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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)**

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES**

**Joint Bookrunners (in alphabetical order)**



**J.P.Morgan**

**Joint Placing Agents (in alphabetical order)**



**J.P.Morgan**



## **The Placing**

Pursuant to the Placing Agreement, the Joint Placing Agents, as the joint placing agents of the Vendors, are appointed by the Vendor to procure purchasers of the Placing Shares on a best commercial efforts basis. The Top-Up Placing Shares are expected to be placed to not less than six independent investors who are selected professional, institutional and other investors.

The Placing Price of HK\$8.35 per Share represents (a) approximately 7.22 per cent. discount to the closing price of HK\$9.00 per Share as quoted on the Stock Exchange on 19 May 2011 (being the last trading day prior to the execution date of the Placing Agreement and the Subscription Agreement); (b) approximately 8.04 per cent. discount to the average closing price of HK\$9.08 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 19 May 2011 and (c) approximately 8.84 per cent. discount to the average closing price of HK\$9.16 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 19 May 2011.

The Placing Shares represent approximately 4.17 per cent. of the existing Shares in issue as at the date of this announcement or approximately 4.06 per cent. of the Shares in issue following completion of the Placing and the Subscription.

Prior to completion of the Placing and the Subscription, and as at the date hereof, the Vendors, being part of the Controlling Shareholders, are in aggregate interested in 307,723,852 Shares, representing approximately 8.72 per cent. of the existing Shares in issue. Immediately after completion of the Placing but before completion of the Subscription and assuming that all the Placing Shares are sold, the Vendors will hold in aggregate 160,455,852 Shares, representing approximately 4.55 per cent. of the Shares in issue. Immediately after completion of the Subscription and assuming that all the Placing Shares are sold, the Vendors will hold in aggregate 260,455,852 Shares, representing approximately 7.18 per cent. of the issued Shares after completion of the Subscription.

## **The Subscription**

Pursuant to the Subscription Agreement, High Park has agreed to subscribe for the Subscription Shares at the Subscription Price following completion of the Placing.

The Subscription Price is equal to the Placing Price. The Subscription is conditional upon (i) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares as set forth in the Subscription Agreement) and (ii) completion of the Placing having occurred pursuant to the terms of the Placing Agreement. If the placing of the Placing Shares is not completed, the Subscription will not be proceeded with.

Prior to completion of the Placing and the Subscription, and as at the date hereof, High Park, being one of the Vendors and a Controlling Shareholder, is interested in 260,455,852 Shares, representing approximately 7.38 per cent. of the existing Shares in issue. Immediately after completion of the Placing but before completion of the Subscription and assuming that all the Placing Shares are sold, High Park will hold 160,455,852 Shares, representing approximately 4.55 per cent. of the Shares in issue. Immediately after completion of the Subscription and assuming that all the Placing Shares are sold, High Park will hold 260,455,852 Shares, representing approximately 7.18 per cent. of the issued Shares after completion of the Subscription.

The Company will issue a separate announcement upon completion of the Placing and the Subscription.

## **PARTICULARS OF THE PLACING**

Pursuant to the Placing Agreement, the Joint Placing Agents, as joint placing agents of the Vendors, are appointed by the Vendor to procure purchasers of the Placing Shares on a best commercial efforts basis.

### **Joint Bookrunners (in alphabetical order)**

Citigroup Global Markets Asia Limited  
J.P. Morgan Securities (Asia Pacific) Limited

### **Joint Placing Agents (in alphabetical order)**

Citigroup Global Markets Asia Limited  
J.P. Morgan Securities (Asia Pacific) Limited  
Kingsway Financial Services Group Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Joint Placing Agents is not a connected person (as defined in the Listing Rules) of the Company.

## **Placees**

The placees of the Top-Up Placing Shares are expected to be not less than six independent investors who are selected professional, institutional and other investors. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the placees of the Top-Up Placing Shares procured by the Joint Placing Agents are connected persons (as defined in the Listing Rules) of the Company.

All the placees of the Placing Shares, and their beneficial owners, are (i) not a Director (existing and within the preceding twelve months from the date of the Placing Agreement), chief executive of the Company or a Controlling Shareholder or any of their associates or associates of the Vendors and (ii) are independent of and not acting in concert (as defined in the Takeovers Code) with the Vendors.

