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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)

PROPOSED NON-UNDERWRITTEN RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) SHARES IN ISSUE AND CLOSURE OF REGISTER OF MEMBERS

PROPOSED NON-UNDERWRITTEN RIGHTS ISSUE

The Directors propose to implement the Rights Issue on a non-underwritten basis of one (1) Rights Share for every ten (10) Shares in issue held by any Qualifying Shareholder as of the close of business on the Record Date at the Subscription Price.

Based on the total number of Shares in issue as of the date of this announcement (assuming that there is no change in the number of the Shares in issue up to the Record Date), the Rights Shares represent:

- (a) 10.00% of the number of Shares in issue as of the date of this announcement; and
- (b) 9.09% of the enlarged number of Shares in issue immediately following completion of the Rights Issue.

The above percentages will not change even though all the Vested Share Options are exercised in full on or before the Record Date.

The Subscription Price will be payable in full when (a) a Qualifying Shareholder accepts the provisional allotment of the relevant Rights Shares or a Qualifying Shareholder (other than the PRC Southbound Trading Investors) applies for the excess Rights Shares or (b) a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There is no minimum amount to be raised under the Rights Issue. Pursuant to the Company's constitutional document, the BVI Companies Act, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

GROSS PROCEEDS AND NET PROCEEDS FROM THE RIGHTS ISSUE

The Company may raise, through the Rights Issue, gross proceeds of up to (a) HK\$1,629.45 million by issuing up to 744,040,025 Rights Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) or (b) HK\$1,629.83 million by issuing up to 744,214,275 Rights Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date). The net proceeds from the Rights Issue, after deducting the professional fees and other related expenses, if subscribed in full by the Qualifying Shareholders, would be up to HK\$1,627.88 million (assuming that there is no change in the number of the Shares in issue up to the Record Date) and HK\$1,628.26 million (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue for the refinancing of the Group's bank borrowings and for the general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as the issue of 188,400,000 new Shares, representing 2.58% of the then number of Shares in issue for HK\$4.14 per Share, to investors (each of them and their respective ultimate beneficial owners are independent third parties) completed on 7 April 2022 under the general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2021, the Company and any member of the Group has not carried out any equity fund raising activities in the 12 months immediately preceding the date of this announcement. The gross proceeds and the net proceeds raised amounted to HK\$780.0 million and HK\$779.5 million, respectively.

IMPLICATIONS UNDER THE LISTING RULES

The Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates). Hence, the Rights Issue is not subject to Shareholders' approval pursuant to Rule 7.19A(1) of the Listing Rules and will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Tuesday, 25 April 2023 to Tuesday, 2 May 2023 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

GENERAL INFORMATION

Subject to the fulfillment of all conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, amongst others, details of the Rights Issue, to the Qualifying Shareholders on Tuesday, 9 May 2023. The Company will despatch the Prospectus and the Overseas Letter to the Excluded Shareholder(s) for their information only, but the Company will not send the PALs and EAFs to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue will be proceeded on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is any Untaken Rights not being fully taken up by (a) the Qualifying Shareholders or (b) transferees of nil-paid Rights Shares, the size of the Rights Issue will reduce accordingly.

Shareholders and prospective investors of the Company should also note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed. Shareholders and prospective investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will also not proceed.

The Rights Issue is further subject to the fulfilment of other conditions, as set forth in the paragraphs under “Conditions of the Rights Issue” in this announcement. Shareholders and prospective investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this announcement to the date on which all the conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in nil-paid form will bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

RIGHTS ISSUE ON A NON-UNDERWRITTEN BASIS

The Directors propose to implement the Rights Issue on a non-underwritten basis of one (1) Rights Share for every ten (10) Shares in issue held by any Qualifying Shareholder as of the close of business on the Record Date at the Subscription Price. The table below sets forth the principal terms and conditions of the Rights Issue:

Basis of the Rights Issue	:	One (1) Rights Share for every ten (10) Shares in issue held by any Qualifying Shareholder as of the close of business on the Record Date.
Number of Shares in issue as of the date of this announcement	:	7,440,400,255 Shares.
Number of the Rights Shares to be issued	:	744,040,025 Rights Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) and 744,214,275 Rights Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date).
Subscription Price	:	HK\$2.19 per Rights Share.
Net price per Rights Share, i.e. Subscription Price minus cost and expenses incurred in the Rights Issue for each Rights Share	:	HK\$2.19 per Rights Share (assuming that there is no change in the number of Shares in issue up to the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares).

