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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)

PLACING AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent for the Placing



PLACING AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 12 September 2020, the Company and the Sole Placing Agent entered into the Placing Agreement under which the Company agreed to issue and allot and the Sole Placing Agent agreed to, as agent for the Company, procure the Placees to subscribe for, failing which, to subscribe itself 357,520,000 Placing Shares at the Placing Price of HK\$2.50 per Placing Share on the terms and conditions provided in the Placing Agreement.

The total number of Placing Shares represent approximately 5.29% of the existing issued share capital of the Company and approximately 5.03% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The Placing Shares will be issued under the General Mandate.

The gross proceeds from the Placing are approximately HK\$893.8 million and the net proceeds of approximately HK\$893.2 million are intended to be applied for the general working capital of the Company and its subsidiaries.

Completion of the Placing pursuant to the Placing Agreement is conditional upon the Listing Committee agreeing to grant a listing of and permission to deal in the Placing Shares.

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

WARNING: Since the Placing is subject to the condition precedent set forth in the Placing Agreement, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Placing Agreement

Date

12 September 2020

Parties

- (i) the Company, as issuer; and
- (ii) China International Capital Corporation Hong Kong Securities Limited, as the Sole Placing Agent.

Placing

Pursuant to the Placing Agreement, the Company agreed to issue and allot and the Sole Placing Agent agreed to, as agent for the Company, procure (i) China Life Insurance to subscribe for, failing which, to subscribe itself 125,020,000 Placing Shares; and (ii) Hillhouse Capital to subscribe for, failing which, to subscribe itself 232,500,000 Placing Shares at the Placing Price of HK\$2.50 per Placing Share on the terms and conditions provided in the Placing Agreement.

The Sole Placing Agent

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placees

China Life Insurance is an existing shareholder of the Company and a State-owned insurance financial company incorporated in the PRC with limited liability. Together with its subsidiaries, China Life Insurance is one of the largest commercial insurance companies and one of the largest institutional investors in the PRC.

Hillhouse Capital is an exempted company incorporated in the Cayman Islands with limited liability which primarily engages in investment management.

To the best of the knowledge, information and belief of each of the Directors having made all reasonable enquiries, the Placees and their ultimate beneficial owner(s) are Independent Third Parties and will remain Independent Third Parties immediately after completion of the Placing.

The Placing Shares

The number of 357,520,000 Placing Shares represents approximately 5.29% of the total existing issued share capital of the Company as at the date of this announcement and approximately 5.03% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming there is no other change to the share capital of the Company between the date of the Placing Agreement and the date of completion of the Placing save for the issue of the Placing Shares). The aggregate nominal value of the Placing Shares is HK\$3,575,200.

Placing Price

The Placing Price of HK\$2.50 per Placing Share represents:

- i. a discount of 8.09% to the closing price of HK\$2.72 per Share as quoted on the Stock Exchange on 11 September 2020, being the last trading day before the date of the Placing Agreement; and
- ii. a discount of 6.72% to the average closing price of HK\$2.68 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Placing Agreement.

The Placing Price of HK\$2.50 per Placing Share was determined on arm's length basis among the Company and the Sole Placing Agent based on current market conditions and the prevailing market price of the Shares.

Ranking of the Placing Shares

The Placing Shares, when issued pursuant to the Placing Agreement, 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 at the date of issue of the Placing 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 Placing Shares and duly listed on the Stock Exchange.

Condition precedent of the Placing

The Placing is conditional on the granting approval for the listing of, and permission to deal in the Placing Shares by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares under the Placing Agreement).

If the above condition precedent is not fulfilled at or prior to 8:00 a.m. (Hong Kong time) on 31 October 2020 (or such other time and date as the parties to the Placing Agreement may agree in writing), the obligations and liabilities of the parties under the Placing Agreement shall cease and none of the parties to the Placing Agreement shall have any claim against each other save for antecedent breaches.

Completion of the Placing

Completion of the Placing will be on the Closing Date (being the Business Day after the date on which the condition precedent for completion of the Placing is fulfilled but in any event no later than 2 November 2020), or such other date as the parties to the Placing Agreement may agree in writing.