The placees of the Placing Shares will not become substantial shareholders (as such term is defined under the Listing Rules) of the Company following completion of the Placing.

## **Placing Shares**

147,268,000 Shares represent approximately 4.17 per cent. of the existing Shares in issue or approximately 4.06 per cent. of the Shares in issue after completion of the Placing and the Subscription.

## **Placing Price**

The Placing Price of HK\$8.35 per Share represents (a) approximately 7.22 per cent. discount to the closing price of HK\$9.00 per Share as quoted on the Stock Exchange on 19 May 2011 (being the last trading day prior to the execution date of the Placing Agreement and the Subscription Agreement); (b) approximately 8.04 per cent. discount to the average closing price of HK\$9.08 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 19 May 2011 and (c) approximately 8.84 per cent. discount to the average closing price of HK\$9.16 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 19 May 2011.

The Placing Price was negotiated on an arm's length basis between the Vendors, the Company and the Joint Placing Agents. The Directors (including the independent non-executive Directors) consider the Placing Price to be fair and reasonable.

## **Rights of the Placing Shares**

The Placing Shares are sold free from all third party rights, liens, charges, equities and encumbrances and together with all rights attaching thereto including the right to receive all dividends and distributions declared, made or paid after the Closing Date.

## **Completion of the Placing**

Completion of the Placing shall take place on or before the Closing Date. The costs and expenses of the procuring of the purchases of the Placing Shares shall be borne by the Vendors.

## **Lock up undertakings**

Each of the Guarantors and the Vendors undertakes to the Joint Placing Agent that for a period of 90 days from the Closing Date, except for the sale of the Placing Shares pursuant to the Placing Agreement, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will:-

- (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 Shares or any interests therein beneficially owned or held by the Guarantors or the Vendors or any securities convertible into or exercisable or exchangeable for or substantially similar to any such 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 Shares,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of 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 Joint Placing Agents.

## **No issue of new Shares by the Company**

Pursuant to the Placing Agreement, the Company undertakes to the Joint Placing Agents, and the Vendors undertake to the Joint Placing Agents to procure the

Company, that for a period of 90 days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (a) the terms of any employee share option scheme of the Company or (b) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company 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 Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in 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,

without first having obtained the written consent of the Joint Placing Agents.

### **Guarantee of obligations**

The Guarantors have undertaken to the Joint Placing Agents that they will procure due and punctual performance by the Vendors of all of their obligations, commitments and undertakings in the Placing Agreement.

### **Termination of the Placing**

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 any of the Joint Bookrunners has or is likely to have a material adverse effect on the financial position of the Company and/or of the 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 any of the Joint Bookrunners 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 judgment of any of the Joint Bookrunners 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, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, Singapore, the United Kingdom or the United States; or
  - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the 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, Singapore, the United Kingdom, the PRC or the United States or the declaration by Hong Kong, Singapore, the United Kingdom, the PRC or the United States of a national emergency or war; or
  - (vii) any suspension of dealings in the 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, the Singapore Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq 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 the Company, any of the Guarantors and/or the Vendors set out in the Placing Agreement comes to the knowledge of any of the Joint Placing Agents 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 respect and any such

breach or failure is material or (in the opinion of any of the Joint Bookrunners) is or would materially and adversely affect the financial position or business of the Company 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 the Placing Agreement on the part of any of the Company, the Vendors and/or the Guarantors; or

- (c) any breach of any of the representations, warranties and undertakings by the Company, and/or High Park set out in the Subscription Agreement comes to the knowledge of any of the Joint Placing Agents 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 respect and any such breach or failure is material or (in the opinion of any of the Joint Bookrunners) is or would materially and adversely affect the financial position or business of the Company and/or of the 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 the Company and/or High Park; 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 the Company and/or of the Group as a whole which in the opinion of any of the Joint Bookrunners is materially adverse to the success of the Placing;

then and in any such case, any of the Joint Bookrunners may terminate the Placing Agreement without liability to any of the Joint Placing Agents, the Company, any of the Vendors, and/or any of the Guarantors.

