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**XINYI SOLAR HOLDINGS LIMITED**

**信義光能控股有限公司**

*(Incorporated under the laws of the Cayman Islands  
with limited liability)  
(Stock code: 00968)*



**XINYI GLASS HOLDINGS LIMITED**

**信義玻璃控股有限公司**

*(Incorporated under the laws of the Cayman Islands  
with limited liability)  
(Stock code: 00868)*

**PLACING AND  
TOP-UP SUBSCRIPTION UNDER  
GENERAL MANDATE**

**CONNECTED TRANSACTION IN  
RELATION TO THE  
TOP-UP SUBSCRIPTION**



**as Sole Placing Agent for the Placing**

**PLACING AND TOP-UP SUBSCRIPTION**

On 30 July 2014 before trading hours, the Vendor, Xinyi Glass, Xinyi Solar and the Sole Placing Agent entered into the Placing Agreement, pursuant to which the Vendor has agreed to appoint the Sole Placing Agent and Sole Placing Agent has agreed to act as sole agent for the Vendor to procure purchasers to purchase (or failing which, to purchase itself as principal) the Placing Shares at the Placing Price of HK\$2.07 per Placing Share. On 30 July 2014 before trading hours, Xinyi Glass, Xinyi Solar and the Vendor entered into the Top-up Subscription Agreement, pursuant to which, the Vendor has agreed to subscribe for 380,000,000 new Xinyi Solar Shares at the Top-up Subscription Price following completion of the Placing. The Top-up Subscription Price is equal to the Placing Price.

The 380,000,000 Placing Shares represent (i) 6.67% of the existing number of Xinyi Solar Shares in issue as of the date of this joint announcement and (ii) 6.25% of the enlarged number of Xinyi Solar Shares in issue as enlarged by the issue of 380,000,000 Top-up Subscription Shares. The 380,000,000 Top-up Subscription Shares represent (i) 6.67% of the existing number of Xinyi Solar Shares in issue as of the date of this joint announcement and (ii) 6.25% of the enlarged number of Xinyi Solar Shares in issue as enlarged by the issue of 380,000,000 Top-up Subscription Shares.

The Placing is unconditional, and completion of which is expected to be on or before 1 August 2014, being the second Business Day following the date of this joint announcement or such other date as the Vendor and the Sole Placing Agent may agree in writing.

Completion of the Top-up Subscription is conditional upon (a) completion of the Placing having occurred pursuant to the Placing Agreement and (b) the Stock Exchange granting the listing of and permission to deal in the Top-up Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Top-up Subscription Shares).

The gross proceeds and net proceeds from the Top-up Subscription will be HK\$786.6 million and HK\$778.7 million, respectively, which are intended to be used as capital expenditure of solar farm projects and general working capital of Xinyi Solar Group.

The 380,000,000 Top-up Subscription Shares will be issued under the Xinyi Solar General Mandate. An application will be made by Xinyi Solar to the Stock Exchange for the listing of, and permission to deal in the Top-up Subscription Shares on the Stock Exchange.

**The Placing Agreement contains provisions granting the Sole Placing Agent the right to terminate the Placing Agreement on the occurrence of certain events. Completion of the Top-up Subscription is subject to fulfillment of the conditions precedent set forth in the Top-up Subscription Agreement.**

**WARNING: As the Placing Agreement and the Top-up Subscription Agreement may or may not complete, and the Placing Shares and the Top-up Subscription Shares may or may not be issued or listed, Xinyi Solar Shareholders and potential investors are advised to exercise caution when dealing in the Xinyi Solar Shares.**

#### **IMPLICATION UNDER THE LISTING RULES**

*Xinyi Solar*

As the Top-up Subscription Shares are to be issued by Xinyi Solar pursuant to the Xinyi Solar General Mandate, no additional approval from Xinyi Solar Shareholders will be required for the Placing and the Top-up Subscription.

