

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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) CONNECTED TRANSACTION FOR XINYI SOLAR, AND (B) VOLUNTARY ANNOUNCEMENT FOR XINYI GLASS IN RESPECT OF SALE AND PURCHASE OF MALAYSIA LAND PARCEL

SALE AND PURCHASE OF THE MALAYSIA LAND PARCEL

On 4 May 2018, Xinyi Solar Malaysia (a wholly-owned subsidiary of Xinyi Solar) entered into the Sale and Purchase Agreement with Xinyi Energy Smart (a wholly-owned subsidiary of Xinyi Glass), pursuant to which Xinyi Solar Malaysia agreed to acquire, and Xinyi Energy Smart agreed to sell, the Malaysia Land Parcel at an aggregate consideration of RM73,213,423.50 (translated into approximately HK\$148,696,463). The Malaysia Land Parcel forms a portion of the XYG Land Parcel, (1) which Xinyi Energy Smart agreed to purchase from PKNM, an independent third party on 14 March 2017, and (2) the title of which is being transferred to Xinyi Energy Smart. Xinyi Solar Group intends to use the Malaysia Land Parcel, which is located adjacent to its existing manufacturing site in Malacca, Malaysia, to expand its solar glass product manufacturing facilities in Malaysia as well as the sales and marketing prospects of its solar glass products to overseas customers, particularly for those in the South East Asia region, India and Europe.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this joint announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar and owns 29.5% of the issued share capital of Xinyi Solar, directly and indirectly, through its wholly-owned subsidiaries, namely Xinyi Automobile Glass (BVI) Company Limited and Xinyi Group (Glass) Company Limited. As such, Xinyi Glass and its subsidiaries (including Xinyi Energy Smart) are connected persons at issuer level of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules and the Sale and Purchase contemplated under the Sale and Purchase Agreement constitutes a connected transaction of Xinyi Solar under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Sale and Purchase are more than 0.1% but less than 5%, the Sale and Purchase is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

The Sale and Purchase contemplated under the Sale and Purchase Agreement does not constitute a connected transaction for Xinyi Glass. This joint announcement is jointly issued by Xinyi Glass on a voluntary basis.

BACKGROUND

On 4 May 2018, Xinyi Solar Malaysia (a wholly-owned subsidiary of Xinyi Solar) entered into the Sale and Purchase Agreement with Xinyi Energy Smart (a wholly-owned subsidiary of Xinyi Glass), pursuant to which Xinyi Solar Malaysia agreed to acquire, and Xinyi Energy Smart agreed to sell, the Malaysia Land Parcel at an aggregate consideration of RM73,213,423.50 (translated into approximately HK\$148,696,463). Xinyi Solar Group intends to use the Malaysia Land Parcel, which is located adjacent to its existing manufacturing site in Malacca, Malaysia, to expand its solar glass product manufacturing facilities in Malaysia as well as the sales and marketing prospects of its solar glass products to overseas customers, particularly for those in the South East Asia region, India and Europe.

PRINCIPAL TERMS OF THE SALE AND PURCHASE

Parties

Vendor: Xinyi Energy Smart

Purchaser: Xinyi Solar Malaysia

The Malaysia Land Parcel

The Malaysia Land Parcel is a plot of freehold land held under HS(D) No. 10310 PT 6625, Mukim of Jasin, District of Jasin, State of Melaka, Malaysia measuring 68.602 acres (or approximately 2,988,303 square feet). The Malaysia Land Parcel forms a portion of the XYG Land Parcel (measuring 93.506 acres, or approximately 4,073,121 square feet), (1) which Xinyi Energy Smart on 14 March 2017 agreed to purchase from PKNM, an independent third party which is a Malaysian state agency, and (2) the title of which is being transferred to Xinyi Energy Smart. The exact measurement of the Malaysia Land Parcel is subject to the Malaysia Land Parcel Title Deed.

Consideration and payment

The aggregate Consideration of the Sale and Purchase is RM73,213,423.50 (translated into approximately HK\$148,696,463), which was determined by the Parties at arm's length negotiations and on normal commercial terms. The Consideration was calculated at a per square foot price of RM24.50 (translated into approximately HK\$49.76), which is identical to the per square foot consideration of Xinyi Energy Smart's acquisition of the XYG Land Parcel from PKNM.