The Joint Bookrunners may at any time by notice in writing to the Company, the Vendors and Mr. TUNG (acting on behalf of all Vendors and the Guarantors) terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Vendors in accordance with the Placing Agreement.



## **PARTICULARS OF THE SUBSCRIPTION**

Pursuant to the Subscription Agreement, High Park has agreed to subscribe for the Subscription Shares at the Subscription Price following completion of the Placing.

The placing of the Top-Up Placing Shares by High Park is for the sole purpose of facilitating the Subscription.

### **Subscription Shares**

100,000,000 new Shares, with an aggregate nominal value of HK\$10.0 million, represent approximately 2.83 per cent. of the existing Shares in issue or approximately 2.76 per cent. of the Shares in issue after completion of the Subscription. The number of the Subscription Shares is equal to the number of the Top-Up Placing Shares.

The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with a maximum of 705,609,444 Shares or 20 per cent. of the Shares in issue when such general mandate was granted to the Directors by a resolution passed at the Company's annual general meeting held on 6 May 2011. As at the date of this announcement, the general mandate has not been utilised. The issue of the Subscription Shares will not require any specific approval from the Shareholders.

### **Subscription Price and net proceeds from the Subscription**

The Subscription Price is equal to the Placing Price and is therefore HK\$8.35 per Share. The net Subscription Price is HK\$8.21 per Share being the Subscription Price net of costs and expenses in respect of which the Company and High Park have agreed to pay for in relation to the placing of the Top-Up Placing Shares and the Subscription. The net proceeds from the Subscription are expected to be approximately HK\$821 million.

### **Ranking of the Subscription Shares**

The Subscription Shares, when fully paid, will rank *pari passu* with the existing Shares including the right to receive dividends and other distributions declared, made or paid after completion of the Subscription.

## **Conditions of the Subscription**

Completion of the Subscription is conditional upon:-

- (a) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares as set forth in the Subscription Agreement); and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. The number of the Subscription Shares shall be the same as that of the Top-Up Placing Shares. If the Placing is not completed, the Subscription will not be proceeded with.

## **Completion of the Subscription**

Completion of the Subscription will take place on the second business day after the date on which the last of the conditions to be satisfied shall have been so satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Subscription Agreement, being 3 June 2011 (or such other time and/or date as High Park and the Company may agree in writing).

In the event that the conditions to the Subscription Agreement are not fulfilled by 3 June 2011 or such later date as may be agreed between the Company and High Park, the obligations and liabilities of High Park and the Company under the Subscription shall be null and void and neither the Company nor High Park shall have any claim against the other for costs, damages, compensation or otherwise provided that the Company shall reimburse High Park any legal fees and out-of-pocket expenses which High Park shall be obliged to pay in connection with the Subscription.

## **Guarantee of obligations**

Pursuant to the Subscription Agreement, Mr. TUNG has provided guarantee to the performance or satisfaction of obligations by High Park under the Subscription Agreement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing and (iii) immediately after completion of the Placing and the Subscription assuming that all the Placing Shares are sold:-

