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CHINA GLASS HOLDINGS LIMITED

中國玻璃控股有限公司*

(incorporated in Bermuda with limited liability)

Stock Code: 3300

**MAJOR AND CONNECTED TRANSACTIONS
in relation to
ACQUISITION OF MINORITY INTERESTS IN JV INVESTMENTS
and
DISCLOSEABLE AND CONNECTED TRANSACTIONS
in relation to
PLACEMENT OF NEW SHARES TO FIRST FORTUNE**

JV Investments, a company incorporated in the Cayman Islands, is a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Company holds approximately 57.90% of the share capital of JV Investments on a fully converted basis. The Company has entered into the Mei Long Agreement and the Pilkington Agreement with Mei Long and Pilkington respectively, being the minority shareholders of JV Investments, to acquire the minority interests in JV Investments representing approximately 42.10% of its share capital, in consideration of issuance of a total of 123,069,529 Consideration Shares and the Cash Consideration.

The Company has also entered into the Subscription Agreement with First Fortune pursuant to which First Fortune agreed to subscribe for the Subscription Shares at the Placing Price. The Company is also considering to allot and place not more than 83,000,000 Shares to the public shareholders simultaneously and upon Completion. The Agreements shall be completed on the same date of completion of the Share Placement or such other date as the relevant parties may determine.

As at the date of this announcement, JV Investments is a non-wholly owned subsidiary of the Company. Each of Pilkington and Mei Long, which holds approximately 25.46% and 16.64% of the total issued capital of JV Investments respectively on a fully converted basis, is a substantial shareholder of a subsidiary of the Group. First Fortune is a controlling shareholder of the Company holding approximately 31.25% interest in the Company. Pilkington is also a substantial shareholder of the Company holding approximately 26.90% interest in the Company. As such, each of Pilkington, Mei Long and First Fortune is a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the acquisition of the JV Sale Shares from the Sellers and the issuance of the Consideration Shares to each of them, and the issuance of the Subscription Shares to First Fortune, all constitute connected transactions of the Company.

As one of the applicable percentage ratios for the acquisition of the JV Sale Shares contemplated under the Pilkington Agreement and the Mei Long Agreement exceeds 25% but is less than 100%, the acquisition of the JV Sale Shares constitutes both a major and a non-exempted connected transaction of the Company under Chapter 14 and 14A of the Listing Rules.

As one of the applicable percentage ratios for the subscription of the Subscription Shares by First Fortune contemplated under the Subscription Agreement exceeds 5% but is less than 25%, the subscription of the Subscription Shares constitutes both a discloseable and a non-exempted connected transaction of the Company under Chapter 14 and 14A of the Listing Rules.

As such, the Transactions are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, further details of the Transactions and the Agreements, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Transactions and the Agreements, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the Agreements, and a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 9 November 2010 in accordance with the requirements of the Listing Rules.

