

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*This announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The shares or securities mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Company's shares will be made in the United States.*



## **XINYI GLASS HOLDINGS LIMITED**

**信義玻璃控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00868)**

### **NOTIFIABLE TRANSACTION PROPOSED SPIN-OFF AND SEPARATE LISTING OF XINYI SOLAR HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules.

The Board refers to the Announcement. The Board is pleased to announce that, following the receipt of the Stock Exchange's confirmation that the Company may proceed with the Proposed Spin-off, Xinyi Solar submitted a listing application form (Form A1) to the Stock Exchange on 7 June 2011 for the listing of, and permission to deal in, the Xinyi Solar Shares in issue and to be issued under the Global Offering on the Main Board. The Proposed Spin-off is subject to the requirements under Practice Note 15 and other relevant requirements of the Listing Rules.

The Xinyi Solar Group is principally engaged in the production and sales of two principal solar glass products: ultra-clear photovoltaic raw glass and ultra-clear photovoltaic processed glass.

According to the requirements of Practice Note 15, the Board will give due and careful consideration to the interests of the Qualifying Shareholders by providing them with an assured entitlement to the Xinyi Solar Shares as part of the Global Offering, subject to certain conditions to be fulfilled. Details of the above-mentioned assured entitlement have yet to be finalised. The Company will issue a further announcement as and when appropriate.

The Proposed Spin-off and the Global Offering will constitute a deemed disposal of the Company's equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules, which constitutes a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Such notifiable transaction may or may not require the approval of the Shareholders at general meeting. As Xinyi Solar will adopt the Xinyi Solar Share Option Scheme, an approval from the Shareholders will be required.

The Company will issue a further announcement according to the requirements of the Listing Rules upon finalisation of the structure of the Proposed Spin-off and other details of the Global Offering.

**As the Proposed Spin-off is subject to, among other things, the final decisions of the Board and the board of directors of Xinyi Solar, and the approvals from the Shareholders and the Stock Exchange, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board refers to the Announcement. The Board is pleased to announce that, following the receipt of the Stock Exchange's confirmation that the Company may proceed with the Proposed Spin-off, Xinyi Solar submitted a listing application form (Form A1) to the Stock Exchange on 7 June 2011 for the listing of, and permission to deal in, the Xinyi Solar Shares in issue and to be issued under the Global Offering on the Main Board. The Proposed Spin-off is subject to the requirements under Practice Note 15 and other relevant requirements of the Listing Rules.

It is proposed that the Proposed Spin-off will be conducted by way of Global Offering. The Directors and the directors of Xinyi Solar have yet to decide the details on the Proposed Spin-off and the Global Offering, including the offering size, the offering structure and the expected timetable. The Company will issue a further announcement upon finalisation of the structure of the Proposed Spin-off and other details of the Global Offering.

## **INFORMATION ON THE XINYI SOLAR GROUP**

Xinyi Solar was incorporated as an exempted company in the Cayman Islands on 11 January 2011 and is as of the date of this announcement a wholly-owned subsidiary of the Company.

The Group (including the Xinyi Solar Group) is principally engaged in the production and sales of high quality float glass products, solar glass products, automobile glass products and energy-saving construction and related glass products in the PRC. The Xinyi Solar Group, which is the subject of the Proposed Spin-off, is principally engaged in the production and sales of two principal solar glass products: ultra-clear photovoltaic raw glass and ultra-clear photovoltaic processed glass.

## **THE PROPOSED SPIN-OFF**

It is proposed that the Xinyi Solar Shares will be offered to professional and institutional investors and the Qualifying Shareholders by way of the Global Offering. In addition, an over-allotment option is expected to be granted by the Company (or its wholly-owned subsidiary) to the global coordinators of the Global Offering whereby the Company (or its wholly-owned subsidiary) may be required to sell some of its Xinyi Solar Shares upon the exercise of such option to cover over-allocations in the Global Offering.

The Directors anticipate that immediately following completion of the Global Offering, the Company's shareholding in the issued share capital of Xinyi Solar will be reduced from 100% to not more than 75%. Xinyi Solar will become a non-wholly owned subsidiary of the Company. The Company will remain a controlling shareholder (as defined in the Listing Rules) of Xinyi Solar.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board considers that the Proposed Spin-off will enable investors to appraise and assess the potential and the performance of the Xinyi Solar Group separately from the other glass manufacturing businesses of the Group. This is particularly relevant that the factors driving the demand for solar glass products are distinct from those driving the demand for high quality float glass, automobile glass and energy-saving construction glass products. The Directors anticipate that with the increasing use of solar energy in the global market, the level of demand for solar glass products will continue to increase. The continuous development of the solar glass business operated under the Xinyi Solar Group will increase the capital commitment required. The Proposed Spin-off will provide an opportunity for the Xinyi Solar Group to raise

additional fund and to operate independently from the Group. The Group will then have additional financial resources to focus on the future development of its existing core business and the establishment of the new ultra-thin electronic glass business.

Following completion of the Proposed Spin-off and the Global Offering, the Company will remain as the largest shareholder of Xinyi Solar. This arrangement will enable the Group, as well as the Shareholders, to continue to enjoy the economic benefits of the development of the Xinyi Solar Group.

