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XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 03868)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 28 March 2022, the Company and the Investors entered into two Subscription Agreements under which the Company agreed to issue and allot and the Investors agreed to subscribe for an aggregate of 188,400,000 Subscription Shares at the Subscription Price of HK\$4.14 per Subscription Share on the terms and conditions provided in the Subscription Agreement.

The total number of Subscription Shares represent approximately 2.65% of the existing issued share capital of the Company as of the date of this announcement and approximately 2.58% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued under the General Mandate.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

The gross proceeds from the Subscription are approximately HK\$780.0 million and the net proceeds of approximately HK\$779.5 million are intended to be applied for the general working capital of the Company and its subsidiaries.

As the Subscription Shares are to be issued by the Company pursuant to the General Mandate, no additional approval from the Shareholders will be required for the Subscription.

WARNING: Since the Subscription is subject to the satisfaction or waiver of certain condition precedents set forth in the Subscription Agreements, the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

Subscription Agreement I

Date

28 March 2022

Parties

- (i) the Company, as issuer; and
- (ii) Investor I, being HHLR Fund, L.P. and YHG Investment, L.P..

Subscription

Pursuant to Subscription Agreement I, the Company agreed to issue and allot and Investor I agreed to subscribe for an aggregate of 113,040,000 Subscription Shares at the Subscription Price of HK\$4.14 per Subscription Share on the terms and conditions provided in Subscription Agreement I.

Investor I

Each of HHLR Fund, L.P. and YHG Investment, L.P. is a limited partnership formed under the laws of the Cayman Islands. HHLR Advisors, Ltd. (“**Hillhouse**”) serves as the sole management company of HHLR Fund, L.P. and the sole investment manager of YHG Investment, L.P..

Founded in 2005, Hillhouse is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse’s investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse invests in the healthcare, consumer, TMT, consumer technology, financial and business services sectors in companies across all equity stages. Hillhouse and its group members manage assets on behalf of global institutional clients.

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, each of HHLR Fund, L.P. and YHG Investment, L.P. and their respective ultimate beneficial owner(s) are Independent Third Parties as of the date of this announcement and will remain Independent Third Parties immediately after completion of the Subscription.

Subscription Agreement II

Date

28 March 2022

Parties

- (i) the Company, as issuer; and
- (ii) Investor II, being CICC Financial Trading Limited

Subscription

Pursuant to Subscription Agreement II, the Company agreed to issue and allot and Investor II agreed to subscribe for 75,360,000 Subscription Shares at the Subscription Price of HK\$4.14 per Subscription Share on the terms and conditions provided in Subscription Agreement II.

Investor II

Investor II is a company incorporated with limited liability in Hong Kong and is wholly-owned by China International Capital Corporation Limited, a company listed on the Stock Exchange (stock code: 03908).

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, Investor II and its ultimate beneficial owner(s) are Independent Third Parties as of the date of this announcement and will remain Independent Third Parties immediately after completion of the Subscription.

The Subscription Shares

Investors	Number of Subscription Shares	Total Subscription Price HK\$ (million)	Approximate % of issued share capital of the Company as of the date of this announcement	Approximate % of issued share capital of the Company as enlarged by the issue of the Subscription Shares
			Approximate % of issued share capital of the Company as of the date of this announcement	Approximate % of issued share capital of the Company as enlarged by the issue of the Subscription Shares
Investor I				
—HHLR Fund, L.P.	108,520,000	449.3	1.53	1.49
—YHG Investment, L.P.	4,520,000	18.7	0.06	0.06
Investor II	75,360,000	312.0	1.06	1.03
Total	188,400,000	780.0	2.65	2.58

The number of 188,400,000 Subscription Shares represents approximately 2.65% of the total existing issued share capital of the Company as of the date of this announcement and approximately 2.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no other change to the share capital of the Company between the date of the Subscription Agreement and the Closing Date save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares is HK\$1,884,000.

Subscription Price

The Subscription Price of HK\$4.14 per Subscription Share represents:

- i. a discount of 8.00% to the closing price of HK\$4.50 per Share as quoted on the Stock Exchange on 25 March 2022, being the last trading day before the date of the Subscription Agreement; and
- ii. a discount of 8.00% to the average closing price of HK\$4.50 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Subscription Agreement.