- Shareholding percentages : Based on the total number of Shares in issue as of the date of this announcement (assuming that there is no change in the number of the Shares in issue up to the Record Date), the Rights Shares represent:
- (a) 10.00% of the number of Shares in issue as of the date of this announcement; and
 - (b) 9.09% of the enlarged number of Shares in issue immediately following completion of the Rights Issue.
- The above percentages will not change even though all the Vested Share Options are exercised in full on or before the Record Date.
- Number of Shares in issue immediately following completion of the Rights Issue : Up to 8,184,440,280 Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) and up to 8,186,357,030 Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date).
- Aggregate nominal value of the Rights Shares : Up to HK\$7,440,400.25 (assuming that there is no change in the number of Shares in issue up to the Record Date) and up to HK\$7,442,142.75 (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date).
- Right of excess application : All Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply for the Rights Shares in excess of their provisional allotment.

- Gross proceeds from the Rights Issue : Based on the Subscription Price, the Company may raise, through the Rights Issue, gross proceeds of up to (a) HK\$1,629.45 million by issuing up to 744,040,025 Rights Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) or (b) HK\$1,629.83 million by issuing up to 744,214,275 Rights Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date).
- Net proceeds from the Rights Issue : Based on the Subscription Price, the Company may raise, through the Rights Issue, the net proceeds of up to (a) HK\$1,627.88 million by issuing up to 744,040,025 Rights Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) or (b) HK\$1,628.26 million by issuing up to 744,214,275 Rights Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date).

As of the date of this announcement, the Company has granted 6,796,000 Share Options, of which 1,742,500 are the Vested Share Options. Assuming all the Vested Share Options are exercised in full on or before the Record Date, an aggregate of 1,742,500 new Shares would be allotted and issued, which would result in the issue of 174,250 additional Rights Shares. Save for the foregoing, as of the date of this announcement, the Company has no outstanding convertible securities, debt securities, derivatives, options, warrants or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, debt securities, derivatives, options, warrants on or before the Record Date.

Assuming that there is no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 744,040,025 Rights Shares proposed to be issued pursuant to the Rights Issue represents 9.09% of the number of Shares in issue as enlarged by the allotment and issue of the Rights Shares.

Assuming that there is no change in the number of Shares in issue on or before the Record Date other than the Vested Share Options are exercised in full on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 744,214,275 Rights Shares proposed to be issued pursuant to the Rights Issue represents 9.09% of the number of Shares in issue as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price will be payable in full when (a) a Qualifying Shareholder accepts the provisional allotment of the relevant Rights Shares or a Qualifying Shareholder (other than the PRC Southbound Trading Investors) applies for the excess Rights Shares or (b) a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of 9.9% to the closing price of HK\$2.43 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 8.4% to the average closing price of HK\$2.39 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately up to and including the Last Trading Day;
- (iii) a discount of 7.2% to the average closing price of HK\$2.36 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately up to and including the Last Trading Day;
- (iv) a discount of 9.1% to the theoretical ex-rights price of HK\$2.41 per Share based on the closing price of HK\$2.43 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a premium of 38.6% to the unaudited consolidated net asset value per Share of HK\$1.58 (based on the latest published consolidated net asset value attributable to the Shareholders of HK\$11,753.06 million as disclosed in the latest annual results announcement for the year ended 31 December 2022 and 7,440,400,255 Shares in issue as of the date of this announcement); and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of 0.8% represented by the theoretical diluted price of HK\$2.41 per Share to the benchmarked price of HK\$2.43 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing

price on the Last Trading Day of HK\$2.43 per Share and the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day of HK\$2.36 per Share).

The Subscription Price was determined with reference to, among others:

- (a) the market prices of the Shares under the prevailing market conditions;
- (b) the latest business and financial position of the Group; and
- (c) the reasons for and benefits of Rights Issue as disclosed in the paragraphs under “Reasons for and benefits of the Rights Issue and use of the net proceeds from the Rights Issue” in this announcement.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole taking into account (a) the Qualifying Shareholders which do not want to take up their provisional allotment under the Rights Issue are able to sell the nil-paid Rights Shares and (b) the Rights Issue provides the Qualifying Shareholders with an opportunity to subscribe for the Rights Shares on a pro rata basis for the purpose of maintaining their respective existing shareholding percentage in the Company.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every ten (10) Shares in issue held by a Qualifying Shareholder as of the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Hong Kong Branch Registrar on or before 4:00 p.m. on the Final Acceptance Date. Any holdings (or balance of holdings) of less than ten (10) Shares in issue will not entitle their holders to be provisionally allotted a Rights Share. Further information on the arrangement is set forth in the paragraphs under “Fractional entitlements to the Rights Shares” in this announcement.