### *Xinyi Glass*

Pursuant to the Placing Agreement, the Vendor will dispose of 380,000,000 Xinyi Solar Shares, its shareholding percentage in Xinyi Solar will be reduced from 31.21% to 24.54% immediately upon completion of the Placing. Pursuant to the Top-up Subscription Agreement, the Vendor will subscribe for 380,000,000 new Xinyi Solar Shares and following completion of which, its shareholding percentage will be increased from 24.54% to 29.26%. By virtue of being an associate of its substantial shareholders and directors of Xinyi Glass, Xinyi Solar is a connected person (as such term is defined under the Listing Rules) of Xinyi Glass under the Listing Rules. As such, the Top-up Subscription constitutes a connected transaction for Xinyi Glass under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) of the Top-up Subscription are less than 5% and the total consideration is more than HK\$3,000,000, the connected transaction contemplated under the Top-up Subscription Agreement is only subject to the reporting and announcement requirements and is exempt from the circular and independent shareholders' approval requirements.

## **THE PLACING**

### **The Placing Agreement**

#### **Date**

30 July 2014 (before trading hours)

#### **Parties**

- (i) the Vendor
- (ii) Xinyi Glass as the guarantor for the Vendor
- (iii) Xinyi Solar
- (iii) Citigroup Global Markets Asia Limited as the Sole Placing Agent

### **The Sole Placing Agent**

To the best of the knowledge, information and belief of each of the directors of Xinyi Glass and Xinyi Solar having made all reasonable enquiry, the Sole Placing Agent and its ultimate beneficial owners are not connected with Xinyi Glass, Xinyi Solar and their respective connected persons.

## **The Placing Shares**

The 380,000,000 Placing Shares represent (i) 6.67% of the existing number of Xinyi Solar Shares in issue as of the date of this joint announcement and (ii) 6.25% of the enlarged number of Xinyi Solar Shares in issue as enlarged by the issue of 380,000,000 Top-up Subscription Shares.

## **The Placees**

The Placing Shares will be placed to at least six placees who will be selected professional, institutional and other professional investors, who and whose ultimate beneficial owners shall be independent of and not connected with Xinyi Solar, Xinyi Glass or any of their respective connected persons. The Sole Placing Agent has agreed to use all reasonable endeavours to ensure that none of the placees and their ultimate beneficial owners shall become a substantial shareholder (as defined under the Listing Rules) of Xinyi Solar upon taking up the Placing Shares. In the event that there are any Placing Shares which have not been placed by the Sole Placing Agent, the Sole Placing Agent shall on or before the Closing Date purchase such unplaced Shares at the Placing Price in order to fulfill its obligations that it shall have either procured purchasers or purchased for its own account in aggregate all Placing Shares.

## **Placing Price**

The Placing of HK\$2.07 per Placing Share represents:

- i. a discount of 5.0% to the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a discount of 6.8% to the average closing price of HK\$2.22 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- iii. equals to the Top-up Subscription Price.

The Placing Price of HK\$2.07 per Placing Share was determined on arm's length basis among Xinyi Solar, the Vendor and the Sole Placing Agent based on current market conditions and the prevailing market price of the Xinyi Solar Shares.

## **Rights of the Placing Shares**

The Placing Shares are sold free from any pledge, lien, charge, mortgage, security interest, adverse claim, option, warrant, pre-emptive right, or other encumbrance or third party right whatsoever and rank pari passu in all respects with existing Xinyi Solar Shares and together with all rights attaching thereto as of the date of this joint announcement.

## **Completion of the Placing**

The Placing is unconditional and is expected to be completed on or before 1 August 2014, being the second Business Day following the date of this joint announcement or such other date as the Vendor and the Sole Placing Agent may agree in writing.