The aggregate consideration for the Subscription Shares is HK\$780.0 million and will be payable by the Investors at Completion.

The Subscription Price of HK\$4.14 per Subscription Share was determined on arm's length basis among the Company and the Investors based on current market conditions and the prevailing market price of the Shares.

Ranking of the Subscription Shares

The Subscription Shares, when issued pursuant to the Subscription Agreements, will be fully paid and will rank *pari passu* in all aspects with the other Shares then in issue free from all liens, charges and encumbrances, and together with all rights attaching to them as of the date of issue of the Subscription Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Subscription Shares and duly listed on the Stock Exchange.

Conditions precedent of the Subscription

Completion of the Subscription is conditional upon the following conditions having been satisfied:-

- (i) the Board having sufficient capability to approve the allotment and issue of the Subscription Shares without further Shareholders' approval pursuant to a general mandate granted to the Board by the Shareholders in accordance with the Listing Rules;
- (ii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in the Subscription Shares and such listing and permission not having been withdrawn or revoked;
- (iii) the warranties of the Company set out in the Subscription Agreements remaining true and accurate and not misleading as of the Closing Date by reference to the facts and circumstances subsisting as of the Closing Date and the undertakings of the Company thereunder to be performed at or prior to the Closing Date having been performed as of or prior to the Closing Date;
- (iv) the warranties of each of the Investors set out in the Subscription Agreements remaining true and accurate and not misleading as of the Closing Date by reference to the facts and circumstances subsisting as of the Closing Date and the respective undertakings of the Investors thereunder to be performed at or prior to the Closing Date having been performed as of or prior to the Closing Date; and
- (v) no material adverse effect to the Group or the ability of the Company to perform its obligations under the Subscription Agreement having occurred.

None of the conditions stated above can be waived, except that each of the Investors may waive the condition set out in paragraphs (iii) and (v) above and the Company may waive the condition set out in paragraph (iv) above.

If any of the above conditions has not been satisfied (or, as the case may be, waived) before 11:59 p.m. (Hong Kong time) on 27 April 2022 (or such other date as the party not in default in connection with non-satisfaction of the relevant condition(s) may designate), the Subscription Agreements shall become null and void and of no effect, except for the liability of the Company or each of the Investors in respect of any antecedent breach of the Subscription Agreements.

Completion of the Subscription

Completion of the Subscription will be on the Closing Date (being the second Business Day after the date on which the last of the conditions precedent for completion of the Subscription is fulfilled but in any event no later than 27 April 2022), or such other date as the parties to the Subscription Agreements may agree in writing.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

Since the Subscription is subject to the satisfaction or waiver conditions precedent set forth in the Subscription Agreements, the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2021. The Company was authorised to issue and allot 1,421,999,694 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as of the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for listing of and permission to deal in the Subscription Shares.

USE OF PROCEEDS

The gross proceeds from the Subscription Agreements are approximately HK\$780.0 million. The net proceeds from the Subscription to be received by the Company upon completion of the Subscription will amount to approximately HK\$779.5 million after deducting all related fees and expenses. On this basis, the net issue price per Subscription Share is approximately HK\$4.14 per Share.

The Company intends to use the net proceeds raised from the Subscription for general working capital of the Company and its subsidiaries.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE SUBSCRIPTION SHARES

The Directors consider that the issue of the Subscription Shares offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. The Directors consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable, on normal and commercial terms and are in the interests of the Company and the Shareholders as a whole.