Rights Issue is to be conducted on a non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an under-subscription of the Rights

Issue because of Untaken Rights not being fully taken up by (a) Qualifying Shareholders or (b) transferees of nil-paid Rights Shares, the size of the Rights Issue will reduce accordingly. There is no minimum amount to be raised under the Rights Issue. Pursuant to the Company's constitutional document, the BVI Companies Act, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (a) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, no later than the Posting Date, each of the Prospectus Documents duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Excluded Shareholder(s), if any, to the extent legally permitted and for information purposes only, on or before the Posting Date;
- (c) the Listing Committee granting or agreeing to grant, the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked; and
- (d) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day immediately prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused.

None of the above conditions can be waived (conditionally or unconditionally) by the Company. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Wednesday, 24 May 2023, the Rights Issue will not proceed.

As the Rights Issue is subject to the above conditions, it may or may not proceed.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with Shares in issue on the date of allotment and issue of the Rights Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not accept application for any fractions of the Rights Shares and will not provisionally allot and issue any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold by the Company in the open market if a premium (net of expenses) can be obtained. Any unsold fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) under the EAF(s) as described in the paragraphs under “Application for excess Rights Shares” in this announcement.

Odd lot trading arrangement

Upon completion of the Rights Issue, the board lots of the Company will remain unchanged, i.e. 2,000 Shares for each board lot. In order to alleviate difficulties in relation to the existence of odd lots of the Shares arising from the Rights Issue, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders which wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 2 June 2023 to 4:00 p.m. on Thursday, 15 June 2023, both days inclusive. Holders of the Shares in odd lot represented by the existing Share certificate who wish to take advantage of this facility to either dispose of their odd lots of the Shares or top up their odd lots to a full board lot may directly or through their brokers contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) during office hours, i.e. 9:00 a.m. to 4:30 p.m., within such period. Shareholders would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Computershare Hong Kong Investor Services Limited set forth above.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as of the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company prior to the close of business on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant Share certificates) with the Hong Kong Branch Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 24 April 2023.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Thursday, 20 April 2023. The Shares will be dealt with on an ex-rights basis from Friday, 21 April 2023. The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Tuesday, 23 May 2023.

Qualifying Shareholders which take up their provisional allotment in full will not suffer any dilution to their shareholding (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its provisional allotment in full under the Rights Issue, his/her/its shareholding in the Company will be diluted.

Subject to the fulfilment of all conditions of the Rights Issue set forth in the paragraphs under “Conditions of the Rights Issue” in this announcement, the Company will despatch the Prospectus Documents containing, amongst others, details of the Rights Issue, to the Qualifying Shareholders on Tuesday, 9 May 2023. The Company will despatch the Prospectus and the Overseas Letter to the Excluded Shareholders for their information only, but the Company will not send the PALs and EAFs to the Excluded Shareholders.

Rights of PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as of the date of this announcement, China Clear held 156,393,712 Shares, representing 2.10% of the total number of Shares in issue.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their provisional allotment in respect of Rights Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should consult their intermediaries (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear and provide such intermediary with instructions on the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates in the paragraphs under “Expected timetable for the Rights Issue” of this announcement and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect. It is important to note that the Rights Share in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity unless through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect or such other person or entity has been exempt or has otherwise obtained the approval of the PRC authorities in accordance with the applicable PRC laws and regulations.

The Company will also make the necessary filing requirements in the PRC in accordance with the Filing Requirements for Hong Kong Listed Issuer Making Rights Issues to Mainland Shareholder through Mainland-Hong Kong Stock Connect (Announcement [2016] No. 21) issued by the CSRC. Details on the subscription procedures applicable to the PRC Southbound Trading Investors under the Rights Issue will be set forth in the Prospectus Documents.