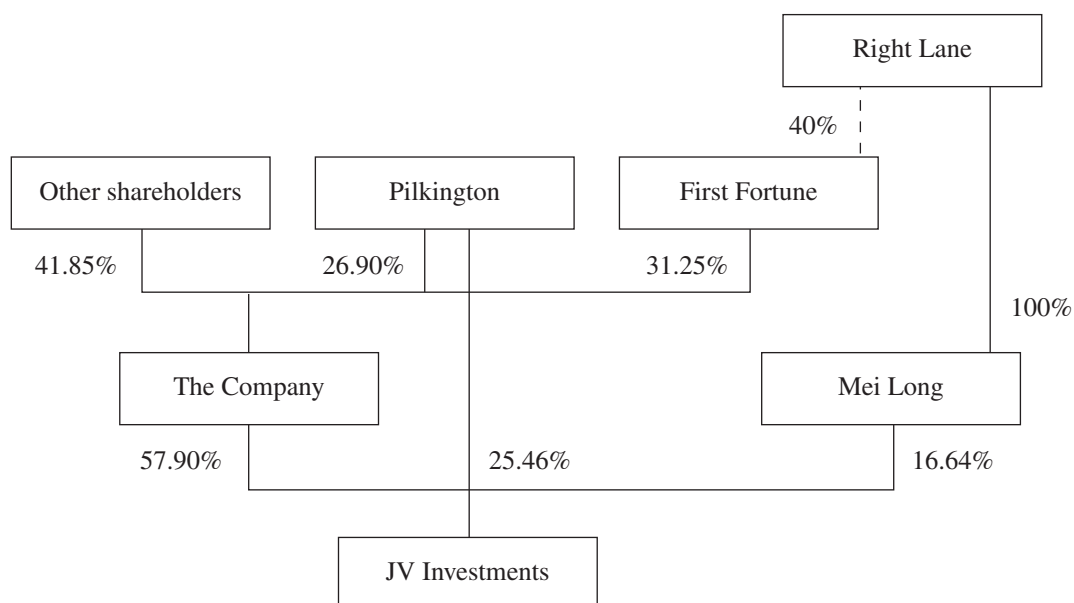
Completion of the Agreements is subject to the satisfaction of the Conditions and the Transactions or the Share Placement may or may not proceed. Accordingly, the issue of this announcement does not in any way imply that the Transactions or the Share Placement will be completed. Shareholders and investors should exercise caution when dealing in the Shares.

BACKGROUND

JV Investments, a company incorporated in the Cayman Islands, is a non-wholly owned subsidiary of the Company. The share capital of JV Investments comprises of Class A Shares and Class B Shares, of which 60,001 Class A Shares and 30,312 Class B Shares are issued and fully paid up. According to the articles of association of JV Investments, the Class B Shares are convertible into Class A Shares at a conversion ratio of one to one by notice from the holders of Class B Shares.

As at the date of this announcement, the Company holds 39,031 Class A Shares and 13,256 Class B Shares, representing approximately 57.90% of the share capital of JV Investments on a fully converted basis. The other shareholders of the JV Investments are (i) Pilkington, which holds 5,940 Class A Shares and 17,056 Class B Shares, representing approximately 25.46% of the share capital of JV Investments on a fully converted basis, and (ii) Mei Long, which holds 15,030 Class A Shares, representing approximately 16.64% of the share capital of JV Investments on a fully converted basis.

Set out below is the shareholding structure of JV Investments as at the date of this announcement:



With a view to further strengthening and consolidating its control in JV Investments, the Company has reached agreements with Mei Long and Pilkington, being the minority shareholders of JV Investments, to acquire the minority interests in JV Investments held by each of them in consideration of issuance of the Consideration Shares (and in the case of Pilkington) and the Cash Consideration. The Transactions comprise four transactions which are inter-conditional on each other: (i) Pilkington agreed to dispose of the JV Shares (Pilkington) to the Company, being all of its interest in JV Investments representing approximately 25.46% of shareholding in JV Investments on a fully converted basis, for the issuance to it of the Consideration Shares (Pilkington) and payment of the Cash Consideration; (ii) Mei Long agreed to dispose of the JV Shares (Mei Long) to the Company, being all of its interest in JV Investments representing approximately 16.64% of shareholding in JV Investments on a fully converted basis, for the issuance to it of the Consideration Shares (Mei Long); and (iii) First Fortune agreed to subscribe for the Subscription Shares at the Placing Price; and (iv) a proposed share placement by the Company of not more than 83,000,000 Shares to independent third parties at a time close to or upon Completion.

Accordingly, the relevant parties have entered into the Agreements for the acquisition of the JV Sale Shares and subscription of the Subscription Shares.

THE AGREEMENTS

A summary of the principal terms of the Agreements is set out below:

The Pilkington Agreement

Date

19 October 2010

Parties

- (1) The Company, as purchaser of the JV Shares (Pilkington)
- (2) Pilkington, as seller of the JV Shares (Pilkington)

Acquisition of the JV Shares (Pilkington)

Subject to the terms and conditions of the Pilkington Agreement, Pilkington has agreed to sell, and the Company has agreed to acquire, the JV Shares (Pilkington), in consideration of the Cash Consideration and the Consideration Shares (Pilkington).

