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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)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors of the Company that following a preliminary review of the Group's unaudited consolidated management accounts for the 2012 First Six-Month Period, the unaudited consolidated net profit of the Group for the 2012 First Six-Month Period is expected to decrease by around 40%, as compared with the amount of the net profit of the Group for the 2011 First Six-Month Period. The decrease in the amount of the net profit was principally due to the decreased selling prices of float glass and solar glass during the first quarter of 2012 in China and globally in the context of economic uncertainty. Nevertheless, the amount of the net profit of the Group for the 2012 First Six-Month Period is expected to be higher than the same for the 2011 Second Six-Month Period. The Directors remain optimistic on the continuous business development of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Xinyi Glass Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that following a preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2012 (the "**2012 First Six-Month Period**"), the unaudited consolidated net profit of the Group for the 2012 First Six-Month Period is expected to decrease by around 40%, as compared with the amount of the net profit of the Group for the six months ended

30 June 2011 (the “**2011 First Six-Month Period**”). The amount of the net profit of the Group for the 2012 First Six-Month Period is expected to be higher than the same for the six months ended 31 December 2011 (the “**2011 Second Six-Month Period**”).

The Board considers that the decrease in the amount of the net profit for the 2012 First Six-Month Period, as compared with the same for the 2011 First Six-Month Period, was primarily due to the global market conditions. The level of demand and the selling prices of float glass and solar glass in China and globally in the 2011 First Six-Month Period remained at high levels. From the beginning of the third quarter of 2011 to the first quarter of 2012, the selling prices of float glass and solar glass in China and globally continued to decrease. The selling prices for these glass products decreased because of the slow-down in the economic development in China and the global economic uncertainty associated with the debt crisis amongst certain European countries. All of these factors continued to affect the performance of the Group in the 2012 First Six-Month Period.

Despite a decrease in the amount of the net profit for the 2012 First Six-Month Period, as compared with the same for the 2011 First Six-Month Period, the Directors remain optimistic on the continuous business growth of the Group. The amount of the net profit of the Group for the 2012 First Six-Month Period is expected to be higher than the same for the 2011 Second Six-Month Period. The Directors believe that this growth reflects the improving market conditions and the industry outlook.

The Company is still in the process of finalising the results of the Group for the 2012 First Six-Month Period. The information contained in this announcement is a preliminary assessment by the Board based on the unaudited management accounts of the Group and the current information available, which have not been confirmed nor audited by the Company’s auditor or audit committee of the Board. The results of the Group for the 2012 First Six-Month Period will be announced by the Company on 30 July 2012.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 July 2012

As of the date of this announcement, the Board comprises 13 Directors, of whom Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LEE Shing Kan, Mr. LEE Yau Ching and Mr. LI Man Yin are executive Directors, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. NG Ngan Ho are non-executive Directors, and Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel and Mr. WONG Ying Wai, S.B.S., JP. are independent non-executive Directors.