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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(1) OF THE LISTING RULES SETTLEMENT OF LEGAL PROCEEDINGS WITH SAINT-GOBAIN

This announcement is made by the Board pursuant to Rule 13.09(1) of the Listing Rules.

The Directors refer to the Announcements in which the Company announced that the United States District Court for the Northern District of Ohio in the United States granted a judgement in favour of Saint-Gobain against Xinyi Glass (North America) and Xinyi Automobile Glass for an aggregate amount of approximately US\$24.19 million (equivalent to approximately HK\$188.68 million) in relation to alleged infringements of certain patents of Saint-Gobain.

Following various discussions with Saint-Gobain, the Directors are pleased to announce that Xinyi Automobile Glass and Saint-Gobain have reached a settlement agreement on proceedings pending in the United States and in China between different subsidiaries of both groups, under which all proceedings will be terminated shortly, without admission of any infringement liability on either side. The Group and Saint-Gobain Glass France, S.A. will explore further business cooperation opportunities between them as part of the arrangements under the settlement agreement.

In addition, Xinyi Automobile Glass and Saint-Gobain Glass France, S.A. have entered into licence agreements on other patents of Saint-Gobain for the use by the Group for its production and sales purposes.

This announcement is made by the Board pursuant to Rule 13.09(1) of the Listing Rules.

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the announcements (the “**Announcements**”) of the Company dated 12 November 2009 and 1 April 2010 on the captioned matter.

The Directors refer to the Announcements in which the Company announced that the United States District Court for the Northern District of Ohio in the United States granted a judgement in favour of Saint-Gobain against Xinyi Glass (North America) and Xinyi Automobile Glass for an aggregate amount of approximately US\$24.19 million (equivalent to approximately HK\$188.68 million) in relation to alleged infringements of certain patents of Saint-Gobain.

Following various discussions with Saint-Gobain, the Directors are pleased to announce that Xinyi Automobile Glass and Saint-Gobain have reached a settlement agreement on proceedings pending in the United States and in China between different subsidiaries of both groups, under which all proceedings will be terminated shortly, without admission of any infringement liability on either side. The terms and conditions of the settlement agreement are agreed to be confidential. The Directors confirm that no additional provision will need to be made by the Group for the purpose of the settlement.

The Group and Saint-Gobain Glass France, S.A. will explore further business cooperation opportunities between them as part of the arrangements under the settlement agreement.

In addition, Xinyi Automobile Glass and Saint-Gobain Glass France, S.A. have entered into licence agreements on other patents of Saint-Gobain for the use by the Group for its production and sales purposes.

By order of the Board
XINYI GLASS HOLDINGS LIMITED
LEE Yin Yee, M.H.
Chairman

Hong Kong, 10 August 2010

Unless otherwise specified, translations of US\$ into HK\$ in this announcement are based on the rates of US\$1.0 = HK\$7.8. No representation is made that any amounts in US\$ and HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

As of the date of this announcement, the executive Directors are Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LEE Shing Kan, Mr. LEE Yau Ching, Mr. LI Man Yin, the non-executive Directors are Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung, and the independent non-executive Directors are Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel and Mr. WONG Ying Wai, S.B.S., JP.

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.