The Mei Long Agreement

Parties

- (1) The Company, as purchaser of the JV Shares (Mei Long)
- (2) Mei Long, as seller of the JV Shares (Mei Long)

Acquisition of the JV Shares (Mei Long)

Subject to the terms and conditions of the Mei Long Agreement, Mei Long has agreed to sell, and the Company has agreed to acquire, the JV Shares (Mei Long), in consideration of the issuance of the Consideration Shares (Mei Long) to Mei Long or its nominee.

Consideration for the acquisition of the JV Sale Shares

Pursuant to the Pilkington Agreement and the Mei Long Agreement, the consideration for the acquisition of the JV Sale Shares shall be the issuance of the respective number of Consideration Shares and (in the case of Pilkington only) payment of the Cash Consideration by the Company to the Sellers, details of which are set out below:

<u>Seller</u>	<u>Total number of JV Sale Shares</u>	<u>Percentage of the JV Sale Shares in JV Investments on a fully converted basis</u>	<u>Consideration</u>	<u>Percentage of the Consideration Shares in the existing share capital of the Company</u>
Pilkington	5,240 Class A Shares and 15,046 Class B Shares	22.46%	70,694,159 Shares	15.29%
Pilkington	700 Class A Shares and 2,010 Class B Shares	3%	Cash Consideration	—
<u>Mei Long</u>	<u>15,030 Class A Shares</u>	<u>16.64%</u>	<u>52,375,370 Shares</u>	<u>11.33%</u>
Total	20,970 Class A Shares and 17,056 Class B Shares	42.10%	123,069,529 Shares and the Cash Consideration	26.62%

The Cash Consideration will be determined based on the following formula:

$$\text{Cash Consideration} = \text{Average Trading Price} \times 9,442,675 \text{ Shares}$$

“**Average Trading Price**” refers to the average of the Closing Trading Price for the 25 trading days (inclusive) immediately following the date of the Pilkington Agreement

“**Closing Trading Price**” means the closing trading price (as quoted on the Stock Exchange website) of the Shares traded on the Stock Exchange

The consideration for the acquisition of the JV Sale Shares was determined based on arm's length negotiation between the Company and the Sellers, taking into account the following factors:

- (a) the net asset value per JV Share based on its audited financial statements for the financial year ended 31 December 2009;
- (b) the future prospects of JV Investments and its subsidiaries, including its expected profit-generating capability;
- (c) JV Investment is currently a non-wholly owned subsidiary controlled and managed by the Group, which assets and business are similar to and complementary to that of the Group; and
- (d) the prospective benefits associated with the Company obtaining absolute control over JV Investments.

Based on the issued share capital of the Company of 462,330,000 Shares as at the date of this announcement, the Consideration Shares represents approximately 26.62% of the existing issued share capital of the Company and, based on the expected issued share capital of the Company of 677,899,529 Shares upon Completion and the completion of the Share Placement, represents approximately 18.15% of the issued share capital of the Company on an enlarged basis. The Directors will seek approval from the Independent Shareholders at the SGM for the grant of a specific mandate for the issue of the Consideration Shares. There is no restriction on the subsequent sale of the Consideration Shares.

The Consideration Shares will rank *pari passu* in all respects with the Shares in issue as at the date of Completion. The Company will apply to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

The Subscription Agreement

Parties

- (1) The Company
- (2) First Fortune, as subscriber of the Subscription Shares

Issuance of the Subscription Shares

Subject to the terms and conditions of the Subscription Agreement,, the Company has also agreed to issue to First Fortune, and First Fortune has agreed to subscribe for, a total of 9,500,000 Shares at the Placing Price upon Completion. The Company shall make an announcement as soon as the Placing Price is agreed.