EQUITY AND FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not carried out any issue of equity securities for fund-raising purposes in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after completion of the Subscription, on the assumptions that there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Subscription save for the issue of the Subscription Shares:-

Name of Shareholders	As of the date of this announcement		Approximate shareholding immediately after completion of the Subscription	
	Number of Shares	%	Number of Shares	%
Xinyi Group (Glass) Company Limited (<i>Note 1</i>)	393,074,211	5.53	393,074,211	5.38
Xinyi Glass Holdings Limited	37,674,000	0.53	37,674,000	0.52
Xinyi Power (BVI) Limited (<i>Note 2</i>)	3,558,555,000	50.05	3,558,555,000	48.76
Full Guang Holdings Limited (<i>Note 3</i>)	7,606,019	0.11	7,606,019	0.10
Dr. LEE Yin Yee, B.B.S. and his associates (<i>Note 4</i>)	548,771,992	7.72	548,771,992	7.52
Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. and his associates (<i>Note 5</i>)	232,034,796	3.27	232,034,796	3.18

Name of Shareholders	As of the date of this announcement		Approximate shareholding immediately after completion of the Subscription	
	Number of Shares	%	Number of Shares	%
Mr. TUNG Ching Bor and his associates (<i>Note 6</i>)	234,028,473	3.29	234,028,473	3.21
Mr. LEE Sing Din and his associates (<i>Note 7</i>)	148,667,889	2.09	148,667,889	2.04
Mr. LI Man Yin and his associates (<i>Note 8</i>)	54,741,099	0.77	54,741,099	0.75
Mr. LI Ching Wai and his associates (<i>Note 9</i>)	58,571,793	0.82	58,571,793	0.80
Mr. SZE Nang Sze and his associates (<i>Note 10</i>)	72,716,178	1.02	72,716,178	1.00
Mr. NG Ngan Ho and his associates (<i>Note 11</i>)	54,256,528	0.76	54,256,528	0.74
Mr. LI Ching Leung and his associates (<i>Note 12</i>)	<u>54,766,962</u>	<u>0.77</u>	<u>54,766,962</u>	<u>0.75</u>
Sub-total	5,455,464,940	76.73	5,455,464,940	74.75
<i>Public Shareholders</i>				
Investor I				
- HHLR Fund, L.P.	—	—	108,520,000	1.49
- YHG Investment, L.P.	—	—	4,520,000	0.06
Investor II	—	—	75,360,000	1.03
Other public Shareholders	<u>1,654,533,531</u>	<u>23.27</u>	<u>1,654,533,531</u>	<u>22.67</u>
Total	<u><u>7,109,998,471</u></u>	<u><u>100.00</u></u>	<u><u>7,298,398,471</u></u>	<u><u>100.00</u></u>

Notes:-

1. Xinyi Group (Glass) Company Limited is a wholly owned subsidiary of Xinyi Automobile Glass (BVI) Company Limited, which is in turn wholly-owned by Xinyi Glass Holdings Limited.
2. Xinyi Power (BVI) Limited is a wholly owned subsidiary of Xinyi Solar Holdings Limited.
3. The interest in the Shares are held through Full Guang Holdings Limited, which is owned by Dr. LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.21%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.21%, Mr. LEE Sing Din (father of Mr. LEE Yau Ching) as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