The Consideration shall be paid by Xinyi Solar Malaysia in cash in the following manner:-

1. 10% of the Consideration was paid by Xinyi Solar Malaysia to Xinyi Energy Smart upon execution of the Sale and Purchase Agreement.
2. 80% of the Consideration shall be paid by Xinyi Solar Malaysia to Xinyi Energy Smart within 7 days progressively and proportionately from each date of notification by Xinyi Energy Smart that its instalments to PKNM in respect of the XYG Land Parcel are due for payment. The instalment payments by Xinyi Energy Smart to PKNM are in turn subject to the receipt of relevant government approvals and permits, issuance of document of title, and completion of utility and infrastructure works on the XYG Land Parcel. There are 11 instalments in total.
3. The final balance of 10% of the Consideration shall be paid by Xinyi Solar Malaysia to Xinyi Energy Smart within 14 days from the date of notification by Xinyi Energy Smart that the Malaysia Land Parcel Title Deed has been issued.

In the event that the measurement of the Malaysia Land Parcel as stated in the Malaysia Land Parcel Title Deed is more or less than 68.602 acres (or approximately 2,988,303 square feet), the Consideration shall be adjusted accordingly and set-off from the final payment of the Consideration.

The Consideration will be funded by internal resources of the Xinyi Solar Group.

Handover

Within 7 days from the date of receipt of the Malaysia Land Parcel Title Deed, Xinyi Energy Smart shall execute a valid and registrable memorandum of transfer to effect the transfer of the Malaysia Land Parcel to Xinyi Solar Malaysia (or its nominee(s)). Xinyi Energy Smart shall deliver the vacant possession of the Malaysia Land Parcel in the same condition as at the date of the Sale and Purchase Agreement to Xinyi Solar Malaysia upon receipt in full the Consideration, or on any such earlier date that the Parties may mutually agree.

All Malaysia stamp duty in relation to the Sale and Purchase shall be borne by Xinyi Solar Malaysia.

REAONS FOR AND BENEFITS OF THE TRANSACTION

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.

The Xinyi Solar Directors believe that the demand for solar glass products overseas, particularly in South East Asia, India and Europe, will continue to grow and intend to expand its manufacturing capacity in Malaysia. The Malaysia Land Parcel, which is located adjacent to its existing manufacturing site in Malacca, Malaysia, provides an opportunity for the Xinyi Solar Group to construct and equip new manufacturing facilities, which in turn will enable the Xinyi Solar Group to expand its manufacturing capacity, and achieve synergy and operational efficiency. The expanded manufacturing facilities in Malaysia, due to their geographical proximity, will also enhance the sales and marketing prospects of the Xinyi Solar Group's solar glass products to customers primarily in the South East Asia region, India and Europe.

The Xinyi Solar Directors (including the independent non-executive directors) consider that the transactions contemplated under the Sale and Purchase Agreement has 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 Mr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Sai and Mr. LI Man Yin, has interests in the issued share capital of Xinyi Glass, each of them has abstained from voting on the Xinyi Solar Board resolutions approving the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar and owns 29.5% of the issued share capital of Xinyi Solar, directly and indirectly, through its wholly-owned subsidiaries, namely Xinyi Automobile Glass (BVI) Company Limited and Xinyi Group (Glass) Company Limited. As such, Xinyi Glass and its subsidiaries (including Xinyi Energy Smart) are connected persons at issuer level of Xinyi Solar pursuant to Rule 14A.07(1) of the Listing Rules and the Sale and Purchase contemplated under the Sale and Purchase Agreement constitutes a connected transaction of Xinyi Solar under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Sale and Purchase are more than 0.1% but less than 5%, the Sale and Purchase is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

VOLUNTARY JOINT ANNOUNCEMENT BY XINYI GLASS

The Sale and Purchase contemplated under the Sale and Purchase Agreement does not constitute a connected transaction for Xinyi Glass. This joint announcement is jointly issued by Xinyi Glass on a voluntary basis.

GENERAL INFORMATION

Xinyi Solar Malaysia is a wholly-owned subsidiary of Xinyi Solar and a member of the Xinyi Solar Group, which 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. All issued shares of Xinyi Solar are listed on the Main Board.