Since the Placing is subject to the condition precedent set forth in the Placing Agreement, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Lock-up period

The Company undertakes to the Sole Placing Agent that (with the exception of the allotment and issue (i) of the Placing Shares in accordance with the Placing Agreement; and (ii) pursuant to the terms of any employee share option scheme of the Company publicly announced by the Company) for a period from 12 September 2020, being the date of the Placing Agreement, up to 60 days after the Closing Date, the Company will not:-

- (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with similar economic effect as any of the transactions described in (i) above; or

(iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

in each case, without first having obtained the written consent of the Sole Placing Agent.

GENERAL MANDATE

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 15 May 2020. The Company was authorised to issue and allot 1,350,495,694 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as at 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 Placing Shares.

USE OF PROCEEDS

The gross proceeds from the Placing Agreement are approximately HK\$893.8 million. The net proceeds from the Placing to be received by the Company upon completion of the Placing will amount to approximately HK\$893.2 million after deducting all related fees and expenses. On this basis, the net issue price per Placing Share is approximately HK\$2.50 per Share.

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

REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that the Placing 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 Placing Agreement 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 12 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 Placing, 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 Placing save for the issue of the Placing Shares:-

Name of Shareholders	As of the date of this announcement		Approximate shareholding immediately after completion of the Placing	
	Number of Shares	%	Number of Shares	%
Xinyi Group (Glass) Company Limited (<i>Note 1</i>)	393,074,211	5.82	393,074,211	5.53
Xinyi Glass Holdings Limited	35,272,000	0.52	35,272,000	0.50
Xinyi Power (BVI) Limited (<i>Note 2</i>)	3,558,555,000	52.70	3,558,555,000	50.05
Full Guang Holdings Limited (<i>Note 3</i>)	7,606,019	0.11	7,606,019	0.11
Dr. LEE Yin Yee, B.B.S. and his associates (<i>Note 4</i>)	548,771,992	8.13	548,771,992	7.72
Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M</i> and his associates (<i>Note 5</i>)	232,034,796	3.44	232,034,796	3.26
Mr. TUNG Ching Bor and his associates (<i>Note 6</i>)	234,028,473	3.47	234,028,473	3.29
Mr. LEE Sing Din and his associates (<i>Note 7</i>)	148,667,889	2.20	148,667,889	2.09
Mr. LI Man Yin and his associates (<i>Note 8</i>)	54,741,099	0.81	54,741,099	0.77
Mr. LI Ching Wai and his associates (<i>Note 9</i>)	58,571,793	0.87	58,571,793	0.82
Mr. SZE Nang Sze and his associates (<i>Note 10</i>)	72,716,178	1.08	72,716,178	1.02
Mr. NG Ngan Ho and his associates (<i>Note 11</i>)	54,256,528	0.80	54,256,528	0.76
Mr. LI Ching Leung and his associates (<i>Note 12</i>)	<u>54,766,962</u>	<u>0.81</u>	<u>54,766,962</u>	<u>0.77</u>
Sub-total	5,453,062,940	80.76	5,453,062,940	76.69
Public Shareholders (<i>Note 13</i>)	<u>1,299,415,531</u>	<u>19.24</u>	<u>1,656,935,531</u>	<u>23.31</u>
Total	<u>6,752,478,471</u>	<u>100.00</u>	<u>7,109,998,471</u>	<u>100.00</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* 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* 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* 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.
13. Public Shareholders means all the public Shareholders (including China Life Insurance and Hillhouse Capital).

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

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 15 May 2020
“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 (excluding a Saturday, Sunday and public holidays in Hong Kong or any other days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“BVI”	means the British Virgin Islands
“China Life Insurance”	China Life Insurance (Group) Co, a State-owned insurance financial company incorporated in the PRC with limited liability
“Closing Date”	the date of completion of the Placing, being the Business Day after the date on which the condition precedent for completion of the Placing is fulfilled but in any event no later than 2 November 2020
“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
“Hillhouse Capital”	Hillhouse Capital Advisors, Ltd., an exempted company incorporated in the Cayman Islands with limited liability
“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
“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
“Placees”	Collectively, China Life Insurance and Hillhouse Capital
“Placing”	the placing by the Sole Placing Agent of 357,520,000 new Shares to be subscribed by the Placees pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the agreement dated 12 September 2020 entered into among the Company and the Sole Placing Agent in relation to the Placing
“Placing Price”	HK\$2.50 per Placing Share
“Placing Share(s)”	357,520,000 new Shares to be placed by the Sole Placing Agent and subscribed by the Placees pursuant to the terms and conditions of the Placing Agreement
“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
“Sole Placing Agent”	China International Capital Corporation Hong Kong Securities Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 14 September 2020

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, 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.