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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)



XINYI SOLAR HOLDINGS LIMITED

信義光能控股有限公司

*(Incorporated under the laws of the
Cayman Islands with limited liability)*

(Stock code: 00968)

JOINT VOLUNTARY ANNOUNCEMENT PARTIAL COMPLETION OF THE SOLAR FARM (GROUP 3) AGREEMENT

This joint announcement is made by the board of directors (the “**XYE Directors**”) of Xinyi Energy Holdings Limited (“**Xinyi Energy**” and together with its subsidiaries, the “**XYE Group**”) and the board of directors (the “**XYS Directors**”) of Xinyi Solar Holdings Limited (“**Xinyi Solar**”) on a voluntary basis.

The XYE Directors and the XYE Directors refer to (a) the joint announcement (the “**First Joint Announcement**”) dated 11 April 2022 issued by Xinyi Energy and Xinyi Solar and (b) the shareholders’ circular (the “**Circular**”) issued by Xinyi Energy on 13 May 2022 in relation to, among others, the exercise of the Call Option (Group 3) pursuant to the Solar Farm Agreement and the Solar Farm (Group 3) Agreement. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the First Joint Announcement and the Circular. The purpose of this joint voluntary announcement is to provide updated information on the completion status of the Solar Farm (Group 3) Agreement as of 31 December 2022.

COMPLETION OF THE TRANSFER OF THE XIAOCHANG SOLAR FARM (PHASE THREE) AND LAOHEKOU SOLAR FARM (PHASE THREE)

The XYE Directors and the XYS Directors are pleased to announce that the transfer of the Xiaochang Solar Farm (Phase Three) and Laohekou Solar Farm (Phase Three) by way of transferring all issued shares of Wuhu Xinze Renewable Energy Limited* 蕪湖信澤新能源有限公司 has been completed on 29 December 2022 pursuant to the terms and conditions of the Solar Farm Agreement and the Solar Farm (Group 3) Agreement. Hence, each of the relevant holding companies, namely (1) Wuhu Xinze Renewable Energy Limited* 蕪湖信澤新能源有限公司, (2) Xinyi Renewable Energy (Xiaochang) Limited* 信義新能源(孝昌)有限公司 and (3) Xinze Renewable Energy (Xiangyang) Limited* 信澤新能源(襄陽)有限公司, has become a wholly-owned subsidiary of Xinyi Energy with their financial position and performance consolidated into the XYE Group from 29 December 2022.

Based on the unaudited combined financial information of the relevant Target Members (Group 3) as of 30 November 2022 and the Call Right Price (Group 3), the Agreed Purchase Price for the Call Right Assets (Group 3) as of 29 December 2022 amounts to RMB60.0 million (equivalent to HK\$67.0 million). The XYE Directors and the XYS Directors expect that the Adjustment Payment (if any) will not have any material impact on the final amount of the Agreed Purchase Price of the relevant Call Right Assets (Group 3).

CHANGE IN THE CALL RIGHT ASSETS (GROUP 3)

Pursuant to the Guiding Opinion on Strengthening the Control of the Shoreline Area of Rivers and Lakes《關於加強河湖水域岸線空間管控的指導意見》(the “**Guiding Opinion**”) issued by the Ministry of Water Resources of the PRC on 20 May 2022, new restrictions are in place in restricting the use of land which is close to the shoreline of rivers and lakes in the PRC. Construction of any solar farm panel on such land is currently subject to stringent regulations and requires additional governmental approvals. To the best of knowledge, information and belief having made all reasonable enquiries by the XYS Directors and with the support of a PRC legal opinion, the land parcel on which the Baimao Solar Farm is currently built is within the scope of the Guiding Opinion and hence, the construction of the Baimao Solar Farm may not be able to continue to achieve the estimated approved capacity as planned. On this basis, the XYE Directors and the XYS Directors have agreed not to proceed with the sale and purchase of the Baimao Solar Farm which has been withdrawn from the list of the Call Right Assets (Group 3). The Call Right Price (Group 3) will then be adjusted downward by RMB747.1 million (equivalent to HK\$919.2 million).

LONG-STOP DATE (GROUP 3)

The Long-stop Date (Group 3) of 31 May 2023 has remained unchanged. A further joint voluntary announcement will be made on the earlier of the date of completion of acquisition of other Solar Right Assets (Group 3) by the XYE Group or on the Long-stop Date (Group 3).

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

By order of the board of directors of
Xinyi Solar Holdings Limited
LEE Yau Ching
Executive Director and
Chief Executive Officer

Hong Kong, 4 January 2023

Unless the context requires otherwise, and except for the Call Right Price (Group 3) (which uses the exchange rate of HK\$1.00 = RMB0.8128 disclosed in the First Joint Announcement), translations of HK\$ into RMB or vice versa have been calculated by using an exchange rate of HK\$1.00 = RMB0.8947. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As of the date of this joint announcement, the board of XYE Directors comprises five executive XYE Directors, namely Mr. LEE Shing Put, B.B.S. (Chairman of the XYE Board), Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. TUNG Fong Ngai, Mr. LEE Yau Ching, and Ms. CHENG Shu E, and three independent non-executive XYE Directors, namely Mr. LEUNG Ting Yuk, Mr. IP Kwok Him, G.B.M., G.B.S., J.P., and Ms. LYU Fang.

As of the date of this joint announcement, the board of XYS Directors comprises four executive XYS Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the XYS Board), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, two non-executive XYS Directors, namely Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. and Mr. LEE Shing Put, B.B.S., and three independent non-executive XYS Directors, namely Mr. LO Wan Sing, Vincent, Mr. KAN E-ting, Martin and Ms. LEONG Chong Peng.

This joint announcement is published on the websites of the Stock Exchange at www.hkexnews.hk, Xinyi Energy at www.xinyienergy.com, and Xinyi Solar at www.xinyisolar.com.