Based on the issued share capital of the Company of 462,330,000 Shares as at the date of this announcement, the Subscription Shares represents approximately 2.05% of the existing issued share capital of the Company and, based on the expected issued share capital of the Company of 677,899,529 Shares upon Completion and the completion of the Share Placement, represents approximately 1.40% of the issued share capital of the Company on an enlarged basis. The Directors will seek approval from the Independent Shareholders at the SGM for the grant of a specific mandate for the issue of the Subscription Shares. There is no restriction on the subsequent sale of the Subscription Shares.

The Subscription Shares will rank *pari passu* in all respects with the Shares in issue as at the date of Completion. The Company will apply to the Stock Exchange for the listing of and permission to deal in the Subscription Shares. The Company shall make appropriate announcement with regard to the issuance of the Subscription Shares in accordance with the requirements under the Listing Rules.

Conditions Precedent to the Agreements

Pursuant to each of the Agreements, Completion shall be conditional upon satisfaction of the following conditions:

- (a) the passing by the Independent Shareholders of the resolutions approving the Transactions and the Agreements in accordance with the relevant requirements of the Listing Rules;
- (b) the listing of and permission to deal in the Consideration Shares and the Subscription Shares (as the case may be) on the Main Board of the Stock Exchange having been granted by the Stock Exchange;
- (c) the completion of the Share Placement at the Placing Price subject to terms satisfactory to the Company;
- (d) the completion of the acquisition of the respective JV Sale Shares by the Company pursuant to the Mei Long Agreement or the Pilkington Agreement (as the case may be);
- (e) the issuance and allotment of the Subscription Shares to First Fortune pursuant to the Subscription Agreement (as the case may be);
- (f) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that restrict or prohibit the implementation of the transactions contemplated in the Agreements;

- (g) all necessary consents, permits, approvals, registrations, filings, authorisations, and waivers for the consummation of the transactions contemplated by the Agreements having been obtained and/or completed;
- (h) the warranties given by the Sellers or First Fortune (as the case may be) under the Agreements remaining true and not misleading in all material respects at Completion; and
- (i) the warranties given by the Company under the Agreements remaining true and not misleading in all material respects at Completion.

Completion

Subject to satisfaction or waiver of all the Conditions, the Agreements shall be completed on the same date of completion of the Share Placement or such other date as the relevant parties may determine. The Company shall not be obliged to complete the Transactions unless the sale and purchase of all the JV Sale Shares and, the issuance of the Subscription Shares and the Share Placement are completed simultaneously.

If any of the Conditions is not satisfied or waived on or before 31 December 2010, the Agreements shall terminate (save and except otherwise stated in the Agreements) and no party shall have any claim against the others except in respect of any antecedent breach of the terms of the Agreements.

PROPOSED SHARE PLACEMENT

Upon Completion and without taking into account the Share Placement, the Shares held in the public hand would fall below a level of 25% as required by the Listing Rules. Therefore, without the Share Placement, the Company will be unable to meet the minimum public float requirement under the Listing Rules after the issuance of the Consideration Shares and the Subscription Shares to the connected persons of the Company.

With a view to meeting the minimum public float requirement after Completion, and at the same time raising capital for the Group's business needs, the Company is considering to allot and place not more than 83,000,000 Shares to the public shareholders simultaneously and upon Completion. If proceeded, the Placing Shares will be issued and allotted at the Placing Price to be determined between the Company and the placing agent to be appointed by the Company in connection with the Share Placement, with regard to the prevailing trading price of the Shares at the time of the Share Placement.

The Completion is conditional on, among other Conditions, the completion of the Share Placement. The Company shall make appropriate announcement with regard to the Share Placement in accordance with the requirements under the Listing Rules.