## **Lock up undertakings**

Each of the Vendor and Xinyi Glass has undertaken to the Sole Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing Agreement), from the date of the Placing Agreement and for a period of 180 days from the Closing Date, it will not and will procure Xinyi Automobile Glass (BVI) Company Limited, a wholly-owned subsidiary of Xinyi Glass and the sole shareholder of the Vendor, not to:-

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Xinyi Solar Shares or any interests therein beneficially owned or held by Xinyi Glass or the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Xinyi Solar Shares or interests; or
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Xinyi Solar Shares,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of Xinyi Solar Shares or such other securities, in cash or otherwise; or

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

unless with the prior written consent of the Sole Placing Agent.

## **No issue of new Xinyi Solar Shares by Xinyi Solar**

Pursuant to the Placing Agreement, Xinyi Solar undertakes to the Sole Placing Agent that from the date of the Placing Agreement and for a period of 180 days from the Closing Date, Xinyi Solar will not, except for the Top-up Subscription Shares and save pursuant to (a) the terms of any employee share option scheme of Xinyi Solar or (b) bonus or scrip dividend or similar arrangements which provide for the allotment of Xinyi Solar Shares in lieu of the whole or part of a dividend on Xinyi Solar Shares of Xinyi Solar in accordance with its articles of association:-

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interest in Xinyi Solar Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Xinyi Solar Shares or interest in Xinyi Solar Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same 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,

Unless with the prior written consent of the Sole Placing Agent.

### **Termination**

The Placing Agreement may be terminated at any time prior to 4:00 p.m. (Hong Kong time) on the Closing Date if:-

- (a) there develops, occurs or comes into force:-
  - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Sole Placing Agent has or is likely to have a material adverse effect on the financial position of Xinyi Solar Group as a whole; or
  - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Sole Placing Agent is or would be materially adverse to the success of the Placing; or
  - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Sole Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or
  - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Xinyi Solar Group as a whole or the Placing Shares or the transfer thereof; or
  - (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or
  - (vii) any suspension of dealings in the Xinyi Solar Shares for any period whatsoever (other than as a result of the Placing); or
  - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) any breach of any of the representations, warranties and undertakings by Xinyi Solar, Xinyi Glass and/or the Vendor set forth in the Placing Agreement comes to the knowledge of the Sole Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the opinion of the Sole Placing Agent) is or would materially and adversely affect the financial position or business of Xinyi Solar and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of this Agreement on the part of any of Xinyi Solar, the Vendor and/or Xinyi Glass;
- (c) any breach of any of the representations, warranties and undertakings by Xinyi Solar and/or the Vendor set forth in the Top-up Subscription Agreement comes to the knowledge of the Sole Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the opinion of the Sole Placing Agent) is or would materially and adversely affect the financial position or business of Xinyi Solar and/or of the Xinyi Solar Group as a whole or is or would be materially adverse to the success of the transaction contemplated by the Subscription Agreement, or there has been a breach of, or failure to perform, any other provision of the Subscription Agreement on the part of either Xinyi Solar and/or the Vendor; or

(d) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of Xinyi Solar and/or of the Xinyi Solar Group as a whole which in the opinion of the Sole Placing Agent is adverse to the success of the Placing;

then and in any such case, the Sole Placing Agent may terminate the Placing Agreement without liability to any of Xinyi Solar, the Vendor and/or Xinyi Glass by giving notice in writing to Xinyi Solar, the Vendor and Xinyi Glass, which notice may be given at any time prior to 4:00 p.m. (Hong Kong time) on the Closing Date.

The Sole Placing Agent may at any time by notice in writing to Xinyi Solar, the Vendor and Xinyi Glass to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Vendor in accordance with the Placing Agreement.

The respective directors of Xinyi Glass and Xinyi Solar are not aware of the occurrence of any such events as of the date of this joint announcement.

## **THE TOP-UP SUBSCRIPTION**

### **The Top-up Subscription Agreement**

#### **Date**

30 July 2014 (before trading hours)

#### **Parties**

- (i) Xinyi Solar as the issuer
- (ii) the Vendor as the subscriber
- (iii) Xinyi Glass as the guarantor for the Vendor



## **The Subscriber**

The Vendor is a wholly-owned subsidiary of Xinyi Glass, a controlling shareholder of Xinyi Solar, and as of the date of this joint announcement held 1,778,709,301 Xinyi Solar Shares, representing 31.21% of the existing number of Xinyi Solar Shares in issue.