	As at the date of this announcement		Immediately after completion of the Placing and assuming all the Placing Shares are sold		Immediately after completion of the Placing and the Subscription and assuming all the Placing Shares are sold	
	Shares	%	Shares	%	Shares	%
<b>High Park</b>	260,455,852	7.38	160,455,852	4.55	260,455,852	7.18
<b>Full Guang</b>	<u>47,268,000</u>	<u>1.34</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
<b>Total for the Vendors</b>	<b>307,723,852</b>	<b>8.72</b>	<b>160,455,852</b>	<b>4.55</b>	<b>260,455,852</b>	<b>7.18</b>
Realbest Investment Limited (Note 1)	708,054,058	20.06	708,054,058	20.06	708,054,058	19.51
Copark Investment Limited (Note 2)	240,047,000	6.80	240,047,000	6.80	240,047,000	6.61
Telerich Investment Limited (Note 3)	245,643,378	6.96	245,643,378	6.96	245,643,378	6.77
Goldbo International Limited (Note 4)	115,758,156	3.28	115,758,156	3.28	115,758,156	3.19
Goldpine Limited (Note 5)	106,227,000	3.01	106,227,000	3.01	106,227,000	2.92
Perfect All Investments Limited (Note 6)	77,172,104	2.19	77,172,104	2.19	77,172,104	2.13
Linkall Investment Limited (Note 7)	77,172,104	2.19	77,172,104	2.19	77,172,104	2.13
Herosmart Holdings Limited (Note 8)	77,172,104	2.19	77,172,104	2.19	77,172,104	2.13
Certain individual Controlling Shareholders and Directors (Note 9)	<u>117,712,164</u>	<u>3.33</u>	<u>117,712,164</u>	<u>3.33</u>	<u>117,712,164</u>	<u>3.24</u>
<b>Total for the Controlling Shareholders and Directors</b>	<b><u>2,072,681,920</u></b>	<b><u>58.73</u></b>	<b><u>1,925,413,920</u></b>	<b><u>54.56</u></b>	<b><u>2,025,413,920</u></b>	<b><u>55.81</u></b>
<b>Public Shareholders</b>						
Places under the Placing	0	0.00	147,268,000	4.17	147,268,000	4.06
Other public Shareholders	<u>1,456,233,200</u>	<u>41.27</u>	<u>1,456,233,200</u>	<u>41.27</u>	<u>1,456,233,200</u>	<u>40.13</u>
<b>Total</b>	<b><u>3,528,915,120</u></b>	<b><u>100.00</u></b>	<b><u>3,528,915,120</u></b>	<b><u>100.00</u></b>	<b><u>3,628,915,120</u></b>	<b><u>100.00</u></b>

*Notes:-*

1. Realbest Investment Limited is wholly-owned by Mr. LEE Yin Yee, M.H., an executive Director.
2. Copark Investment Limited is wholly-owned by Mr. TUNG Ching Sai, an executive Director.
3. Telerich Investment Limited is wholly-owned by Mr. LEE Sing Din, the father of Mr. LEE Yau Ching, an executive Director.
4. Goldbo International Limited is wholly-owned by Mr. LI Ching Wai, a non-executive Director.
5. Goldpine Limited is wholly-owned by Mr. SZE Nang Sze, a non-executive Director.
6. Perfect All Investments Limited is wholly-owned by Mr. LI Man Yin, an executive Director.
7. Linkall Investment Limited is wholly-owned by Mr. NG Ngan Ho, a non-executive Director.
8. Herosmart Holdings Limited is wholly-owned by Mr. LI Ching Leung, a non-executive Director.
9. Mr. LEE Yin Yee, M.H. is interested in 25,552,000 Shares, Mr. LEE Sing Din is interested in 15,756,000 Shares, Mr. TUNG is interested in 17,352,000 Shares, Mr. TUNG Ching Sai is interested in 52,832,164 Shares, Mr. NG Ngan Ho is interested in 2,200,000 Shares, Mr. LI Man Yin is interested in 1,540,000 Shares, Mr. LI Ching Leung is interested in 2,400,000 Shares and Mr. WONG Chat Chor Samuel is interested in 80,000 Shares.

Prior to completion of the Placing and the Subscription, and as at the date hereof, the Vendors, being part of the Controlling Shareholders, are in aggregate interested in 307,723,852 Shares, representing approximately 8.72 per cent. of the existing Shares in issue. Immediately after completion of the Placing but before completion of the Subscription and assuming that all the Placing Shares are sold, the Vendors will hold in aggregate 160,455,852 Shares, representing approximately 4.55 per cent. of the Shares in issue. Immediately after completion of the Subscription and assuming that all the Placing Shares are sold, the Vendors will hold in aggregate 260,455,852 Shares, representing approximately 7.18 per cent. of the Shares in issue after completion of the Subscription.