The proposed Share Placement is currently being considered by the Company as one of the possible capital raising methods, which is neither materialized nor committed by the Company. Completion of the Share Placement is dependent on various factors including the market conditions, trading prices of the Shares and the Group's future plans. Accordingly, the Company makes no representation or commitment on the terms and timetable of the Share Placement, which may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

SHAREHOLDING STRUCTURES OF THE COMPANY UPON COMPLETION

The shareholding structures of the Company as at the date of this announcement and immediately after the Completion are summarised as follows:

	At the date of this announcement (Note 1)		Immediately after Completion (issuance of Consideration Shares, the Subscription Shares and the Placing Shares)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
First Fortune	144,463,000	31.25	153,963,000	22.71
Mei Long (or its nominee)	—	—	52,375,370	7.73
Pilkington	124,384,000	26.90	195,078,159	28.78
Management shareholders	76,123,000	16.47	76,123,000	11.23
Public Shareholders (including places of the Share Placement) (Note 2)	117,360,000	25.38	200,360,000	29.55
Total	<u>462,330,000</u>	<u>100%</u>	<u>677,899,529</u>	<u>100%</u>

Notes:

- (1) The table assumes no Shares will be issued pursuant to the share option scheme of the Company or otherwise between the date of this announcement and the date of Completion (both days inclusive). As at the date of this announcement, there were outstanding options issued pursuant to the share option scheme of the Company which entitle the holders thereof to receive 19,300,000 Shares upon full exercise of such options.

- (2) This assumes that (i) up to a total of 83,000,000 Shares are issued and allotted under the Share Placement; and (ii) all the Placing Shares are placed and no placees will become a substantial Shareholder upon completion of the Placing.

REASONS FOR THE TRANSACTIONS

The Directors consider that the Transactions pursuant to the Agreements are in the best interests of the Company and its Shareholders. JV Investments, being one of the major investment holding company holding the major operating subsidiaries of the Company, is engaged in production and sales of float glass. JV Investments has recorded revenue and net profit in the amount of RMB1,551.38 million and RMB121.53 million during the financial year ended 31 December 2009, which had contributed significantly to the total revenue and net profit of the Group. Upon Completion, JV Investments will become wholly-owned by the Company which allow it to obtain an absolute control over the operations of JV Investments and be able to account for its entire profit in its consolidated accounts. The Share Subscription and the proposed Share Placement will allow the Company to raise further capital to fund the Cash Consideration and the support the Group's business growth.

The executive and non-executive Directors consider that the terms of the Transactions are on normal commercial terms which are fair and reasonable, and the entering into of the Agreements is in the best interests of the Group and the Shareholders as a whole. The independent non-executive Directors will express their views after taking into account the advice from the Independent Financial Adviser.

FINANCIAL INFORMATION OF JV INVESTMENTS

According to the management accounts of JV Investments prepared in accordance with Hong Kong Financial Reporting Standards, the net assets value attributable to the shareholders of JV Investments as at 31 December 2008 and 31 December 2009 were approximately RMB467.60 million and RMB513.05 million, respectively. The net assets value attributable to the JV Sale Shares as at 31 December 2009 was approximately RMB215.99 million.

For the financial year ended 31 December 2008, the audited net loss before and after taxation attributable to the JV Sale Shares were approximately RMB23.29 million and RMB19.04 million, respectively. For the financial year ended 31 December 2009, the audited net profit before and after taxation attributable to the JV Sale Shares were approximately RMB24.29 million and RMB18.27 million, respectively.

As the acquisition of the JV Sale Shares and the issuance of the Subscription Shares will be accounted for as equity transactions, the Transactions will not have an impact on the Group's consolidated income statement upon Completion.

INFORMATION RELATING TO THE PARTIES TO THE AGREEMENTS

The Group is principally engaged in the production, marketing and distribution of glass and glass products in China, and the development of glass production technology. JV Investments is a limited company incorporated in the Cayman Islands and is an investment holding company. Since the Company holds the majority of the Class A Shares of JV Investments, being the voting shares of JV Investments, and therefore has control over the majority voting rights of JV Investments, JV Investments is a non-wholly owned subsidiary of the Company.

Pilkington is an investment holding company, whose ultimate holdings company is Nippon Sheet Glass Co., Ltd., which together with its subsidiaries, are principally engaged in the manufacture and sale of glass and glazing products for the building and automotive markets.

