi, a company owned by Xinyi Glass as to 85.66% and principally engaged in manufacturing of automatic machines for solar glass factory and other glass related industry, *as supplier of the Automation Equipment*

Xinyi Solar (Hong Kong), a wholly-owned subsidiary of Xinyi Solar and principally engaged in trading of solar glass products, (for and on behalf of itself and its subsidiaries) *as purchaser of the Automation Equipment*

Term:	One year commencing from 1 January 2018 to 31 December 2018
Subject matter of the 2018 Equipment Purchase Framework Agreement:	<p>Xinyi Solar (Hong Kong) and its subsidiaries will purchase the Automation Equipment from Wuhu Jinsanshi. The Automation Equipment must satisfy the requirements and the specifications provided by the Xinyi Solar (Hong Kong) or its subsidiaries. Before confirming the acceptance of delivery, the Automation Equipment must be installed by Wuhu Jinsanshi at such locations as designated by Xinyi Solar (Hong Kong) or its subsidiaries and must be tested and trial run to the satisfaction of the Xinyi Solar (Hong Kong) or its subsidiaries within five days of delivery.</p> <p>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 from the date of delivery of all Automation Equipment if there is any delay in the acceptance of delivery. During the warranty period, Wuhu Jinsanshi will provide on-site guidance and repair and replacement services for free.</p>
Estimated Purchase Price:	<p>The aggregate estimated purchase price will be RMB62.4 million (equivalent to HK\$73.7 million), which shall be payable in cash in four instalments as follows:-</p> <ul style="list-style-type: none"> (a) 10% of the aggregate purchase price, within ten business days in the PRC after the date of the respective purchase contract entered into subsequently pursuant to the 2018 Equipment Purchase Framework Agreement, under such purchase contract; (b) 50% of the purchase price of the relevant Automation Equipment, within five business days in the PRC before the proposed date of delivery of the relevant Automation Equipment; (c) 30% of the purchase price of the relevant Automation Equipment being accepted for delivery, within 15 business days in the PRC after the date of the acceptance certificate issued by Xinyi Solar (Hong Kong) or its subsidiaries; and (d) 10% of the purchase price of the relevant Automation Equipment having been accepted for delivery, within 15 business days in the PRC from the expiry of the warranty period.

The aggregate estimated purchase price of the Automation Equipment was determined with reference to the current market price of similar equipment.

The actual purchase price of each of the Automation Equipment will be determined by Wuhu Jiansanshi and Xinyi Solar (Hong Kong) or its subsidiaries on an arm's length basis from time to time with reference to the then market price of comparable equipment and shall not be higher than the price of comparable equipment sold by Wuhu Jiansanshi to third parties.

Other terms and conditions:

Wuhu Jiansanshi has provided representations and warranties customary for contracts for sale and purchase of automation equipment, such as confidentiality obligation, due compliance with the applicable quality and safety standards and the provision of after-sales services in addition to the warranty period, and indemnities against infringement of third parties' intellectual property rights in relation to the Automation Equipment or its technologies.

Annual caps and determination basis

The 2018 Cap Amount (Equipment) under the 2018 Equipment Purchase Framework Agreement for the year ending 31 December 2018 will be RMB62.4 million (equivalent to HK\$73.7 million). It is determined by Wuhu Jiansanshi and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) on an arm's length basis with reference to the current market price of similar equipment and historical purchase price paid for Automation Equipment by Xinyi Solar Group to Xinyi Glass Group.

PURCHASE OF GLASS PRODUCTS

On 21 December 2017 (after trading hours), the 2018 Glass Supply Framework Agreement was entered into between Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) as supplier and Xinyi Solar (for and on behalf of itself and its subsidiaries) as purchaser, pursuant to which Xinyi Solar Group agreed to purchase the Glass Products from Xinyi Glass (Hong Kong) and its subsidiaries in 2018. The Glass Products will be used by Xinyi Solar Group for its production of back glass products and the construction of greenhouse located in its solar farms.

