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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**

#### **ADJUSTMENT TO THE CONVERSION PRICE OF THE CONVERTIBLE BONDS**

The Board refers to the announcements of the Company dated 3 May 2012, 30 August 2013, 26 November 2013 and the previous announcements on the spin-off and the separate listing of Xinyi Automobile.

In May 2012, the Company issued to the Subscribers the Convertible Bonds of an initial principal amount of HK\$776,000,000, pursuant to which the Subscribers would be entitled to convert up to 129,333,333 Shares on or before 10 May 2017 at the initial Conversion Price of HK\$6.00 per Share. The initial Conversion Price has been adjusted from HK\$6.00 per Share to HK\$5.70 per Share as a result of the spin-off and separate listing of Xinyi Solar Holdings Limited (stock code: 00968) in 2013. As such, the number of Shares that would be allotted and issued by the Company to the Subscribers upon full conversion of the initial principal amount of the Convertible Bonds of HK\$776,000,000 has been increased from 129,333,333 Shares to 136,140,350 Shares.

Pursuant to the terms and conditions of the Convertible Bonds, the Spin-off and the Separate Listing, which involved the Capital Distribution, would result in an adjustment to the Conversion Price. The Company has appointed the Investment Bank to determine the adjustment. The Investment Bank submitted its adjustment certificate to the Board on 11 October 2016, in which the Investment Bank has certified that, the Conversion Price shall be adjusted downward retrospectively from 30 June 2016 from HK\$5.70 to HK\$5.61.

As at the date of this announcement, the outstanding principal amount of the Convertible Bonds is HK\$620,000,000. Based on the adjusted Conversion Price, the maximum number of Shares that may be issued by the Company upon the exercise of the Convertible Bonds in full would be 110,516,934 Shares. The adjustment is based on a formula set forth in the Glass Subscription Agreement.

As of the date of this announcement, the Company has not received any notification from the Investors that they intend to convert all or any part of the Convertible Bonds that remains outstanding.

**Shareholders and potential investors of the Shares are advised to exercise caution when dealing in the Shares.**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Glass Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **Background information**

The Board refers to the announcements of the Company dated 3 May 2012 (the “**Announcement**”), 30 August 2013, 26 November 2013 and the previous announcements on the spin-off (the “**Spin-Off**”) and the separate listing (the “**Separate Listing**”) of Xinyi Automobile Glass Hong Kong Enterprises Limited (stock code: 08328) (“**Xinyi Automobile**”). Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Announcement.

In May 2012, the Company issued to the Subscribers the Convertible Bonds of an initial principal amount of HK\$776,000,000, pursuant to which the Subscribers would be entitled to convert up to 129,333,333 Shares on or before 10 May 2017 at the initial Conversion Price of HK\$6.00 per Share. As disclosed in the announcement of the Company dated 26 November 2013, the initial Conversion Price has been adjusted from HK\$6.00 per Share to HK\$5.70 per Share as a result of the spin-off and separate listing of Xinyi Solar Holdings Limited (stock code: 00968). As such, the number of Shares that would be allotted and issued by the Company to the Subscribers upon full conversion of the initial principal amount of the Convertible Bonds of HK\$776,000,000 have been increased from 129,333,333 Shares to 136,140,350 Shares.

Pursuant to the Glass Subscription Agreement, this number of Shares may be adjusted from time to time, subject to the terms and conditions of the Convertible Bonds, as a result of, amongst other things, adjustments to the Conversion Price. Certain events or circumstances would result in adjustments to the Conversion Price, which include, but without limitation to, where the Company makes to the Shareholders any distribution of assets in specie and where the Company issues or grants to all or substantially all of the Shareholders any rights to subscribe for or purchase or otherwise acquire any securities. As the Spin-off and the Separate Listing has been conducted by, inter alia, distribution in specie of all shares in Xinyi Automobile to all qualifying Shareholders (the “**Capital Distribution**”), the Spin-off and the Separate Listing would result in an adjustment to the Conversion Price. The adjustment is based on a formula set forth in the terms and conditions of the Convertible Bonds. There will be no change to other terms and conditions of the Convertible Bonds.

Pursuant to the Glass Subscription Agreement, the abovementioned adjustment to the Conversion Price triggered by the Spin-off and the Separate Listing shall be based on the current market price of one Share on the date that the Capital Distribution is publicly announced (i.e. 17 May 2016, being the date of publication of the announcement in relation to the submission of the listing application of Xinyi Automobile which resulted in the Separate Listing) and the fair market value of the portion of the Capital Distribution attributable to one Share on the date of the announcement of the Capital Distribution, being the initial offer price of HK\$0.70 per share of Xinyi Automobile in the proportion of one share of Xinyi Automobile for eight Shares. The Company is required to appoint an investment bank (the “**Investment Bank**”) acceptable to the Subscribers for the purpose, who shall determine the adjustment in good faith.

### **Adjustment to the Conversion Price**

The Investment Bank submitted its adjustment certificate to the Board on 11 October 2016, in which the Investment Bank has certified that, based on the formula set forth in the terms and conditions of the Convertible Bonds and the abovementioned calculation, the Conversion Price shall be adjusted downward retrospectively from the date immediately after the record date for determining the entitlements to the special dividend of the qualifying Shareholders, i.e. 30 June 2016, from HK\$5.70 to HK\$5.61.

As at the date of this announcement, the outstanding principal amount of the Convertible Bonds is HK\$620,000,000. Based on the adjusted Conversion Price, the maximum number of Shares that may be issued by the Company upon the exercise of the Convertible Bonds in full would be 110,516,934 Shares. These Shares would be issued under the general mandate granted to the Directors by the Company’s annual general meeting on 6 May 2011.

As of the date of the announcement, the Company has not received any notification from the Investors that they intend to convert all or any part of the Convertible Bonds that remains outstanding.

**Shareholders and potential investors of the Shares are advised to exercise caution when dealing in the Shares.**

By order of the Board  
**Xinyi Glass Holdings Limited**  
**Datuk LEE Yin Yee, B.B.S.**  
*Chairman*

Hong Kong, 2 December 2016

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

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