Xinyi Energy Smart is a wholly-owned subsidiary of Xinyi Glass and a member of the Xinyi Glass Group, which 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.

DEFINITIONS

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

“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“connected transaction(s)”	has the meanings ascribed to it under the Listing Rules
“Consideration”	the Consideration of the Sale and Purchase, being in aggregate RM73,213,423.50 (translated into approximately HK\$148,696,463)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“independent third party(ies)”	individual(s) or company(ies) which is independent of and not connected (within the meanings of the Listing Rules) with any core connected person of Xinyi Solar and Xinyi Glass or any of their respective associates within the meanings of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Malaysia Land Parcel”	a plot of freehold land held under HS(D) No. 10310 PT 6625, Mukim of Jasin, District of Jasin, State of Melaka, Malaysia measuring 68.602 acres (or approximately 2,988,303 square feet), which is the subject matter under the Sale and Purchase Agreement. The Malaysia Land Parcel forms part of the XYG Land Parcel
“Malaysia Land Parcel Title Deed”	the document of title to be issued by the relevant Malaysia authorities separately in respect of the Malaysia Land Parcel and independent of the XYG Land Parcel

“PKNM”	Perbadnan Kemajuan Negeri Melaka, a body corporate established under the laws of Malaysia and the vendor of the XYG Land Parcel. PKNM is a Malaysian state agency
“Party(ies)”	the party(ies) to the Sale and Purchase Agreement, being Xinyi Solar Malaysia and Xinyi Energy Smart or any one of them
“PRC”	The People’s Republic of China
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Sale and Purchase”	the sale and purchase of the Malaysia Land Parcel between Xinyi Solar Malaysia and Xinyi Energy Smart contemplated under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 May 2018 entered into between Xinyi Solar Malaysia and Xinyi Energy Smart
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“XYG Land Parcel”	a plot of freehold land held under HS(D) No. 10310 PT 6625, Mukim of Jasin, District of Jasin, State of Melaka, Malaysia measuring 93.506 acres (or approximately 4,073,121 square feet), (1) which Xinyi Energy Smart agreed to purchase from PKNM, an independent third party, on 14 March 2017, and (2) the title of which is being transferred to Xinyi Energy Smart
“Xinyi Energy Smart”	Xinyi Energy Smart (Malaysia) Sdn. Bhd., a company incorporated under the laws of Malaysia and a member of the Xinyi Glass Group. Xinyi Energy Smart is the vendor under the Sale and Purchase Agreement
“Xinyi Glass”	Xinyi Glass Holdings Limited (stock code: 868), a company incorporated under the laws of the Cayman Islands and the shares of which are listed on the Main Board

“Xinyi Glass Group”	Xinyi Glass and its subsidiaries
“Xinyi Solar”	Xinyi Solar Holdings Limited (stock code: 968), a company incorporated under the laws of the Cayman Islands and the shares of which are listed on the Main Board
“Xinyi Solar Board”	the board of the Xinyi Solar Directors
“Xinyi Solar Director(s)”	the director(s) of Xinyi Solar
“Xinyi Solar Group”	Xinyi Solar and its subsidiaries
“Xinyi Solar Malaysia”	Xinyi Solar (Malaysia) Sdn. Bhd., a company incorporated under the laws of Malaysia and a member of the Xinyi Solar Group. Xinyi Solar Malaysia is the purchaser under the Sale and Purchase Agreement

On behalf of the Board
XINYI SOLAR HOLDINGS LIMITED
LEE Yau Ching
Executive Director and Chief Executive Officer

On behalf of the Board
XINYI GLASS HOLDINGS LIMITED
LEE Yin Yee, B.B.S.
Chairman

Hong Kong, 4 May 2018

Unless the context requires otherwise, the translation of RM into HK\$ in this joint announcement is based on the rate of RM1 = HK\$2.031. No representation is made that any amount in RM and HK\$ can be or could have been converted at the relevant dates at these rates or any other rates at all.

As at the date of this joint 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 Mr. 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 at the date of this joint announcement, the board of directors of Xinyi Glass comprises four executive directors, namely Mr. LEE Yin Yee, B.B.S. (Chairman), Mr. TUNG Ching Bor, Mr. 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.