Principal terms of the 2018 Glass Supply Framework Agreement

The following sets forth the principal terms of the 2018 Glass Supply Framework Agreement:

- Date:** 21 December 2017
- Parties:** Xinyi Glass (Hong Kong), a wholly-owned subsidiary of Xinyi Glass and an investment holding and trading company, (for and on behalf of itself and its subsidiaries), *as supplier of the Glass Products*
- Xinyi Solar (for and on behalf of itself and its subsidiaries), *as purchaser of the Glass Products*
- Term:** One year commencing from 1 January 2018 to 31 December 2018
- Subject matter of the 2018 Glass Supply Framework Agreement and the purchase price:** Xinyi Solar Group will purchase from Xinyi Glass (Hong Kong) and its subsidiaries the following Glass Products:
- (a) Float glass products of 98,000 tonnes, the estimated aggregate purchase price of which was RMB168.4 million (equivalent to HK\$198.9 million), to be used by Xinyi Solar Group for the production of its back glass products.
 - (b) Architectural glass products of approximately 100,000 square meters, the estimated aggregate purchase price of which was RMB10.3 million (equivalent to HK\$12.2 million), to be used by Xinyi Solar Group for the construction of greenhouse located in its solar farms.

The estimated aggregate purchase price of the Glass Products, being RMB178.7 million (equivalent to HK\$211.1 million) was determined with reference to the current market price and the expected purchase volume as may be required by Xinyi Solar Group. The actual purchase price of the Glass Products which shall be payable in cash or by bills with maturity of less than six months at the time of delivery of the Glass Products will be determined with reference to the then market price and subject to the actual situation.

Annual caps and determination basis

The 2018 Cap Amount (Glass Products) under the 2018 Glass Supply Framework Agreement for the year ending 31 December 2018 will be RMB178.7 million (equivalent to HK\$211.1 million). It is determined by Xinyi Glass Group and Xinyi Solar Group on an arm's length basis with reference to the current market price, the expected purchase volume of the Glass Products as may be required by Xinyi Solar Group in 2018 and the historical purchase price of the Glass Products paid by Xinyi Solar Group to Xinyi Glass Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE AGREEMENTS

The Purchase Agreements represent the continuation of supply of the Automation Equipment and Glass Products currently provided by Xinyi Glass Group to Xinyi Solar Group on an arm's length basis upon normal commercial terms.

2018 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 2018 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 for the production of solar glass products.

2018 Glass Supply Framework Agreement

Xinyi Solar Group has been purchasing the Glass Products since April 2015 because of its production of back glass products and the construction of the greenhouse within its solar farms. The Xinyi Solar Board considers that the 2018 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 2018 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.

As the market conditions may change from time to time, the Xinyi Solar Directors consider that it would be appropriate for the Purchase Agreements to be fixed for a term of one year. The Xinyi Solar Directors will review the market conditions and will decide whether renewal of the Purchase Agreements would be appropriate and in the best interest of Xinyi Solar Group and its shareholders as a whole.

BACKGROUND INFORMATION OF LEASE AGREEMENTS

On 21 December 2017 (after trading hours), each of the Xinyi Solar PRC Lease and the Xinyi Energy PRC Lease were entered into, pursuant to which Xinyi Solar (Wuhu) and Xinyi Energy (Hong Kong), respectively, agreed to lease from Xinyi Energy Smart (Wuhu) an office premises in Wuhu, Anhui Province, the PRC.

XINYI SOLAR PRC LEASE

On 21 December 2017 (after trading hours), Xinyi Energy Smart (Wuhu) as lessor and Xinyi Solar (Wuhu) as lessee entered into the Xinyi Solar PRC Lease. A summary of the Xinyi Solar PRC Lease is set forth below.

Date:	21 December 2017
Parties:	Xinyi Energy Smart (Wuhu), a wholly-owned subsidiary of Xinyi Glass and principally engaged in manufacturing of float glass and architectural glass in the PRC, <i>as lessor</i> Xinyi Solar (Wuhu), a wholly-owned subsidiary of Xinyi Solar and principally engaged in manufacturing of solar glass in the PRC, <i>as lessee</i>
Property	Part of the property located at 13th Floor, Xinyi Research and Development Centre, 23 Wuyishan Road, Wuhu Economic Development Zone, Anhui Province, PRC with a gross floor area of 895.16 sq.m. and the facilities therein.
Term:	Three years commencing from 1 January 2018 to 31 December 2020.

