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XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated under the laws of the British Virgin Islands with limited liability)

(Stock code: 03868)

CLOSING OF THE TARGET ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the captioned matter and the prospectus (the “**Prospectus**”) of the Company dated 15 May 2019. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Prospectus.

Information on the Target Acquisition

Detailed information on the Target Acquisition is set forth in the section headed “Corporate Structure and Business of the Target Companies” in the Prospectus. Following completion of the Target Acquisition, all construction completed utility-scale grid-connected solar farm projects owned by the Remaining Group will be injected into the Group. All conditions precedent to the Target Acquisition have been duly satisfied following the Listing.

Pursuant to the Target Acquisition, we have agreed to acquire from Xinyi Solar Farm (1) all issued shares of New Wisdom, Sky Falcon, Perfect Alliance, Profit Noble and Sky Cheer which hold, through their respective wholly-owned subsidiaries in the PRC, the utility-scale ground-mounted solar farm projects under the Target Portfolio. The Company may choose to acquire the equity interest of the holding company of New Wisdom, Sky Falcon, Perfect Alliance, Profit Noble and Sky Cheer, i.e. Xinyi Solar Farm (1), for tax efficiency purpose. Following discussion with Xinyi Solar, the Directors have agreed to acquire all issued share capital of Xinyi Solar Farm (1) for tax efficiency purpose.

Pursuant to the terms and conditions of the Target Sale and Purchase Agreement, the Company has agreed to use the net proceeds from the Global Offering for the payment of the Agreed Purchase Price. Such payment will be made by way of (a) an upfront payment of 50% of the Agreed Purchase Price to be settled within one month

from the Listing Date, i.e. 28 May 2019, and (b) the outstanding amount of the Agreed Purchase Price will be settled by the Group on the earlier of (i) the fourth anniversary of the Listing Date, which is currently expected to be in May 2023, and (ii) by instalments following the receipt of the tariff adjustment relating to the electricity generated by the solar farm projects under Target Portfolio pursuant to the Target Sale and Purchase Agreement.

Closing and the Agreed Purchase Price

As agreed with Xinyi Solar, the closing date of the Target Acquisition is Friday, 31 May 2019, up to which the closing accounts for the Target Acquisition are prepared. Following the finalisation of the closing accounts, all issued shares of Xinyi Solar Farm (1) have been transferred from Xinyi Power (BVI) Limited, a wholly-owned subsidiary of Xinyi Solar, to the Company on Monday, 3 June 2019. The Agreed Purchase Price is HK\$4,083.3 million and is determined in strict compliance with the formula and the terms and conditions of the Target Sale and Purchase Agreement. The upfront payment of the Agreed Purchase Price, being HK\$2,041.6 million, has been settled by the Company on Monday, 3 June 2019 in accordance with the terms and conditions of the Target Sale and Purchase Agreement.

No change in the proposed use of the net proceeds from the Global Offering

The Directors confirm that the payment of the upfront payment of the Agreed Purchase Price out of the net proceeds from the Global Offering is consistent with the disclosure in the Prospectus and the terms and conditions of the Target Sale and Purchase Agreement. There is no change to the other usage of the net proceeds from the Global Offering.

By order of the Board
Xinyi Energy Holdings Limited
TUNG Fong Ngai

Executive Director and Chief Executive Officer

Hong Kong, 3 June 2019

As of the date of this announcement, the Board comprises four executive Directors, namely Mr. TUNG Ching Sai, Mr. TUNG Fong Ngai, Mr. LEE Yau Ching and Ms. CHENG Shu E, one non-executive Director, namely Dr. LEE Yin Yee, B.B.S., and three independent non-executive Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyienergy.com.