## **The Top-up Subscription Price**

The Top-up Subscription Price, being HK\$2.07 per Top-up Subscription Share, is equal to the Placing Price, which was determined on arm's length basis between Xinyi Solar and the Vendor with reference to the Placing Price.

## **Number of Top-up Subscription Shares**

The number of Top-up Subscription Shares to be subscribed by the Vendor pursuant to the Top-up Subscription Agreement is equal to the number of Placing Shares. The 380,000,000 Top-up Subscription Shares represent (i) 6.67% of the existing number of Xinyi Solar Shares in issue as of the date of this joint announcement and (ii) 6.25% of the enlarged number of Xinyi Solar Shares in issue as enlarged by the issue of 380,000,000 Top-up Subscription Shares. The total consideration for the Top-up Subscription will be HK\$786.6 million.

## **General Mandate to issue the Top-up Subscription Shares**

The issue of the Top-up Subscription Shares is not subject to the Xinyi Solar Shareholders' approval. The Top-up Subscription Shares will be issued pursuant to the Xinyi Solar General Mandate, subject to the limit of up to 1,140,000,000 Xinyi Solar Shares (representing 20.0% of the number of Xinyi Solar Shares in issue on the date on which the Xinyi Solar General Mandate was granted). As of the date of this joint announcement, the Xinyi Solar General Mandate has not been utilised.

## **Application for listing**

Xinyi Solar will submit an application to the Stock Exchange for the listing of, and permission to deal in, the Top-up Subscription Shares in due course.

## **Ranking of Top-up Subscription Shares**

The Top-up Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the other Xinyi Solar Shares in issue at the time of issue and allotment of the Top-up Subscription Shares or to be issued by Xinyi Solar on or prior to the completion of the Top-up Subscription.

## **Conditions precedent of the Top-up Subscription**

Completion of the Top-up Subscription is conditional upon (a) completion of the Placing having occurred pursuant to the Placing Agreement and (b) the Stock Exchange granting the listing of and permission to deal in the Top-up Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Top-up Subscription Shares).

## **Completion of Top-up Subscription**

Subject to the fulfillment of the above conditions, completion of the Top-up Subscription is expected to take place on the second Business Day after the date on which the last of the conditions referred above are fulfilled, provided that it will take place on a date no later than a date falling 14 days after the date of the Placing Agreement and the Top-up Subscription Agreement, that is, on or before 13 August 2014.

In the event that the completion of the Top-up Subscription does not take place by 13 August 2014, the Top-up Subscription may be terminated and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise in respect of the Top-up Subscription provided that Xinyi Solar shall reimburse the Vendor any legal fees and out-of-pocket expenses which the Vendor shall be obliged to pay in connection with the Top-up Subscription.

**WARNING: As the Placing Agreement and the Top-up Subscription Agreement may or may not complete, and the Placing Shares and the Top-up Subscription Shares may or may not be issued or listed, Xinyi Solar Shareholders and potential investors are advised to exercise caution when dealing in the Xinyi Solar Shares.**

## **REASONS FOR THE PLACING AND TOP-UP SUBSCRIPTION FOR XINYI SOLAR AND USE OF PROCEEDS FOR XINYI SOLAR**

Upon the full subscription of the Top-up Subscription Shares, the gross proceeds for the issue of the Top-up Subscription Shares will be HK\$786.6 million. After taking into account the estimated expenses in relation to the Placing and Top-up Subscription, the estimated net proceeds from the Top-up Subscription will be HK\$778.7 million, representing a net price of HK\$2.05 per Top-up Subscription Share. The net proceeds from the Top-up Subscription are intended to be used as capital expenditure of solar farm projects and general working capital of Xinyi Solar Group.