Compliance requirements under the Trial Administrative Measures

On 17 February 2023, the CSRC issued the Trial Administrative Measures together with the relevant notes and five supporting guidelines. The Trial Administrative Measures have come into effect from 31 March 2023. The Trial Administrative Measures seek to unify the regulatory procedures and requirements for all overseas listings and offerings by “PRC domestic companies” outside the PRC. Under the Trial Administrative Measures, all overseas listings and offerings by “PRC domestic companies” are required to comply with the filing procedures with the CSRC. The Trial Administrative Measures apply to both listings and post-listing fund-raising or merger and acquisition activities. The PRC Legal Advisers have confirmed that the Rights Issue conducted by the Company falls within the definition of indirect overseas listings and offerings by “PRC domestic companies” under the Trial Administrative Measures.

The filing requirements under the Trial Administrative Measures include (a) filing reports with specified contents and attachments; (b) undertakings to be signed by the Company (with undertakings enclosed); and (c) the relevant PRC legal opinions. It

is also stipulated in the Trial Administrative Measures that filings for subsequent share issuance by overseas listed issuers in the same stock market (e.g. rights issues, issuance of convertible securities) will have to be completed within three business days (in the PRC) after the transaction has been completed.

The Directors have sought advice from the PRC Legal Advisers on the compliance procedures and requirements for the Rights Issue and will comply with the requirements following completion of the Rights Issue.

Excluded Shareholder(s)

The Prospectus Documents will not be registered and/or filed under any applicable securities or equivalent legislation of any jurisdictions other than (a) Hong Kong and (b) the PRC in accordance with the notice issued by the China Securities Regulatory Commission of the Filing Requirements for Hong Kong Listed Issuers Making Rights Issue to Mainland Shareholders through Mainland-Hong Kong Stock Connect (Announcement [2016] No. 21) and the Trial Administrative Measures. Overseas Shareholders may not be eligible to take part in the Rights Issue.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors will make any necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The basis for excluding the Excluded Shareholders(s), if any, from the Rights Issue will be set forth in the Prospectus. The Company will send the Prospectus and the Overseas Letter to the Excluded Shareholders for their information only.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholder(s) in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. The Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application (other than the PRC Southbound Trading Investors) by the Qualifying Shareholders.

Overseas Shareholder(s) should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholder(s) should exercise caution when dealing in the securities of the Company.

Application for the excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) are entitled to apply for, by way of excess application:

- (a) any unsold entitlements to the Rights Shares of the Excluded Shareholder(s) (if any);
- (b) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and
- (c) any nil-paid Rights Shares provisionally allotted to but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(a) to (c) shall collectively be referred to as “**Untaken Rights**”.

Applications for the excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Hong Kong Branch Registrar on or before 4:00 p.m. on the Final Acceptance Date. The Directors will, subject to the compliance with the Listing Rules (including but not limited to the public float requirement under Rule 8.08(1)(a) of the Listing Rules), allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders applying such excess Rights Shares on a pro rata basis by reference to the number of excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and

(iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any Controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their provisional allotment to the Rights Shares.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under PALs is greater than the aggregate number of the excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder applying for the excess Rights Shares the actual number of the excess Rights Shares being applied for.

Shareholders whose Shares are held by a nominee company (or which are deposited in CCASS) should note that for the purpose of the Rights Issue, the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually.

Shareholders whose Shares are held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) on or prior to the Record Date for the purpose of the Rights Issue. For those investors who would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Hong Kong Branch Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 24 April 2023.

If the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

UNDERTAKINGS

The Company has not received any information or irrevocable undertaking from any substantial shareholders (as defined in the Listing Rules) of the Company of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue as of the date of this announcement.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As of the date of this announcement, the Company has granted 6,796,000 Share Options, of which 1,742,500 are the Vested Share Options. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme.

The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditor of the Company (as the case may be).

Save for the foregoing, as of the date of this announcement, the Company has no outstanding convertible securities, debt securities, derivatives, options, warrants or other similar securities which are convertible or exchangeable into Shares prior to the Record Date.

APPLICATION FOR LISTING OF THE RIGHTS SHARES

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

The board lot size of the nil-paid Rights Shares will remain unchanged, i.e. 2,000 Shares for each board lot.

RIGHTS SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholder(s) (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation.