4. Dr. LEE Yin Yee, B.B.S. is the beneficial owner of the entire issued share capital of Realbest Investment Limited and Charm Dazzle Limited which in turn are the registered owner of 82,901,405 and 457,957,500 Shares respectively. Dr. LEE Yin Yee, B.B.S. also has 3,575,733 Shares jointly held with and 4,337,354 Shares directly held by his spouse, Madam TUNG Hai Chi.
5. Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* is the beneficial owner of the entire issued share capital of Copark Investment Limited and Sharp Elite Holdings Limited which in turn are the registered owner of 29,803,255 and 187,687,500 Shares respectively. Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* is also deemed to be interested in 14,544,041 Shares directly held by his spouse, Puan Sri Datin SZE Tan Hung.
6. Mr. TUNG Ching Bor's interests in the Shares are held through High Park Technology Limited and Xu Feng Limited which in turn are the registered owner of 30,495,067 and 187,687,500 Shares respectively. Mr. TUNG Ching Bor has 10,188,000 Shares jointly held with and 5,657,906 Shares directly held by his spouse, Madam KUNG Sau Wai.
7. Mr. LEE Sing Din's interests in the Shares are held through Telerich Investment Limited and Precious Smart Limited which in turn are the registered owner of 28,760,771 and 112,612,500 Shares respectively. Mr. LEE Sing Din also has 375,000 Shares held in his own name and 6,919,618 Shares through a joint account with his spouse, Madam LI Kam Ha.
8. Mr. Li Man Yin's interests in the Shares are held through Perfect All Investments Limited and Will Sail Limited which in turn are the registered owner of 9,139,496 and 45,045,000 Shares respectively. Mr. LI Man Yin also has 394,278 Shares held in his own name and 162,325 Shares through his spouse, Madam LI Sau Suet.
9. Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited and Yuanyi Limited which in turn are the registered owner of 13,326,793 and 45,045,000 Shares respectively. Mr. LI Ching Wai also has 200,000 Shares held in his own name.
10. Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited and Day Dimension Investments Limited which in turn are the registered owner of 12,656,178 and 60,060,000 Shares respectively.
11. Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited and Far High Investments Limited which in turn are the registered owner of 8,935,103 and 45,045,000 Shares respectively. Mr. NG Ngan Ho also has 276,425 Shares held in his own name.
12. Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited and Heng Zhuo Limited which in turn are the registered owner of 8,899,770 and 45,045,000 Shares respectively. Mr. LI Ching Leung also has 776,322 Shares held in his own name and 45,870 Shares through his spouse, Madam DY Maria Lumin.

GENERAL INFORMATION

The Group is a leading non-State owned solar farm owner and operator in the PRC in terms of the approved capacity of the utility-scale ground-mounted solar farm projects in operation owned by the Group and under its management.

IMPLICATION UNDER THE LISTING RULES

As the Subscription Shares are to be issued by the Company pursuant to the General Mandate, no additional approval from the Shareholders will be required for the Subscription.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the meanings as set forth below:-

“AGM”	the annual general meeting of the Company held on 28 May 2021
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	means the board of directors of the Company
“Business Day”	means any day other than a Saturday or Sunday or public holiday on which commercial banks in the PRC, U.S., Hong Kong or the British Virgin Islands are required or authorised by law or executive order to be closed or on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., Hong Kong time
“BVI”	means the British Virgin Islands
“Closing Date”	the date of completion of the Subscription, being the second Business Day after the date on which the last of the conditions precedent for completion of the Subscription has been fulfilled but in any event no later than 27 April 2022
“Company”	means Xinyi Energy Holdings Limited (信義能源控股有限公司), a company incorporated under the laws of BVI with limited liability, the shares of which are listed on the Stock Exchange (stock code: 03868)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company

“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM
“Group”	the Company and its subsidiaries
“HHLR Fund, L.P.”	HHLR Fund, L.P., a limited partnership formed under the laws of the Cayman Islands
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the Listing Rules
“Investor I”	HHLR Fund, L.P. and YHG Investment, L.P.
“Investor II”	CICC Financial Trading Limited, a company incorporated with limited liability in Hong Kong
“Investors”	collectively Investor I and Investor II
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	means ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription by the Investors for the Subscription Shares pursuant to the terms of the Subscription Agreements
“Subscription Agreement I”	the subscription agreement dated 28 March 2022 entered into between the Company and Investor I
“Subscription Agreement II”	the subscription agreement dated 28 March 2022 entered into between the Company and Investor II
“Subscription Agreements”	collectively, the Subscription Agreement I and the Subscription Agreement II
“Subscription Price”	HK\$4.14 per Subscription Share
“Subscription Shares”	the aggregate of 188,400,000 new Shares to be issued by the Company to the Investors under the Subscription Agreements
“YHG Investment, L.P.”	YHG Investment, L.P., a limited partnership formed under the laws of the Cayman Islands
“%”	per cent.

By order of the Board
Xinyi Energy Holdings Limited
TUNG Fong Ngai
Executive Director and Chief Executive Officer

Hong Kong, 28 March 2022

As of the date of this announcement, Mr. LEE Shing Put, B.B.S. (Chairman), Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. TUNG Fong Ngai (Chief Executive Officer), Mr. LEE Yau Ching and Ms. CHENG Shu E are the executive Directors and Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang are the independent non-executive Directors.

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.