The directors of Xinyi Solar consider that the Placing and the Top-up Subscription will provide Xinyi Solar with an opportunity to raise further capital for Xinyi Solar while broadening its shareholders' base and capital base. The directors of Xinyi Solar (including the independent non-executive directors of Xinyi Solar) consider that the Placing Agreement and the Top-up Subscription Agreement were entered into under normal commercial terms following arm's length negotiations between Xinyi Solar and the Sole Placing Agent and that the terms of the Placing Agreement and the Top-up Subscription Agreement are fair and reasonable and in the interests of Xinyi Solar and the Xinyi Solar Shareholders as a whole.

### **REASONS FOR THE TOP-UP SUBSCRIPTION FOR XINYI GLASS**

From the perspective of Xinyi Glass, the Placing will facilitate the raising of funds by Xinyi Solar of which Xinyi Glass (through the Vendor) is a controlling shareholder whereas, the Top-up Subscription is part of the arrangement to facilitate the Placing, pursuant to which Xinyi Glass would not incur any cost. The Top-up Subscription will also enable Xinyi Glass to restore its investment in Xinyi Solar to the same level (in terms of the number of Xinyi Solar Shares held) immediately prior to the Placing. The directors of Xinyi Glass (including the independent non-executive directors of Xinyi Glass) are of the view that the Top-up Subscription is on normal commercial terms and that terms of the Top-up Subscription are fair and reasonable and are in the interests of Xinyi Glass and its shareholders as a whole. Each of Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. NG Ngan Ho and Mr. LI Ching Leung, all being directors of Xinyi Glass are deemed to be able to control the exercise of 30% of the voting power at the general meetings of Xinyi Solar, each of them are considered to have a material interest in the Top-up Subscription and have abstained from voting on the relevant board resolution.

### **FUND RAISING ACTIVITIES BY XINYI SOLAR SINCE LISTING**

Xinyi Solar has been listed on the Stock Exchange since 12 December 2013. It has not carried out any issue of equity securities for fund-raising purposes since its listing on the Stock Exchange.

## EFFECTS ON SHAREHOLDING STRUCTURE OF XINYI SOLAR

The following table illustrates the shareholding structure of Xinyi Solar (i) as of the date of this joint announcement; (ii) immediately after completion of the Placing but before the Top-up Subscription; and (iii) immediately after completion of the Placing and the Top-up Subscription, on the assumptions that there will be no other change to the share capital of Xinyi Solar from the date of this joint announcement until the completion of the Top-up Subscription save for the issue of the new Xinyi Solar Shares as a result of the Top-up Subscription:-