None of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue set forth in the paragraphs under “Conditions of the Rights Issue” in this announcement, Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Thursday, 1 June 2023.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Thursday, 1 June 2023 by ordinary post to the applicants’ registered address, at their own risks.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

The Group is principally engaged in the solar farm operation business in the PRC. The business model of the Group is to acquire, own and manage solar farm projects and sell the generated electricity to the State Grid in the PRC for a stable inflow of revenue and cash which will be used for the distribution of dividends. The Group uses internal and external financial resources to support its acquisition of solar farm projects.

As of 31 December 2022, the Group had interest-bearing bank borrowings of HK\$4,953.78 million, of which HK\$2,892.47 million would be required to be repaid before the end of 2023. The Board has considered the costs and benefits of different fund-raising alternatives available to the Group, and the possible impact on the interest savings, and considers that the Rights Issue is a preferred option as it would provide additional equity to the Group without incurring additional debts and paying interest expenses. This is particularly relevant that the global interest rates are expected to continue to increase in the near future.

The Rights Issue would not dilute the Shareholding percentage of any of the Qualified Shareholders, and it would provide an opportunity to each of the Qualified Shareholders to apply for the Rights Shares on a pro rata basis at the Subscription Price and, subject to market demand, would provide the Qualifying Shareholders with the flexibility to sell some or all their provisional allotment in the open market and realise the cash value therefrom. Accordingly, the Directors consider that the Rights Issue is beneficial and is in the interests of the Company and the Shareholders as a whole.

The Company may raise, through the Rights Issue, gross proceeds of up to (a) HK\$1,629.45 million by issuing up to 744,040,025 Rights Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) or (b) HK\$1,629.83 million by issuing up to 744,214,275 Rights Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date). The net proceeds from the Rights Issue, after deducting the professional fees and other related expenses, if subscribed in full by the Qualifying Shareholders, would be up to HK\$1,627.88 million (assuming that there is no change in the number of Shares in issue up to the Record Date) and HK\$1,628.26 million (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date). As mentioned above, the Company intends to apply the net proceeds from the Rights Issue for the refinancing of the Group's bank borrowings and for the general working capital of the Group.

If there is an under-subscription of the Rights Issue, the amount of the net proceeds of the Rights Issue will reduce accordingly.

POSSIBLE CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE RIGHTS ISSUE

The tables below set forth the possible changes in the shareholding structure of the Company (a) as of the date of this announcement; and (b) immediately following completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders:

- (a) Assuming that no Vested Share Options are exercised and there is no other change in the number of Shares in issue before completion of the Rights Issue:

	As of the date of this announcement		Immediately following completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Controlling Shareholders				
Xinyi Glass	450,393,326	6.05	495,432,659	6.05
Xinyi Solar	3,648,100,337	49.03	4,012,910,370	49.03
Other Controlling Shareholders (<i>Note 1</i>)	1,500,663,795	20.17	1,650,730,174	20.17
Public Shareholders	<u>1,841,242,797</u>	<u>24.75</u>	<u>2,025,367,077</u>	<u>24.75</u>
Total	<u>7,440,400,255</u>	<u>100.00</u>	<u>8,184,440,280</u>	<u>100.00</u>

- (b) Assuming that the Vested Share Options are exercised in full on or before the Record Date and there is no other change in the number of Shares in issue before completion of the Rights Issue:

	As of the date of this announcement		Upon full exercise of all the Vested Share Options on or before the Record Date		Immediately following completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Controlling Shareholders						
Xinyi Glass	450,393,326	6.05	450,393,326	6.05	495,432,659	6.05
Xinyi Solar	3,648,100,337	49.03	3,648,100,337	49.02	4,012,910,370	49.02
Other Controlling Shareholders (<i>Note 1</i>)	1,500,663,795	20.17	1,500,663,795	20.16	1,650,730,174	20.16
Public Shareholders	<u>1,841,242,797</u>	<u>24.75</u>	<u>1,841,242,797</u>	<u>24.75</u>	<u>2,025,367,077</u>	<u>24.75</u>
Holdings of Vested Share Options	<u>—</u>	<u>—</u>	<u>1,742,500</u>	<u>0.02</u>	<u>1,916,750</u>	<u>0.02</u>
Total	<u>7,440,400,255</u>	<u>100.00</u>	<u>7,442,142,755</u>	<u>100.00</u>	<u>8,186,357,030</u>	<u>100.00</u>

Notes:

1. The Other Controlling Shareholders are Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. NG Ngan Ho and Mr. SZE Nang Sze and their respective associates (other than Xinyi Glass and Xinyi Solar).
2. Certain percentage figures included in the above tables are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Tuesday, 25 April 2023 to Tuesday, 2 May 2023 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The following is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. All times and dates in this announcement refer to Hong Kong local times and dates.