Rent, deposit and payment: Fixed monthly rent of RMB32,226 (equivalent to approximately HK\$38,061), which was determined with reference to the current market rental by independent valuation, shall be payable on the last day of each and every calendar month. If the lessee defaults in payment of the rent on the due date, the lessee shall pay a fine at the rate of 0.5% of the monthly rent per day calculated on the actual number of days elapsed.

No deposit is required.

Use: Office premises.

Annual caps and determination basis

There is no historical figure for the transactions contemplated under the Xinyi Solar PRC Lease as this is a new transaction between Xinyi Solar Group and Xinyi Glass Group. The proposed annual caps under the Xinyi Solar PRC Lease for the three years ending 31 December 2020 are set forth below:

	For the year ending		
	31 December		
Annual caps	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Xinyi Solar PRC Lease Agreement	457	457	457

The Cap Amount (Xinyi Solar PRC Lease) was determined with reference to the aggregate of the monthly rental payable under the Xinyi Solar PRC Lease.

XINYI ENERGY PRC LEASE

On 21 December 2017 (after trading hours), Xinyi Energy Smart (Wuhu) as lessor and Xinyi Energy (Hong Kong) as lessee entered into the Xinyi Energy PRC Lease. A summary of the Xinyi Energy PRC Lease is set forth below.

Date: 21 December 2017

Parties: Xinyi Energy Smart (Wuhu), a wholly-owned subsidiary of Xinyi Glass and principally engaged in manufacturing of float glass and architectural glass in the PRC, *as lessor*

Xinyi Energy (Hong Kong), a subsidiary of Xinyi Solar owned by Xinyi Solar as to 75% and principally engaged in investment holding, *as lessee*

Property	Part of the property located at 13th Floor, Xinyi Research and Development Centre, 23 Wuyishan Road, Wuhu Economic Development Zone, Anhui Province, PRC with a gross floor area of 600 sq.m. and the facilities therein.
Term:	Three years commencing from 1 January 2018 to 31 December 2020.
Rent, deposit and payment:	Fixed monthly rent of RMB21,600 (equivalent to approximately HK\$25,511), which was determined with reference to the current market rental by independent valuation, shall be payable on the last day of each and every calendar month. If the lessee defaults in payment of the rent on the due date, the lessee shall pay a fine at the rate of 0.5% of the monthly rent per day calculated on the actual number of days elapsed. No deposit is required.
Use:	Office premises.

Annual caps and determination basis

There is no historical figure for the transactions contemplated under the Xinyi Energy PRC Lease as this is a new transaction to be entered into between Xinyi Solar Group and Xinyi Glass Group. The proposed annual caps under the Xinyi Energy PRC Lease for the three years ending 31 December 2020 are set forth below:

	For the year ending		
	31 December		
	2018	2019	2020
Annual caps	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Xinyi Energy PRC Lease Agreement	306.2	306.2	306.2

The Cap Amount (Xinyi Energy PRC Lease) was determined with reference to the aggregate of the monthly rental payable under the Xinyi Energy PRC Lease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

The properties leased under the Xinyi Solar PRC Lease Agreement and the Xinyi Energy PRC Lease Agreement will be used by Xinyi Solar (Wuhu) and Xinyi Energy (Hong Kong) as their respective office in Anhui Province in the PRC. The Xinyi Solar Board has considered the business needs of Xinyi Solar Group and is of the

view that the additional office spaces is required for the operation and growth of Xinyi Solar Group and that the Lease Agreements would generate benefits to Xinyi Solar Group as a whole as (i) the office premises are ideally located with easy access to the town centre as well as the manufacturing facilities of Xinyi Solar Group and (ii) the building are newly constructed with comprehensive office facilities which are not commonly available in other commercial buildings in the nearby area.