| Name of Xinyi Solar Shareholders   | As of the date of this joint announcement |               | Approximate shareholding immediately after completion of the Placing but before the Top-up Subscription |               | Approximate shareholding immediately after completion of the Placing and the Top-up Subscription |               |
|--|---|---------------|---|---------------|--|---------------|
|  | Xinyi Solar Shares                        | %             | Xinyi Solar Shares  | %             | Xinyi Solar Shares   | %             |
| The Vendor   | 1,778,709,301                             | 31.21         | 1,398,709,301   | 24.54         | 1,778,709,301  | 29.26         |
| Xinyi Glass Holdings Limited   | 12,500,000                                | 0.22          | 12,500,000  | 0.22          | 12,500,000   | 0.20          |
| Realbest Investment Limited (Note 1)   | 725,209,552                               | 12.72         | 725,209,552   | 12.72         | 725,209,552  | 11.93         |
| High Park Technology Limited (Note 2)  | 266,766,456                               | 4.68          | 266,766,456   | 4.68          | 266,766,456  | 4.39          |
| Copark Investment Limited (Note 3)   | 246,932,579                               | 4.33          | 246,932,579   | 4.33          | 246,932,579  | 4.06          |
| Telerich Investment Limited (Note 4)   | 251,595,089                               | 4.41          | 251,595,089   | 4.41          | 251,595,089  | 4.14          |
| Perfect All Investments Limited (Note 5)   | 79,041,911                                | 1.39          | 79,041,911  | 1.39          | 79,041,911   | 1.30          |
| Goldbo International Limited (Note 6)  | 116,580,868                               | 2.05          | 116,580,868   | 2.05          | 116,580,868  | 1.92          |
| Goldpine Limited (Note 7)  | 105,630,781                               | 1.85          | 105,630,781   | 1.85          | 105,630,781  | 1.74          |
| Linkall Investment Limited (Note 8)  | 77,853,912                                | 1.37          | 77,853,912  | 1.37          | 77,853,912   | 1.28          |
| Herosmart Holdings Limited (Note 9)  | 77,853,911                                | 1.37          | 77,853,911  | 1.37          | 77,853,911   | 1.28          |
| Full Guang Holdings Limited (Note 10)  | 14,960,000                                | 0.26          | 14,960,000  | 0.26          | 14,960,000   | 0.24          |
| Certain individuals, controlling shareholders and directors of Xinyi Solar (Note 11) | 126,786,000                               | 2.22          | 126,786,000   | 2.22          | 126,786,000  | 2.08          |
| <b>Total for the controlling shareholders and directors of Xinyi Solar</b>           | <b>3,880,420,360</b>                      | <b>68.08</b>  | <b>3,500,420,360</b>  | <b>61.41</b>  | <b>3,880,420,360</b>   | <b>63.82</b>  |
| <b>Public Shareholders</b>   |   |               |   |               |  |               |
| Places under the Placing   | 0   | 0.00          | 380,000,000   | 6.67          | 380,000,000  | 6.25          |
| Other public Shareholders  | 1,819,579,640                             | 31.92         | 1,819,579,640   | 31.92         | 1,819,579,640  | 29.93         |
| <b>Total</b>   | <b>5,700,000,000</b>                      | <b>100.00</b> | <b>5,700,000,000</b>  | <b>100.00</b> | <b>6,080,000,000</b>   | <b>100.00</b> |

*Notes:-*

1. Realbest Investment Limited is wholly-owned by Mr. LEE Yin Yee, M.H., an executive director of Xinyi Glass and a non-executive director of Xinyi Solar.
2. High Park Technology Limited is wholly-owned by Mr. TUNG Ching Bor, an executive director of Xinyi Glass.
3. Copark Investment Limited is wholly-owned by Mr. TUNG Ching Sai, an executive director of both Xinyi Glass and Xinyi Solar.
4. Telerich Investment Limited is wholly-owned by Mr. LEE Sing Din, the father of Mr. LEE Yau Ching, who is an executive director of Xinyi Solar.
5. Perfect All Investments Limited is wholly-owned by Mr. LI Man Yin, an executive director of Xinyi Solar.
6. Goldbo International Limited is wholly-owned by Mr. LI Ching Wai, a non-executive director of Xinyi Glass.
7. Goldpine Limited is wholly-owned by Mr. SZE Nang Sze, a non-executive director of Xinyi Glass.
8. Linkall Investment Limited is wholly-owned by Mr. NG Ngan Ho, a non-executive director of Xinyi Glass.
9. Herosmart Holdings Limited is wholly-owned by Mr. LI Ching Leung, a non-executive director of Xinyi Glass.
10. Full Guang Holdings Limited is owned by Mr. LEE Yin Yee, M.H. as to 33.98%, Mr. TUNG Ching Bor as to 12.50%, Mr. TUNG Ching Sai as to 19.91%, 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%.
11. Mr. LEE Yin Yee, M.H. is interested in 32,912,000 Xinyi Solar Shares, Mr. LEE Sing Din is interested in 19,770,000 Solar Shares, Mr. TUNG Ching Bor is interested in 19,900,000 Xinyi Solar Shares, Mr. TUNG Ching Sai is interested in 48,064,000 Xinyi Solar Shares, Mr. NG Ngan Ho is interested in 2,200,000 Xinyi Solar Shares, Mr. LI Man Yin is interested in 1,540,000 Xinyi Solar Shares and Mr. LI Ching Leung is interested in 2,400,000 Xinyi Solar Shares.