Publication of the Rights Issue announcement	Friday, 14 April 2023
Last day of dealings in Shares on a cum-rights basis	Thursday, 20 April 2023
First day of dealings in Shares on an ex-rights basis	Friday, 21 April 2023
Latest time for lodging transfer of shares to be entitled for the Rights Issue	4:30 p.m. on Monday, 24 April 2023
Closure of register of members to determine the entitlements to the Rights Issue (both days inclusive)	Tuesday, 25 April 2023 to Tuesday, 2 May 2023
Record date for the Rights Issue	Tuesday, 2 May 2023
Register of members re-opens	Wednesday, 3 May 2023

Prospectus Documents to be despatched.....	Tuesday, 9 May 2023
First day of dealings in nil-paid Rights Shares.....	Thursday, 11 May 2023
Latest time for splitting PALs.....	4:30 p.m. on Monday, 15 May 2023
Last day of dealings in nil-paid Rights Shares.....	Thursday, 18 May 2023
Latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares.....	4:00 p.m. on Tuesday, 23 May 2023
Latest time for the Rights Issue to become unconditional.....	4:00 p.m. on Wednesday, 24 May 2023
Announcement of the allotment results of the Rights Issue.....	Wednesday, 31 May 2023
Refund cheques for wholly and partially unsuccessful excess applications to be posted.....	Thursday, 1 June 2023
Share certificates of fully-paid Rights Shares to be posted.....	Thursday, 1 June 2023
First day of dealings in fully-paid Rights Shares.....	9:00 a.m. on Friday, 2 June 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares.....	9:00 a.m. on Friday, 2 June 2023
Designated broker ceases to provide matching services for odd lots of the Shares.....	4:00 p.m. on Thursday, 15 June 2023

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or extreme conditions caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 23 May 2023. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 23 May 2023. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares does not take place on or before 4:00 p.m. on Tuesday, 23 May 2023, the dates mentioned in the paragraphs under “Expected timetable for the Rights Issue” in this announcement may be affected. An announcement will be made by the Company in such event.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as the issue of 188,400,000 new Shares, representing 2.58% of the then number of Shares in issue for HK\$4.14 per Share, to investors (each of them and their respective ultimate beneficial owners are independent third parties) completed on 7 April 2022 under the general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2021, the Company and any member of the Group has not carried out any equity fund raising activities in the 12 months immediately preceding the date of this announcement. The gross proceeds and the net proceeds raised amounted to HK\$780.0 million and HK\$779.5 million, respectively.

IMPLICATIONS UNDER THE LISTING RULES

The Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates). Hence, the Rights Issue is not subject to Shareholders' approval pursuant to Rule 7.19A(1) of the Listing Rules and will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL INFORMATION

Subject to the fulfillment of all conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, amongst others, details of the Rights Issue, to the Qualifying Shareholders on Tuesday, 9 May 2023. The Company will despatch the Prospectus and the Overseas Letter to the Excluded Shareholder(s) for their information only, but the Company will not send the PALs and EAFs to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue will be proceeded on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is any Untaken Rights not being fully taken up by (a) the Qualifying Shareholders or (b) transferees of nil-paid Rights Shares, the size of the Rights Issue will reduce accordingly.

Shareholders and prospective investors of the Company should also note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed. Shareholders and prospective investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will also not proceed.

The Rights Issue is further subject to the fulfilment of other conditions, as set forth in the paragraphs under "Conditions of the Rights Issue" in this announcement. Shareholders and prospective investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this announcement to the date on which all the conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in nil-paid form will bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Board”	means the board of Directors;
“Business Day”	refers to any day on which commercial banks in Hong Kong are generally open for business in Hong Kong (excluding Saturday, Sunday, public holiday and any day on which typhoon No. 8 or above or “black” rainstorm warning signal is hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon);
“BVI Companies Act”	refers to the BVI Business Companies Act (Revised 2020) of the British Virgin Islands;
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC;
“China Clear”	refers to China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司);
“Companies (WUMP) Ordinance”	means Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