Mei Long is an investment holding company, whose immediate holding company is Right Lane, a company controlled by Legend Holdings Limited. First Fortune is an investment holding company, whose immediate holding company is Hony International Limited, a company controlled by Legend Holdings Limited. Legend Holdings Limited is an investment company focusing on the strategic investments in the PRC.

CONNECTED RELATIONSHIP

As at the date of this announcement, JV Investments is a non-wholly owned subsidiary of the Company. Each of Pilkington and Mei Long, which holds approximately 25.46% and 16.64% of the total issued capital of JV Investments respectively on a fully converted basis, is a substantial shareholder of a subsidiary of the Group. First Fortune is a controlling shareholder of the Company holding approximately 31.25% interest in the Company. Pilkington is also a substantial shareholder of the Company holding approximately 26.90% interest in the Company. As such, each of Pilkington, Mei Long and First Fortune is a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the acquisition of the JV Sale Shares from the Sellers and the issuance of the Consideration Shares to each of them, and the issuance of the Subscription Shares to First Fortune, all constitute connected transactions of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the acquisition of the JV Sale Shares contemplated under the Pilkington Agreement and the Mei Long Agreement exceeds 25% but is less than 100%, the acquisition of the JV Sale Shares constitutes both a major and a non-exempted connected transaction of the Company under Chapter 14 and 14A of the Listing Rules.

As one of the applicable percentage ratios for the subscription of the Subscription Shares by First Fortune contemplated under the Subscription Agreement exceeds 5% but is less than 25%, the subscription of the Subscription Shares constitutes both a discloseable and a non-exempted connected transaction of the Company under Chapter 14 and 14A of the Listing Rules.

As such, the Transactions are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

THE SGM

Each of First Fortune, Pilkington, Mei Long and its respective associates, which together hold in aggregate approximately 58.15% of the issued share capital of the Company, as at the date of this announcement, are required to abstain from voting at the SGM to approve the Transactions and the Agreements.

The Independent Board Committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Transactions and the Agreements. Partners Capital International Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Transactions.

A circular containing, among other things, further details of the Transactions and the Agreements, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Transactions and the Agreements, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the Agreements, and a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 9 November 2010 in accordance with the requirements of the Listing Rules.

Completion of the Agreements is subject to the satisfaction of the Conditions and the Transactions or the Share Placement may or may not proceed. Accordingly, the issue of this announcement does not in any way imply that the Transactions or the Share Placement will be completed. Shareholders and investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreements”	collectively the Pilkington Agreement, the Mei Long Agreement and the Subscription Agreement
“applicable percentage ratio(s)”	applicable percentage ratios as defined under Rule 14.07 of the Listing Rules
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cash Consideration”	the cash consideration to be determined according to the terms of the Pilkington Agreement payable to Pilkington as part of the consideration for the acquisition of the JV Shares (Pilkington)
“Class A Shares”	the class A voting shares of nominal value US\$1.00 each in the share capital of JV Investments
“Class B Shares”	the class B non-voting shares of nominal value US\$1.00 each in the share capital of JV Investments
“Company”	China Glass Holdings Limited (中國玻璃控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code 3300)
“Completion”	the completion of the Transactions in accordance with each of the Agreements
“Conditions”	conditions precedent to Completion as set out in each of the Agreements
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration Shares”	collectively the Consideration Shares (Pilkington) and the Consideration Shares (Mei Long)

“Consideration Shares (Mei Long)”	52,375,370 new Shares to be issued to Mei Long (or its nominee) as consideration for the acquisition of the JV Shares (Mei Long)
“Consideration Shares (Pilkington)”	70,694,159 new Shares to be issued to Pilkington as part of the consideration for the acquisition of the JV Shares (Pilkington)
“Director(s)”	director(s) of the Company
“enlarged basis”	assuming all the Consideration Shares, Subscription Shares and Placing Shares have been issued by the Company in accordance with the Agreements and the Share Placement
“First Fortune”	First Fortune Enterprises Limited, a company incorporated under the laws of the British Virgin Islands, and a shareholder of the Company
“fully converted basis”	assuming all Class B shares are converted into Class A shares on a ratio of one to one according to the articles of association of JV Investments
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong Special Administrative Region of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising only independent non-executive Directors established to advise the Independent Shareholders in respect of the Transactions and the Agreements
“Independent Financial Adviser”	Partners Capital International Limited, which is appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the Agreements