## **GENERAL INFORMATION**

The Xinyi Solar Group is a China-based solar glass manufacturer with production facilities strategically located in Wuhu and Tianjin, China. Currently, the Xinyi Solar Group offers two principal solar glass products to its customers, namely ultra-clear photovoltaic raw glass and ultra-clear photovoltaic processed glass. All of the Xinyi Solar Group's products are sold to solar module manufacturers and glass processing companies in China, North America, Europe and other countries in Asia.

Based on the unaudited consolidated balance sheet of Xinyi Solar as of 30 June 2014, Xinyi Solar had an unaudited consolidated equity attributable to owners of Xinyi Solar of HK\$2,360.4 million, unaudited consolidated total assets of HK\$3,458.9 million and unaudited consolidated total liabilities of HK\$1,098.5 million. The following information is extracted from the interim result announcement of Xinyi Solar for the six months ended 30 June 2014 and the audited consolidated financial statements of Xinyi Solar for the two years ended 31 December 2013:-

|  | <b>For the<br/>six months<br/>ended<br/>30 June<br/>2014</b> | <b>For the year ended<br/>31 December</b> |                     |
|--|--|---|---------------------|
|  | <b>2014</b>  | <b>2013</b>                               | <b>2012</b>         |
|  | <i>HK\$ million</i>  | <i>HK\$ million</i>                       | <i>HK\$ million</i> |
| Revenue  | 994.4  | 1,967.5                                   | 1,533.1             |
| Profit before taxation   | 239.4  | 370.5                                     | 143.7               |
| Net profit after taxation attributable<br>to equity holders of Xinyi Solar | 200.3  | 303.8                                     | 119.8               |

The Xinyi Glass Group is engaged in the production and sales of a wide range of glass products, including automobile glass, construction glass, float glass, and other glass products for different commercial and industrial applications.

## **IMPLICATION UNDER THE LISTING RULES**

### *Xinyi Solar*

As the Top-up Subscription Shares are to be issued by Xinyi Solar pursuant to the Xinyi Solar General Mandate, no additional approval from Xinyi Solar Shareholders will be required for the Placing and the Top-up Subscription.

### *Xinyi Glass*

Pursuant to the Placing Agreement, the Vendor will dispose of 380,000,000 Xinyi Solar Shares, its shareholding percentage in Xinyi Solar will be reduced from 31.21% to 24.54% immediately upon completion of the Placing.

Pursuant to the Top-up Subscription Agreement, the Vendor will subscribe for 380,000,000 new Xinyi Solar Shares and following completion of which, its shareholding percentage will be increased from 24.54% to 29.26%. By virtue of being an associate of its substantial shareholders and directors of Xinyi Glass, Xinyi Solar is a connected person (as such term is defined under the Listing Rules) of Xinyi Glass under the Listing Rules. As such, the Top-up Subscription constitutes a connected transaction for Xinyi Glass under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) of the Top-up Subscription are less than 5% and the total consideration is more than HK\$3,000,000, the connected transaction contemplated under the Top-up Subscription Agreement is only subject to the reporting and announcement requirements and is exempt from the circular and independent shareholders' approval requirements.

## **DEFINITIONS**

*Unless the context requires otherwise, the capitalised terms used in this joint announcement shall have the meanings as set forth below:-*

|                              |  |
|------------------------------|--|
| “associate(s)”               | has the meaning ascribed thereto under the Listing Rules   |
| “Business day”               | any day (excluding Saturdays, Sundays and public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which banks generally are open for business in Hong Kong |
| “Closing Date”               | being the second Business Day following the date of this joint announcement or such other date as the Vendor and the Sole Placing Agent may agree in writing   |
| “connected person(s)”        | has the meaning ascribed thereto under the Listing Rules   |
| “controlling shareholder(s)” | has the meaning ascribed thereto under the Listing Rules   |
| “HK\$”                       | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                  | the Hong Kong Special Administrative Region of the PRC   |