“Company”	means Xinyi Energy Holdings Limited (信義能源控股有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 03868);
“CSRC”	refers to the China Securities Regulatory Commission (中國證券監督管理委員會), the regulator and the enforcement agency of securities matters in the PRC;
“Director(s)”	means the director(s) of the Company;
“EAF(s)”	refers to the excess application form(s) for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) which would like to apply for the Rights Shares in excess for their entitlements under the Rights Issue;
“Excluded Shareholder(s)”	refers to those Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue;
“Final Acceptance Date”	means Tuesday, 23 May 2023, being the last day for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares or such other time or date as the Directors may determine;
“Group”	refers to the Company and its subsidiaries;
“HK\$”	refers to Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKSCC”	refers to Hong Kong Securities Clearing Company Limited;
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Branch Registrar”	refers to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited;

“Last Trading Day”	refers to Friday, 14 April 2023, being the last full trading day for the Shares before the release of this announcement;
“Listing Committee”	means the listing committee of the Stock Exchange;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Other Controlling Shareholder(s)”	refers to, in relation to their respective Shareholdings, Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M, J.P.</i> , Mr. LEE Sing Din, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. NG Ngan Ho and Mr. SZE Nang Sze and their respective associates (other than Xinyi Glass and Xinyi Solar);
“Overseas Letter”	means the letter to be issued by the Company to the Excluded Shareholder(s) on the circumstances in which the Excluded Shareholder(s) will not be entitled to participate in the Rights Issue;
“Overseas Shareholder(s)”	refers to the Shareholder(s) whose names appear on the register of members of the Company as of the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	means the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Posting Date”	refers to Tuesday, 9 May 2023 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents;
“PRC”	means The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“PRC Legal Advisers”	refers to Grandall Law Firm (Shanghai), the PRC legal advisers to the Company;

“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect;
“Prospectus”	means the prospectus to be issued by the Company on the Rights Issue;
“Prospectus Documents”	means the Prospectus, the PAL and the EAF;
“Qualifying Shareholder(s)”	means the Shareholder(s), other than the Excluded Shareholder(s), whose names appear on the register of members of the Company as of the close of business on the Record Date;
“Record Date”	refers to the date by reference to which entitlements under the Rights Issue are expected to be determined, which is currently scheduled to be on Tuesday, 2 May 2023 or such later date as announced by the Company;
“Relevant Shareholders”	has the meaning ascribed to it in the paragraphs under “Application for excess Rights Shares” in this announcement;
“Rights Issue”	refers to the issue by way of rights of one (1) Rights Share for every ten (10) Shares in issue as of the Record Date at the Subscription Price;
“Rights Shares”	means up to 744,040,025 Shares (assuming that there is no change in the number of Shares in issue up to the Record Date) and up to 744,214,275 Shares (assuming that there is no other change in the number of Shares in issue up to the Record Date but all the Vested Share Options are exercised in full on or before the Record Date);
“SFC”	refers to The Securities and Futures Commission of Hong Kong;
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shanghai;

“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen;
“Share(s)”	refers to the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	means the holder(s) of the Share(s);
“Share Options”	refers to the 6,796,000 options to subscribe for Shares issued by the Company pursuant to the Share Option Scheme, of which 1,742,500 are the Vested Share Options;
“Share Option Scheme”	means the share option scheme adopted by the Company on 22 November 2018;
“Stock Exchange”	refers to The Stock Exchange of Hong Kong Limited;
“Subscription Price”	means the subscription price of HK\$2.19 for each Rights Share under the Rights Issue;
“Trial Administrative Measures”	means the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (境內企業境外發行證券和上市管理試行辦法) promulgated by the CSRC effective from 31 March 2023;
“Untaken Rights”	has the meanings ascribed to it in the paragraphs under “Application for the excess Rights Shares” in this announcement;
“Vested Share Options”	means the outstanding and vested Share Options for 1,742,500 Shares as of the Record Date;
“Xinyi Glass”	means Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 00868);

“Xinyi Solar”

means Xinyi Solar Holdings Limited (信義光能控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 00968), the holding company of the Company; and

“%”

denotes per cent or percentage.

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

Hong Kong, 14 April 2023

As of the date of this announcement, the Board comprises five executive Directors, namely 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, Mr. LEE Yau Ching and Ms. CHENG Shu E, 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 will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company's website at www.xinyienergy.com.