Prior to completion of the Placing and the Subscription, and as at the date hereof, High Park, being one of the Vendors and a Controlling Shareholder, is interested in 260,455,852 Shares, representing approximately 7.38 per cent. of the existing Shares in issue. Immediately after completion of the Placing but before completion of the Subscription and assuming that all the Placing Shares are sold, High Park will

hold 160,455,852 Shares, representing approximately 4.55 per cent. of the Shares in issue. Immediately after completion of the Subscription and assuming that all the Placing Shares are sold, High Park will hold 260,455,852 Shares, representing approximately 7.18 per cent. of the issued Shares after completion of the Subscription.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE PROPOSED USE OF THE NET PROCEEDS**

The Shares have been listed on the Stock Exchange since 3 February 2005. The Directors consider that the Placing and the Subscription, if completed, will provide a good opportunity for the Company to (i) raise funds for the proposed investment described below, and (ii) broaden the shareholder base and capital base and increase the liquidity of the Shares, without resulting in significant dilution of the earnings base and the shareholding percentage of the existing Shareholders.

The net proceeds from the Subscription are expected to be approximately HK\$821 million. The Directors intend to use the net proceeds for future capital expenditures and general working capital.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription, including the Subscription Price, which have been negotiated on an arm's length basis in accordance with normal commercial terms are fair and reasonable.

The Company will issue a separate announcement upon completion of the Placing and the Subscription. Since the completion of the Placing and the Subscription is subject to the satisfaction of a number of conditions, **Shareholders and investors are advised to exercise caution when dealing in the Shares.**

The Company has not issued any equity securities for fund raising purpose in the twelve months immediately preceding the date of this announcement.

## **GENERAL INFORMATION**

As at the date of this announcement, the Group is principally engaged in the production and sales of high quality float glass products, solar glass products, automobile glass products and energy saving construction glass products in the global market.

## DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“Closing Date”	24 May 2011 or such other date as the Vendors and the Joint Placing Agents may agree in writing;
“Company”	Xinyi Glass Holdings Limited, an exempt company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 00868);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder(s)”	the controlling shareholder(s) (as such term is defined under the Listing Rules) of the Company;
“Directors”	the directors of the Company;
“Full Guang”	Full Guang Holdings Limited, a company incorporated in the BVI and a Controlling Shareholder;
“Group”	the Company and its subsidiaries;
“Guarantors”	Mr. LEE Yin Yee, M.H., Mr. TUNG, Mr. TUNG Ching Sai, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Man Yin, Mr. NG Ngan Ho and Mr. LI Ching Leung;
“High Park”	High Park Technology Limited, a company incorporated in the BVI wholly-owned by Mr. TUNG, and a Controlling Shareholder;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

“Joint Bookrunners” (in alphabetical order)	Citigroup Global Markets Asia Limited and J.P. Morgan Securities (Asia Pacific) Limited;
“Joint Placing Agents” (in alphabetical order)	Citigroup Global Markets Asia Limited, J.P. Morgan Securities (Asia Pacific) Limited and Kingsway Financial Services Group Limited;
“Listing Committee”	the committee of the Stock Exchange responsible for listing matters;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. TUNG”	Mr. TUNG Ching Bor, an executive Director and the legal and beneficial owner of all the shares of High Park;
“Placing”	the procuring of purchasers for the Placing Shares on a best commercial efforts basis by the Joint Placing Agents subject to the terms and upon the conditions set forth in the Placing Agreement;
“Placing Agreement”	the placing agreement dated 20 May 2011 and entered into between the Company, the Vendors, the Guarantors and the Joint Placing Agents;
“Placing Price”	HK\$8.35 per Share;
“Placing Shares”	an aggregate of 147,268,000 Shares beneficially owned by the Vendors and to be placed pursuant to the terms and conditions set forth in the Placing Agreement;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscription”	the subscription made by High Park for the Subscription Shares pursuant to the terms and conditions set forth in the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 20 May 2011 and entered into between the Company, High Park and Mr. TUNG;
“Subscription Price”	HK\$8.35 per Subscription Share, which is the same as the Placing Price;
“Subscription Shares”	an aggregate of 100,000,000 new Shares, equivalent to the number of the Top-Up Placing Shares and to be subscribed for by High Park pursuant to the terms and conditions of the Subscription Agreement;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Top-Up Placing Shares”	an aggregate of 100,000,000 Shares beneficially owned by High Park, being part of the Placing Shares; and
“Vendors”	Full Guang and High Park.

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

Hong Kong, 20 May 2011

*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.*

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