

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.



Xinyi Solar Holdings Limited
信義光能控股有限公司
*(Incorporated in the
Cayman Islands with limited liability)*
(Stock code: 00968)



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)

**JOINT ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS FOR XINYI SOLAR
GLASS TRANSPORTATION SERVICES**

On 12 August 2015, the Glass Transportation Service Agreement has been entered into pursuant to which Xinhe Logistics will, upon the request of Xinyi Solar Group, provide road and river transportation services in the PRC for the glass products produced by Xinyi Solar Group. The Glass Transportation Service Agreement is valid until 31 December 2017. The purpose of this announcement is to set forth the information on the Glass Transportation Service Agreement as required under the Listing Rules and the implications thereunder.

Currently, Xinyi Glass Group and Xinyi Solar Group are handling their glass transportation independently. Xinhe Logistics has its own fleet of trucks and vessels for road transportation and river transportation in the PRC and has its dedicated team of staff for coordinating with the third-party transportation service providers. Both Xinyi Glass Board and Xinyi Solar Board consider that the administrative cost could be reduced with the transportation services of the two group of companies to be handled and arranged by Xinhe Logistics. With the increasing demand for the transportation services, Xinhe Logistics is expected to be in a better position in negotiating lower freight rates or higher discount percentages to the standard freight rates charged by the third-party transportation service providers. These arrangements are expected to benefit Xinyi Glass Group and Xinyi Solar Group.

The Glass Transportation Service Agreement constitutes a continuing connected transaction for Xinyi Solar. As the applicable percentage ratios represented by the Annual Caps are less than 5.0%, the Glass Transportation Service Agreement is exempt from the independent shareholders' approval but subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules.

The transaction contemplated under the Glass Transportation Service Agreement is of revenue nature and conducted in the ordinary and usual course of business of Xinyi Glass Group. Hence, it does not constitute a transaction for the purpose of Chapter 14 of the Listing Rules. This announcement is therefore jointly issued by Xinyi Glass on a voluntary basis.

BACKGROUND INFORMATION

On 12 August 2015, the Glass Transportation Service Agreement has been entered into pursuant to which Xinhe Logistics will, upon the request of Xinyi Solar Group, provide road and river transportation services in the PRC for the glass products produced by Xinyi Solar Group. The Glass Transportation Service Agreement is valid until 31 December 2017. The purpose of this announcement is to set forth the information on the Glass Transportation Service Agreement as required under the Listing Rules and the implications thereunder.

PRINCIPAL TERMS OF THE GLASS TRANSPORTATION SERVICE AGREEMENT

The following sets forth the principal terms of the Glass Supply Framework Agreement:-

- Date: 12 August 2015
- Parties:
- (a) Xinhe Logistics, a wholly-owned subsidiary of Xinyi Glass (Hong Kong), as the service provider of the Glass Transportation Services and
 - (b) Xinyi Solar (Wuhu), acting for itself and its subsidiaries, as the party sourcing the Glass Transportation Services.

Term:	From 12 August 2015 to 31 December 2017.
Subject matter of the Glass Transportation Service Agreement:	Upon the request of Xinyi Solar (Wuhu), Xinhe Logistics will provide road and river transportation services in the PRC for the glass products produced by Xinyi Solar Group. Xinyi Solar Group will not be obliged to use the Glass Transportation Services on an exclusive basis.
Determination of the cost payable for the Glass Transportation Services and the Annual Caps:	<p>The expected annual transportation volume for each of (a) the period commenced from 12 August 2015 to 31 December 2015 and (b) the two years ending 31 December 2017 amounts to 0.64 million tonnes, 0.98 million tonnes and 1.04 million tonnes, respectively.</p> <p>The cost for the Glass Transportation Services will be determined on an arm's length basis upon normal commercial terms with reference to, and cannot be higher and less favourable than, the standard freight rates charged by the third-party transportation service providers for comparable transactions during the same period. The cost will be settled by Xinyi Solar Group in cash on a monthly basis, free of interest on any accrued balance.</p> <p>Based on the current applicable freight rates in the PRC, the estimated cost payable by Xinyi Solar Group to Xinhe Logistics for each of (a) the period commenced from 12 August 2015 to 31 December 2015 and (b) the two years ending 31 December 2017 is expected to be not more than RMB57.0 million (equivalent to HK\$68.7 million), RMB86.0 million (equivalent to HK\$103.6 million) and RMB 94.0 million (equivalent to HK\$113.3 million), respectively.</p> <p>In determining the Annual Caps, Xinyi Solar Board has taken into consideration the expected annual transportation volume up to 31 December 2017 and the amount of transportation cost that may be payable to Xinhe Logistics with reference to the freight rates charged by the third-party transportation service providers for comparable transactions during the same period.</p>

Other terms and conditions:

Xinhe Logistics will ensure that its fleet of trucks and vessels or its out-sourced service providers have sufficient capacity to handle the requests from time to time made by Xinyi Solar Group for the Glass Transportation Services. Xinhe Logistics will also ensure that the glass products to be delivered for Xinyi Solar Group will arrive on time, otherwise Xinhe Logistics may be required to pay compensation. Xinhe Logistics will maintain appropriate insurance for the glass products damaged in transit according to the general industry practice in the PRC.

Governing law:

The law of the PRC

REASONS FOR AND BENEFITS OF ENTERING INTO THE GLASS TRANSPORTATION SERVICE AGREEMENT

Currently, Xinyi Glass Group and Xinyi Solar Group are handling their glass transportation independently. Xinhe Logistics has its own fleet of trucks and vessels for road transportation and river transportation in the PRC and has its dedicated team of staff for coordinating with the third-party transportation service providers. Both Xinyi Glass Board and Xinyi Solar Board consider that the administrative cost could be reduced with the transportation services of the two group of companies to be handled and arranged by Xinhe Logistics. With the increasing demand for the transportation services, Xinhe Logistics is expected to be in a better position in negotiating lower freight rates or higher discount percentages to the standard freight rates charged by the third-party transportation service providers. These arrangements are expected to benefit Xinyi Glass Group and Xinyi Solar Group.

