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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHTS IN THE PRC

The Board is pleased to announce that on 7 December 2016, Xinyi (Hong Kong) succeeded in the bid for the land use rights in respect of the Land for the consideration of RMB1,866 million (equivalent to HK\$2,095 million). As a result of the successful bid, the Land Use Rights Transfer Agreement is expected to be entered into within three months after the date of the Bid Confirmation.

The Land has a total site area of 13,675 sq. m. and situated within the Qianhai Shenzhen-Hong Kong Modern Service Industry Corporation Zone, Shenzhen, the PRC. The Company currently plans to construct two office buildings on the Land, and the office buildings will be used as the headquarters.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in relation to the Acquisition is greater than five per cent. but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements.

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DETAILS OF THE ACQUISITION

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| Date of the Bid Confirmation: | 7 December 2016 |
| Parties: | Xinyi (Hong Kong), as the purchaser Qianhai Management Bureau, which is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules), as the vendor |
| Location of the Land: | Plot of n.o. T102-0263 within Qianhai Shenzhen-Hong Kong Modern Service Industry Corporation Zone, Shenzhen, the PRC |
| Total site area: | Approximately 13,675 sq. m. |
| Use of the Land: | Office and commercial use |
| Term of the land use rights: | 40 years from the date of the Land Use Rights Transfer Agreement |

The purchase price for the Land is RMB1,866 million (equivalent to HK\$2,095 million) which represents the bid price submitted by Xinyi (Hong Kong) at the Auction. In determining the bid price, Xinyi (Hong Kong) has considered a number of factors, such as the price of land of similar size for similar purpose in surrounding areas, the cost of the Land and the buildings cost, the current property market condition in the PRC and the general economic sentiment.

Pursuant to the Bid Confirmation, the Land use Rights Transfer Agreement is expected to be entered into within three months from the date of the Bid Confirmation. Xinyi (Hong Kong) has paid the down-payment of RMB374 million (equivalent to HK\$420 million) and the remaining balance of RMB1,492 million (equivalent to HK\$1,675 million) will be settled within five business days in the PRC from the date of the Land Use Rights Transfer Agreement.

The amount of the purchase price of the Land will be satisfied out of the Group's internal financial resources.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the production and sales of automobile glass, construction glass and float glass products through the production complexes located in different provinces in the PRC.

Because of its location and the favourable policies, the Directors are optimistic on the development and prosperity of Qianhai Shenzhen-Hong Kong Modern Service Industry Corporation Zone, Shenzhen, the PRC. The Company currently plans to construct two office buildings on the Land with the above-ground total gross floor area of around 62,000 sq. m. The office buildings will be used as the headquarters. The Group may also lease to third parties part of the gross floor area of the commercial buildings as and when appropriate.

On the basis of the foregoing, the Board considers that the Acquisition has been entered into as part of the ordinary and usual course of business of the Group and is made on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in relation to the Acquisition is greater than five per cent. but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

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| “Acquisition” | the acquisition of the land use rights of the Land through public bidding process at the Auction; |
| “Auction” | the public auction held by Shenzhen Land & Real Estate Exchange Center (深圳市土地房產交易中心) on 7 December 2016 at which the Land was offered for sale; |

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| “Bid Confirmation” | the Bid Confirmation (成交確認書) entered into between Xinyi (Hong Kong) and the Qianhai Management Bureau on 7 December 2016 in relation to the results of the bid made by Xinyi (Hong Kong) at the Auction for the land use rights in respect of the Land; |
| “Board” | the board of Directors; |
| “Company” | Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 00868); |
| “Directors” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “Land” | the parcel of land situated at plot No. T102-0263 within Qianhai Shenzhen-Hong Kong Modern Service Industry Corporation Zone, Shenzhen, the PRC (中國深圳市前海深港現代服務業合作區); |
| “Land Use Rights Transfer Agreement” | 深圳市前海深港現代服務業合作區土地使用權出讓合同書 (The Land Use Right Transfer Agreement in respect of the Land in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. Shenzhen), expected to be entered into between Xinyi (Hong Kong) (or its wholly-owned subsidiary) and the Qianhai Management Bureau within three months after the signing of the Bid Confirmation; |
| “Listing Rules” | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “PRC” | The People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan; |

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| “Qianhai Management Bureau” | 深圳市前海深港現代服務業合作區管理局 (The Management Bureau of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen), a PRC governmental unit responsible for the management and development of 中國深圳市前海深港現代服務業合作區 (Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, the PRC); |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Share(s)” | the share(s) of HK\$0.1 each in the share capital of the Company; |
| “Shareholder(s)” | the holder(s) of the Share(s); |
| “sq.m.” | square metre; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Xinyi (Hong Kong)” | Xinyi Group (Glass) Company Limited (信義集團(玻璃)有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company; and |
| “%” | per cent. |

By order of the Board
XINYI GLASS HOLDINGS LIMITED
Datuk LEE Yin Yee, B.B.S.
Chairman

Hong Kong, 7 December 2016

For the purpose of this announcement, the exchange rate of RMB1.0 to HK\$1.1225 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amounts in HK\$ or RMB have been, could have been or may be converted at such rate.

As of the date of this announcement, Datuk LEE Yin Yee, B.B.S.(Chairman of the Board), Mr. TUNG Ching Bor, Datuk TUNG Ching Sai and Mr. LEE Shing Kan are the executive Directors; Mr. LI Ching Wai, Mr. LI Ching Leung, 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, G.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.hkex.com.hk and on the website of the Company at www.xinyiglass.com.