|                                 |   |
|---------------------------------|---|
| “Last Trading Day”              | 29 July 2014, being the last full trading day immediately before the time at which the Placing Agreement and the Top-up Subscription Agreement were signed                            |
| “Listing Rules”                 | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Placing”                       | the placing of 380,000,000 existing Xinyi Solar Shares beneficially owned by the Vendor pursuant to the terms and conditions of the Placing Agreement                                 |
| “Sole Placing Agent”            | Citigroup Global Markets Asia Limited   |
| “Placing Agreement”             | the agreement dated 30 July 2014 entered into among Xinyi Solar, the Vendor, Xinyi Glass and the Sole Placing Agent in relation to the Placing  |
| “Placing Price”                 | HK\$2.07 per Placing Share  |
| “Placing Share(s)”              | 380,000,000 existing Xinyi Solar Shares beneficially owned by the Vendor to be placed pursuant to the terms and conditions of the Placing Agreement                                   |
| “PRC”                           | the People’s Republic of China excluding, for the purpose of this joint announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited   |
| “Top-up Subscription”           | the subscription by the Vendor for the Top-up Subscription Shares pursuant to the terms of the Top-up Subscription Agreement  |
| “Top-up Subscription Agreement” | the agreement dated 30 July 2014 entered into among the Vendor, Xinyi Glass and Xinyi Solar in relation to the Top-up Subscription  |
| “Top-up Subscription Price”     | HK\$2.07 per Top-up Subscription Share, which is the same as the Placing Price  |
| “Top-up Subscription Share(s)”  | 380,000,000 new Xinyi Solar Shares to be issued to the Vendor pursuant to the Top-up Subscription Agreement   |



|                               |   |
|-------------------------------|---|
| “Vendor”                      | Xinyi Group (Glass) Company Limited 信義集團(玻璃)有限公司, a company incorporated in Hong Kong with limited liability on 2 June 1989, a wholly-owned subsidiary of Xinyi Glass   |
| “Xinyi Glass”                 | Xinyi Glass Holdings Limited 信義玻璃控股有限公司, a company incorporated in the Cayman Islands with limited liability on 25 June 2004, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 00868)    |
| “Xinyi Glass Group”           | Xinyi Glass and its subsidiaries  |
| “Xinyi Solar”                 | Xinyi Solar Holdings Limited 信義光能控股有限公司, a company incorporated in the Cayman Islands with limited liability on 11 January 2011, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00968) |
| “Xinyi Solar General Mandate” | the general mandate granted to the directors of Xinyi Solar by the Xinyi Solar Shareholders pursuant to an ordinary resolution passed at the annual general meeting of Xinyi Solar held on 6 June 2014                      |
| “Xinyi Solar Group”           | Xinyi Solar and its subsidiaries  |
| “Xinyi Solar Share(s)”        | ordinary share(s) of par value HK\$0.10 each in the share capital of Xinyi Solar  |
| “Xinyi Solar Shareholder(s)”  | holder(s) of the Xinyi Solar Shares   |
| “%”                           | per cent.   |

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

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

Hong Kong, 30 July 2014

*As of the date of this joint announcement, the executive directors of Xinyi Solar are Mr. TUNG Ching Sai, Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, the non-executive directors of Xinyi Solar are Mr. LEE Yin Yee, M.H. (Chairman of the board of directors of Xinyi Solar) and Mr. LEE Shing Put, and the independent non-executive directors of Xinyi Solar are Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.*

*As of the date of this joint announcement, the executive directors of Xinyi Glass are Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai and Mr. LEE Shing Kan, the non-executive directors of Xinyi Glass are Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. LI Ching Leung, and the independent non-executive directors of Xinyi Glass are 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.*

This joint announcement will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of Xinyi Solar at [www.xinyisolar.com](http://www.xinyisolar.com) and the website of Xinyi Glass at [www.xinyiglass.com.hk](http://www.xinyiglass.com.hk).