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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)

ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS

PARTIAL REPURCHASE AND CANCELLATION OF THE CONVERTIBLE BONDS

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

On 15 August 2014, the Board resolved that the Company would repurchase from the Investors an aggregate principal amount of HK\$156.0 million of the Convertible Bonds, representing around 20.10% of the total outstanding principal amount of the Convertible Bonds. The repurchase price for the Repurchased Convertible Bonds of HK\$170.04 million was determined by the Company and the Investors on an arm's length basis taking into consideration the original terms and the duration of the Convertible Bonds. The Directors expect that the repurchase would be completed on 19 August 2014.

Following completion of the repurchase and cancellation of the Repurchased Convertible Bonds, the outstanding principal amount of the Convertible Bonds is HK\$620.0 million which may be converted into 108,771,930 Shares based on the current conversion price of HK\$5.70. The number of the Shares that may be issued by the Company following full conversion of the outstanding Convertible Bonds represents 2.77% of the number of Shares in issue of 3,921,607,699 as of the date of this announcement.

The Directors confirm that the repurchase and cancellation of the Repurchased Convertible Bonds is part of the refinancing strategies of the Group for the purpose of reducing the overall financing cost of the Group and is therefore in the interest of the Company and Shareholders as a whole.

The repurchase and cancellation of the Repurchased Convertible Bonds is made pursuant to the terms and conditions of the Convertible Bonds and constitutes an exempt share repurchase by the Company under the Repurchase Code.

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

BACKGROUND INFORMATION

As disclosed in the 2012 Announcement, the Glass Subscription Agreement was entered into for the issuance of the Convertible Bonds in the principal amount of HK\$776.0 million. The Convertible Bonds may be converted into Shares at the current convertible price of HK\$5.70 per Share, subject to adjustment in certain events and the terms and conditions of the Convertible Bonds as disclosed in the 2012 Announcement. Unless previously converted, redeemed or repurchased and cancelled, the Convertible Bonds would be redeemed by the Company on the Maturity Date at such redemption price representing 121.95% of the principal amount of the Convertible Bonds. As of the date of this announcement, other than the partial repurchase and cancellation of the Repurchased Convertible Bonds, there is no change to the principal amount of the Convertible Bonds.

PARTIAL REPURCHASE AND CANCELLATION OF THE REPURCHASED CONVERTIBLE BONDS

On 15 August 2014, the Board resolved that the Company would repurchase from the Investors an aggregate principal amount of HK\$156.0 million of the Convertible Bonds, representing 20.10% of the total outstanding principal amount of the Convertible Bonds. The repurchase price for the Repurchased Convertible Bonds of HK\$170.04 million was determined by the Company and the Investors on an arm's length basis taking into consideration the original terms and the duration of the Convertible Bonds. The Directors expect that the repurchase would be completed on 19 August 2014.

The Repurchased Convertible Bonds were repurchased in accordance with condition 8(F) of the terms and conditions of the Convertible Bonds and will be cancelled after completion of the repurchase.

Following completion of the repurchase and cancellation of the Repurchased Convertible Bonds, the outstanding principal amount of the Convertible Bonds is HK\$620.0 million which may be converted into 108,771,930 Shares based on the current conversion price of HK\$5.70. The number of the Shares that may be issued by the Company following full conversion of the outstanding Convertible Bonds represents 2.77% of the number of Shares in issue of 3,921,607,699 as of the date of this announcement.

REASONS FOR AND BENEFIT OF THE REPURCHASE AND CANCELLATION OF THE REPURCHASED CONVERTIBLE BONDS

The Directors confirm that the repurchase and cancellation of the Repurchased Convertible Bonds is part of the refinancing strategies of the Group for the purpose of reducing the overall financing cost of the Group. The repurchase price for the Repurchased Convertible Bonds was determined with the Investors on an arm's length basis taking into consideration the original terms and the duration of the Convertible Bonds. Following completion of the repurchase and cancellation of the Repurchased Convertible Bonds, the Directors expect that the Group could save the payment of the redemption premium of HK\$20.2 million representing 12.95% of the principal amount of the Repurchased Convertible Bonds. The Directors confirm that the Company uses long-term bank borrowings to finance the payment of the repurchase price for the Repurchased Convertible Bonds, and the interest cost of which is lower than the premium costs of the Convertible Bonds. As such, the Directors consider that the repurchase and cancellation of the Repurchased Convertible Bonds could reduce the overall financing cost of the Group and is therefore in the interest of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE REPURCHASE CODE AND THE LISTING RULES

The repurchase and cancellation of the Repurchased Convertible Bonds is made pursuant to the terms and conditions of the Convertible Bonds and constitutes an exempt share repurchase by the Company under the Repurchase Code.

GENERAL INFORMATION

As of the date of this announcement, the Group is principally engaged in the production and sale of automobile glass, energy saving construction glass and float glass products at the production complexes located in the People Republic of China. Except for their interest in the remaining Convertible Bonds, the Directors confirm that to the best of their knowledge, the Investors are third parties independent from the Directors and the controlling shareholders of the Company (as defined in the Listing Rules) and their respective associates (as defined in the Listing Rules).

The Group may repurchase further Convertible Bonds if the Directors consider that the repurchase price is reasonable taking into consideration the availability of the financial resources of the Group and the likely financing cost.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“2012 Announcement”	the announcement issued by the Company on 3 May 2012 on, inter alia, the issue of the Convertible Bonds;
“Board”	the board of Directors;
“Company”	Xinyi Glass Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“Convertible Bonds”	the zero coupon unlisted convertible bonds due 2017 issued by the Company on 10 May 2012 to the Investors in the principal amount of HK\$776.0 million;
“Directors”	directors of the Company;
“Glass Subscription Agreement”	the subscription agreement dated 3 May 2012 entered into between the Company and the Investors in respect of the Convertible Bonds;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Investors”	Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited and Sculptor Finance (SI) Ireland Limited;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Maturity Date”	10 May 2017, being the fifth anniversary of the date of issuance of the Convertible Bonds;

“Repurchase Code”	Securities and Futures Commission Share Buy-back Code;
“Repurchased Convertible Bonds”	the Convertible Bonds in the aggregate principal amount of HK\$156.0 million to be purchased by the Company pursuant to the written resolutions of the Board dated 15 August 2014;
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 15 August 2014

As of the date of this announcement, the Board comprises 13 Directors, of whom Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, LEE Shing Kan are the executive Directors, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. NG Ngan Ho are the non-executive Directors, and Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Mr. WONG Ying Wai, S.B.S., JP., Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David are the independent non-executive Directors.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyiglass.com.hk.