GENERAL INFORMATION OF XINYI GLASS GROUP AND XINYI SOLAR GROUP AND XINYI SOLAR DIRECTOR'S VIEW ON THE TRANSACTIONS CONTEMPLATED UNDER THE PURCHASE AGREEMENTS AND THE LEASE AGREEMENTS

Xinyi Glass Group is principally engaged in the production and sale of a wide range of glass products, including automobile glass, architectural glass, float glass and other glass products for different commercial and industrial applications. All issued shares of Xinyi Glass are listed on the Main Board.

Xinyi Solar Group is principally engaged in the production and sale of solar glass products, which are carried out internationally, through its production complexes in the PRC and Malaysia. In addition, Xinyi Solar Group is also engaged in the development and operation of solar farms and the engineering, procurement and construction services of solar farms in the PRC. All issued shares of Xinyi Solar are listed on the Main Board.

The Xinyi Solar Directors (including the independent non-executive directors) consider that the transactions contemplated under the Purchase Agreements and Lease Agreements have been entered into (a) in the ordinary and usual course of the business of Xinyi Solar; (b) on normal commercial terms; (c) on terms that are fair and reasonable; and (d) in the interests of Xinyi Solar and its shareholders as a whole.

As each of the following Xinyi Solar Directors, namely Datuk LEE Yin Yee, B.B.S., Tan Sri 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 Xinyi Solar Board resolutions approving the Purchase Agreements and Lease Agreements.

IMPLICATIONS UNDER THE LISTING RULES

Since Xinyi Glass is a substantial shareholder of Xinyi Solar and owned 29.5% 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), Xinyi Glass and its subsidiaries are connected persons at issuer level of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules and the transactions contemplated under the Purchase Agreements and Lease Agreements constitute continuing connected transactions of Xinyi Solar.

As the 2018 Equipment Purchase Framework Agreement and the 2018 Glass Supply Framework Agreement have been entered into within the same 12-month period between Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, Xinyi Solar has aggregated them and treated them as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to each of the 2018 Cap Amount (Glass Products) and the 2018 Cap Amount (Equipment) on a stand-alone basis, and (ii) with reference to the 2018 Cap Amount (Glass Products) and 2018 Cap Amount (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements 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 Xinyi Solar PRC Lease, Xinyi Energy PRC Lease, together with the other lease agreements entered into between Xinyi Glass Group and Xinyi Solar Group for leases of certain factory premises in the PRC (details of which were disclosed in the joint announcement of Xinyi Glass and Xinyi Solar dated 21 January 2016) have been entered into or completed between Xinyi Glass Group and Xinyi Solar Group within the same 12-month period, Xinyi Solar has aggregated them and treated all of such leases as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated with reference to the Cap Amount (Xinyi Solar PRC Lease), Cap Amount (Xinyi Energy PRC Lease) and Cap Amount (Previous Leases) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Lease Agreements 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.

VOLUNTARY ANNOUNCEMENT BY XINYI GLASS

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

DEFINITIONS

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

“2016 Joint Announcement”	means the joint announcement of Xinyi Solar and Xinyi Glass dated 20 December 2016;
“2018 Cap Amount (Equipment)”	means the maximum purchase amount of the Automation Equipment under the 2018 Equipment Purchase Framework Agreement, being RMB62.4 million (equivalent to HK\$73.7 million);
“2018 Cap Amount (Glass Products)”	means the maximum purchase amount of the Glass Products under the 2018 Glass Supply Framework Agreement, being RMB178.7 million (equivalent to HK\$211.1 million);
“2018 Equipment Purchase Framework Agreement”	means the equipment purchase framework agreement dated 21 December 2017 entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) as purchaser in relation to the sale and purchase of the Automation Equipment;
“2018 Glass Supply Framework Agreement”	means the glass supply framework agreement dated 21 December 2017 entered into between Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) as supplier and Xinyi Solar (for and on behalf of itself and its subsidiaries) as purchaser in relation to the sale and purchase of the Glass Products;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Automation Equipment”	means the automation equipment including glass papering stacker, transition wired device, anti-reflective film coating line as well as the modification and upgrade of certain existing production facilities to be purchased by Xinyi Solar (Hong Kong) and its subsidiaries from Wuhu Jinsanshi;