The Directors believe that the Xinyi Solar Group has grown to a size sufficient and operating independently to command a separate listing. The Directors consider that the Proposed Spin-off will also be beneficial to the Xinyi Solar Group for the following reasons:-

- (a) The Proposed Spin-off will provide a platform for the Xinyi Solar Group to raise funds from the capital markets to support its growth strategies.
- (b) The Proposed Spin-off will allow the Xinyi Solar Group to broaden its investor base and attract new investors seeking investments in the solar-related industry.
- (c) The Proposed Spin-off will allow a dedicated management team to focus on the development of the Xinyi Solar Group and provide more detailed disclosure for investors, which will increase the corporate profile and improve the corporate governance of the Xinyi Solar Group.

#### **CONDITIONS PRECEDENT FOR THE PROPOSED SPIN-OFF**

The Proposed Spin-off will be conditional on, among others, the following:

- (i) the Listing Committee granting approval for the Proposed Spin-off and the listing of, and permission to deal in, the Xinyi Solar Shares in issue and to be issued under the Global Offering; and
- (ii) the Shareholders passing ordinary resolutions at an extraordinary general meeting of the Company to be convened to approve the Proposed Spin-off, if applicable, and the Xinyi Solar Share Option Scheme.

#### **ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT**

According to the requirements of Practice Note 15, the Board will give due and careful consideration to the interests of the Qualifying Shareholders by providing

them with an assured entitlement to the Xinyi Solar Shares as part of the Global Offering, subject to certain conditions being fulfilled. Details of the above-mentioned assured entitlement have yet to be finalised. The Company will issue a further announcement as and when appropriate.

## **XINYI SOLAR SHARE OPTION SCHEME**

The board of directors of Xinyi Solar is considering to adopt the Xinyi Solar Share Option Scheme. The Xinyi Solar Share Option Scheme and the grant of share options thereunder will be conditional upon, among others, the obtaining of the approval of the Shareholders under Chapter 17 of the Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, the Xinyi Solar Shares which may be issued pursuant to the grant of options under the Xinyi Solar Share Option Scheme. The Xinyi Solar Share Option Scheme will become effective on the commencement of dealings in the Xinyi Solar Shares on the Main Board.

## **NOTIFIABLE TRANSACTION AND DEEMED DISPOSAL OF A SUBSIDIARY**

The Proposed Spin-off, if implemented, will constitute a deemed disposal of the Company's equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules, which constitutes a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Company will issue a further announcement upon finalisation of the structure of the Proposed Spin-off and other details of the Global Offering in accordance with the requirements under the Listing Rules.

## **GENERAL**

As of the date of this announcement, no final decision has been made by the Board as to whether and when the Proposed Spin-off and the Global Offering will be launched. The decisions of the Board and the board of directors of Xinyi Solar to proceed with the Proposed Spin-off and the Global Offering, which will depend upon, among other things, the market conditions during the period leading up to the Global Offering. There is also no assurance that the approval for the Proposed Spin-off and the listing of, and permission to deal in, the Xinyi Solar Shares in issue and to be issued under the Global Offering on the Main Board will be granted. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

**As the Proposed Spin-off is subject to, among other things, the final decisions of the Board and the board of directors of Xinyi Solar, and the approvals from the Shareholders and the Stock Exchange, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS USED IN THIS ANNOUNCEMENT

*Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:-*

<b>“Announcement”</b>	the announcement of the Company dated 28 February 2011 on the application for the Proposed Spin-off;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Xinyi Glass Holdings Limited, an exempt company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 00868);
<b>“Directors”</b>	the directors of the Company;
<b>“Global Offering”</b>	a proposed offering of the Xinyi Solar Shares to professional and institutional investors and the Qualifying Shareholders in Hong Kong and such other jurisdictions;
<b>“Group”</b>	the Company and its subsidiaries which for the purpose of this announcement, excludes the Xinyi Solar Group;
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Listing Committee”</b>	the listing committee of the Stock Exchange;
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Main Board”</b>	the main board of the Stock Exchange;
<b>“Practice Note 15”</b>	Practice Note 15 of the Listing Rules;
<b>“PRC”</b>	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;
<b>“Proposed Spin-off”</b>	the proposed spin-off and separate listing of Xinyi Solar on the Main Board;

<b>“Qualifying Shareholders”</b>	Shareholders whose names appear on the register of members of the Company on such record date to be determined by the Company, who shall be entitled to subscribe for the Xinyi Solar Shares on a preferential basis to be determined under the Global Offering, other than the Shareholders whose addresses on the register of members of the Company are outside Hong Kong on such record date;
<b>“Share(s)”</b>	ordinary shares of HK\$0.10 each in the capital of the Company;
<b>“Shareholder(s)”</b>	holder(s) of the Share(s);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Xinyi Solar”</b>	Xinyi Solar Holdings Limited (信義光能控股有限公司), a company incorporated on 11 January 2011 in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company as of the date of this announcement;
<b>“Xinyi Solar Group”</b>	Xinyi Solar and its subsidiaries;
<b>“Xinyi Solar Share Option Scheme”</b>	the share option scheme proposed to be adopted by Xinyi Solar which will take effect subject to, among others, the commencement of dealings in the Xinyi Solar Shares on the Main Board; and
<b>“Xinyi Solar Shares”</b>	ordinary shares of HK\$0.10 each in the share capital of Xinyi Solar.

By order of the Board  
**Xinyi Glass Holdings Limited**  
**LEE Yin Yee, M.H.**  
*Chairman*

Hong Kong, 7 June 2011

*As of the date of this announcement, the executive Directors are Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LEE Shing Kan, Mr. LEE Yau Ching, Mr. LI Man Yin, the non-executive Directors are Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung, and the independent non-executive Directors are Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel and Mr. WONG Ying Wai, S.B.S., JP.*

*This announcement will be published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.xinyiglass.com.hk](http://www.xinyiglass.com.hk).*