“Independent Shareholders”	Shareholders other than First Fortune, Mei Long, Pilkington, and any of their respective associates or any Shareholder having a material interest in the Transactions
“JV Investments”	JV Investments Limited, a company incorporated under the laws of the Cayman Islands, and a non-wholly owned subsidiary of the Company
“JV Sale Shares”	collectively the JV Shares (Mei Long) and the JV Shares (Pilkington)
“JV Shares”	collectively the Class A Shares and Class B Shares
“JV Shares (Mei Long)”	15,030 Class A Shares, being the entire share capital in JV Investments held by Mei Long as at the date of the Agreements
“JV Shares (Pilkington)”	5,940 Class A Shares and 17,056 Class B Shares, being the entire share capital in JV Investments held by Pilkington as at the date of the Agreements
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Mei Long”	Mei Long Developments Limited, a company incorporated under the laws of the British Virgin Islands, and a shareholder of JV Investments
“Mei Long Agreement”	the share swap agreement dated 19 October 2010 entered into between the Company and Mei Long regarding the acquisition of the JV Shares (Mei Long) by the Company
“Pilkington”	Pilkington Italy Limited, a company incorporated under the laws of the United Kingdom, and a shareholder of the Company and JV Investments
“Pilkington Agreement”	the share swap agreement dated 19 October 2010 entered into between the Company and Pilkington regarding the acquisition of the JV Shares (Pilkington) by the Company

“Placing Price”	the placing price per Share under the Share Placement to be determined between the Company and the placing agent to be appointed by the Company in connection with the Share Placement
“Placing Shares”	not more 83,000,000 Shares to be issued and allotted to independent third parties under the Share Placement
“PRC”	the People’s Republic of China and for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Right Lane”	Right Lane Limited, a company incorporated under the laws of Hong Kong, and an indirect shareholder of First Fortune holding 40% of its share capital and the sole shareholder of Mei Long
“RMB”	Renminbi, lawful currency of the PRC
“Sellers”	collectively Mei Long and Pilkington
“SGM”	a special general meeting to be convened by the Company to consider and, if thought fit, to approve, among other things, the Transactions and the Agreements
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Placement”	the proposed placement(s) of the Placing Shares through a placing agent to be appointed by the Company to independent third parties at the Placing Price subject to terms satisfactory to the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the share subscription agreement dated 19 October 2010 entered into between the Company and First Fortune regarding and the subscription of the Subscription Shares by First Fortune
“Subscription Shares”	a total of 9,500,000 Shares to be issued and allotted by the Company to First Fortune pursuant to the Subscription Agreement

“substantial shareholder”	the meaning ascribed thereto in the Listing Rules
“Transactions”	the acquisition of the JV Sale Shares by the Company from the Sellers and the issuance of the Subscription Shares to First Fortune subject to the terms and conditions of the Agreements
“US\$”	United States Dollars, being the lawful currency of the United States of America

Unless otherwise specified, the HK\$ amounts shown in this announcement have been translated into the RMB amount at an exchange rate of HK\$1.00 = RMB0.8576, for reference purposes only.

By order of the Board
China Glass Holdings Limited
Zhou Cheng
Chairman

Hong Kong, 19 October 2010

As at the date of this announcement, the Board comprises Mr Zhou Cheng, Mr Zhang Zhaoheng, Mr Li Ping and Mr Cui Xiangdong as executive directors, Mr Zhao John Huan, Mr Liu Jinduo, Mr Chen Shuai and Mr Eddie Chai as non-executive directors and Mr Song Jun, Mr Sik Siu Kwan and Mr Zhang Baiheng as independent non-executive directors.

** For identification purposes only*