“Cap Amount (Previous Leases)”	means the maximum annual amount of lease payments under (a) the renewed agreement for the lease agreement dated 1 September 2013 entered into between Xinyi Energy Smart (Wuhu) (as lessor) and Xinyi Solar (Wuhu) (as lessee) in respect of certain factory premises in Wuhu, Anhui Province, PRC of 11,000 sq.m.; (b) the renewed agreement for 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, PRC of 28,680 sq.m.; and (c) the renewed agreement for the lease agreement dated 1 September 2013 entered into between Xinyi Solar (Wuhu) (as lessor) and Xinyi Energy Smart (Wuhu) (as lessee) in respect of certain factory premises in Wuhu, Anhui Province, PRC of 11,000 sq.m., being HK\$7,033,000, details of the said leases have been disclosed in the joint announcement of Xinyi Solar and Xinyi Glass dated 21 January 2016;
“Cap Amount (Xinyi Energy PRC Lease)”	means the maximum annual amount of lease payment under the Xinyi Energy PRC Lease, being HK\$306,200;
“Cap Amount (Xinyi Solar PRC Lease)”	means the maximum annual amount of lease payment under the Xinyi Solar PRC Lease, being HK\$457,000;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Glass Products”	means the float glass and the architectural glass products to be purchased by Xinyi Solar Group from Xinyi Glass (Hong Kong) and its subsidiaries under the 2018 Glass Supply Framework Agreement;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Lease Agreements”	means collectively, the Xinyi Solar PRC Lease and the Xinyi Energy PRC Lease;
“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 joint announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
“Purchase Agreements”	means collectively, the 2018 Glass Supply Framework Agreement and the 2018 Equipment Purchase Framework Agreement;
“Renminbi” or RMB”	means Renminbi yuan, the lawful currency of the PRC;
“sq.m”	square meter;
“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 Energy (Hong Kong)”	means Xinyi Energy (Hong Kong) Limited (信義能源(香港)有限公司), a limited liability company incorporated in Hong Kong and a non-wholly owned subsidiary of Xinyi Solar;
“Xinyi Energy PRC Lease”	means the lease agreement dated 21 December 2017 entered into between Xinyi Energy (Hong Kong) and Xinyi Energy Smart (Wuhu) in relation to the lease of an office premises in Wuhu, Anhui Province, the PRC;

“Xinyi Energy Smart (Wuhu)”	means 信義節能玻璃(蕪湖)有限公司 (Xinyi Energy Smart (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 issued 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 and a wholly-owned subsidiary of Xinyi Glass;
“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 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 and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass Board”	means the board of Xinyi Glass Directors;
“Xinyi Glass Directors”	means the 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 issued 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 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);

“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 and a wholly-owned subsidiary of Xinyi Solar; and
“Xinyi Solar Board”	means the board of Xinyi Solar Directors;
“Xinyi Solar Directors”	means the directors of Xinyi Solar;
“Xinyi Solar Group”	means Xinyi Solar and its subsidiaries;
“Xinyi Solar PRC Lease”	means the lease agreement dated 21 December 2017 entered into between Xinyi Solar (Wuhu) and Xinyi Energy Smart (Wuhu) in relation to the lease of an office premises in Wuhu, Anhui Province, the PRC; and
“%”	means per cent.

By order of the board of directors of Xinyi Solar Holdings Limited LEE Yau Ching <i>Executive Director and Chief Executive Officer</i>	By order of the board of directors of Xinyi Glass Holdings Limited Datuk LEE Yin Yee, B.B.S. <i>Chairman</i>
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Hong Kong, 21 December 2017

** For identification only.*

Unless the context requires otherwise, the translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8467 = 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 Xinyi Solar Board comprises four executive directors, namely Tan Sri 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 joint 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, Tan Sri Datuk TUNG Ching Sai and Mr. LEE Shing Kan, four non-executive directors, namely Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and five independent non-executive directors, namely Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., JP, Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.

This joint announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk, Xinyi Glass at www.xinyiglass.com and Xinyi Solar at www.xinyisolar.com.