As each of Mr. LEE Yin Yee, B.B.S. and Mr. TUNG Ching Sai, members of the Xinyi Solar Board, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the relevant resolutions approving the Glass Transportation Service Agreement.

The directors (including the independent non-executive directors) of Xinyi Solar consider that the Glass Transportation Service Agreement has been entered into in the ordinary and usual course of the business of Xinyi Solar and on normal commercial terms which are fair and reasonable and in the interest of Xinyi Solar and its shareholders as a whole.

GENERAL INFORMATION

Principal business activities of Xinyi Glass Group

Xinyi Glass Group is principally 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. All shares of Xinyi Glass are listed on the Main Board.

Principal business activities of Xinyi Solar Group

Xinyi Solar Group is principally engaged in the production and sale of solar glass products at its production complex in the PRC as well as the development and operation of solar farms in the PRC. All shares of Xinyi Solar are listed on the Main Board.

Implications under the Listing Rules

As of the date of this announcement, Xinyi Glass is a substantial shareholder of Xinyi Solar holding 27.22% of the issued share capital of Xinyi Solar, directly and indirectly, through its wholly-owned subsidiaries, namely Xinyi Glass (BVI) and Xinyi Glass (Hong Kong). Hence, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar pursuant to rule 14A.07(1) of the Listing Rules.

The Glass Transportation Service Agreement constitutes a continuing connected transaction for Xinyi Solar. As the applicable percentage ratios represented by the Annual Caps are less than 5.0%, the Glass Transportation Service Agreement is exempt from the independent shareholders' approval but subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules.

The transaction contemplated under the Glass Transportation Service Agreement is of revenue nature and conducted in the ordinary and usual course of business of Xinyi Glass Group. Hence, it does not constitute a transaction for the purpose of Chapter 14 of the Listing Rules. This announcement is therefore jointly issued by Xinyi Glass on a voluntary basis.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:-

“Annual Caps”	means the annual maximum amounts of the transportation cost payable to Xinhe Logistics for the Glass Transportation Services for each of (a) the period commenced from 12 August 2015 to 31 December 2015 and (b) the two years ending 31 December 2017;
“associate”	has the meaning ascribed thereto under the Listing Rules;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Glass Transportation Services”	means the road and river transportation services in the PRC to be provided by Xinhe Logistics for the glass products produced by Xinyi Solar Group under the Glass Transportation Service Agreement;
“Glass Transportation Service Agreement”	means the glass transportation service framework agreement* (運輸服務框架協議) dated 12 August 2015 entered into between Xinhe Logistics and Xinyi Solar (Wuhu) for the provision of the Glass Transportation Services;
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Main Board”	means the main board of the Stock Exchange;
“PRC”	means The People’s Republic of China which for the purpose of this announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;

“Xinhe Logistics”	means Wuhu Xinhe Logistics Company Limited* (蕪湖信和物流有限公司), a limited liability company established in the PRC on 27 June 2014 and a wholly-owned subsidiary of Xinyi EnergySmart (Wuhu);
“Xinyi EnergySmart (Wuhu)”	Xinyi EnergySmart (Wuhu) Co. Limited* (信義節能玻璃(蕪湖)有限公司), a limited liability company established in the PRC on 6 March 2007 and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass”	means Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, all shares of which are listed on the Main Board;
“Xinyi Glass (BVI)”	means Xinyi Automobile Glass (BVI) Company Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass Board”	means the board of directors of Xinyi Glass;
“Xinyi Glass Group”	means Xinyi Glass and its subsidiaries;
“Xinyi Solar”	means Xinyi Solar Holdings Limited (信義光能控股有限公司), a company incorporated in the Cayman Islands with limited liability, all shares of which are listed on the Main Board;
“Xinyi Solar Board”	means the board of directors of Xinyi Solar;
“Xinyi Solar Group”	means Xinyi Solar and its subsidiaries;
“Xinyi Solar (Wuhu)”	means Xinyi PV Products (Anhui) Holdings Ltd.* (信義光伏產業(安徽)控股有限公司), a limited liability company established in the PRC on 6 March 2007 and a wholly-owned subsidiary of Xinyi Solar;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;

“RMB” means Renminbi, the lawful currency of the PRC; and

“%” means 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, B.B.S.
Chairman

Hong Kong, 12 August 2015

** For identification purpose only.*

Unless the context requires otherwise, the translation of RMB into HK\$ in this announcement is based on the rate of RMB0.83 = HK\$1. No representation is made that any amount in RMB and HK\$ can be or could have been converted at the relevant dates at these rates or any other rates at all.

As of the date of this announcement, the Xinyi Solar Board comprises four executive directors, namely Mr. TUNG Ching Sai, Mr. LEE Yau Ching, Mr. LI Man Yin and Mr. CHEN Xi, two non-executive directors, namely Mr. LEE Yin Yee, B.B.S. (Chairman of the Board) and Mr. LEE Shing Put, and three independent non-executive directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.

As of the date of this announcement, the Xinyi Glass Board comprises four executive directors, namely Mr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai and Mr. LEE Shing Kan, four non-executive directors, namely Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. LI Ching Leung, and five independent non-executive directors, namely 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.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the websites of Xinyi Glass at www.xinyiglass.com.hk and Xinyi Solar at www.xinyisolar.com.