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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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

FORMATION OF JOINT VENTURE AGREEMENT

The Company announces that on 19 April 2021, Success Castle (an indirectly wholly-owned subsidiary of the Company) and Suqian Bochen entered into the JV Agreement, pursuant to which the parties agreed to establish the JV Company in the PRC. The aggregate registered capital of the JV Company is expected to be RMB200 million of which Success Castle and Suqian Bochen will contribute RMB142 million and RMB58 million, respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the maximum capital commitment of the Group pursuant to the JV Agreement (when aggregated with the maximum value of the Put Option as the exercise of the Put Option is not at the discretion of Success Castle or the Group) exceed 5% but are all less than 25%, the transaction under the JV Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Company announces that on 19 April 2021, Success Castle (an indirectly wholly-owned subsidiary of the Company) and Suqian Bochen entered into the JV Agreement, pursuant to which the parties agreed to establish the JV Company in the PRC. The major terms of the JV Agreement are set out as follows:

THE JV AGREEMENT

Date : 19 April 2021

Parties : Success Castle and Suqian Bochen

JV Company : Suqian CNG New Energy Co., Ltd.* (宿遷中玻新能源有限公司) (subject to the final name as approved and registered by the relevant PRC government authority), a company proposed to be established in the PRC

The JV Company will be a 71%-owned subsidiary of the Company and the financial statements of the JV Company will be consolidated into the financial statements of the Group

Purpose and business : The main purpose of the JV Company is to establish a photovoltaic ultra-white rolled glass production base in the Suqian High-Tech Industry Development Zone

Registered capital : RMB200 million

Contribution to the registered capital : The total registered capital of RMB200 million will be contributed as follows:

- (a) 71% by Success Castle in cash of RMB142 million; and
- (b) 29% by Suqian Bochen in cash of RMB58 million

The total contribution shall be paid by the parties in two equal instalments with the first instalment to be paid up within 45 working days from the date of the issuance of the business license of the JV Company and the second instalment to be paid up on a date to be determined by the shareholders of the JV Company

Annual investment return : Success Castle has provided a guarantee to Suqian Bochen that it shall receive a fixed annual investment guarantee : return which will be not higher than 7% of the actual amount of capital contributed by Suqian Bochen (the “**Guaranteed Annual Investment Return**”) which shall be realised through the Put Option (as defined below) by Suqian Bochen

Equity transfer and : Suqian Bochen has a right to transfer its entire 29% pre-emption rights : equity interest in the JV Company to a state-owned investment company or investment fund partnership (the “**Suqian Fund Entity**”) controlled or established by the administration committee of the Suqian High-Tech Industry Development Zone

Success Castle has the pre-emption rights to purchase the entire 29% equity interest in the JV Company held by Suqian Bochen on the same terms of transfer to a proposed transfer by Suqian Bochen to the Suqian Fund Entity

Suqian Bochen is required to exit from the JV Company within the fifth year of the establishment of the JV Company, otherwise a supplementary agreement shall be signed to extend the joint venture period

Put Option : After the completion of the third year of operation of the JV Company, Suqian Bochen has a right to request Success Castle to acquire the entire 29% equity interest in the JV Company held by Suqian Bochen at a price equals to the sum of the actual capital contribution by Suqian Bochen and the aggregate amount of Guaranteed Annual Investment Return (the “**Put Option**”)

Term of the JV Company : The term of operation of the JV Company is 30 years, which may be extended upon request by any party to the JV Agreement and unanimous approval by the shareholders in the shareholders’ meeting of the JV Company

Management of the JV Company : The board of directors of the JV Company will consist three directors to be elected by the shareholders in a shareholders’ meeting

The shareholders of the JV Company will decide by majority on certain reserved matters by voting on a poll, save for certain matters such as the change of the articles of association, change of registered capital and the merger, separation, dissolution or the changing of the type of the JV Company, which will require more than a two-thirds vote

The amount of the capital contribution to be made by Success Castle and Suqian Bochen was determined by the parties to the JV Agreement through arm’s length negotiations after taking into consideration the expected working capital required for the JV Company. On this basis, the Directors consider that the capital contribution to be made by Success Castle under the JV Agreement is fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The purpose of the JV Company is to establish a photovoltaic ultra-white rolled glass production base in the Suqian High-Tech Industry Development Zone in the PRC. The establishment of the JV Company and the production base is a co-operation project between the governmental authority of the Suqian High-Tech Industry Development Zone and the Group. In the past few years, the Company has been seeking to diversify its product profile to include new energy and high-tech products such as photovoltaic glass, automotive glass, etc. as well as expanding its deep-processing capabilities. The establishment of the JV Company is aligned with the strategic development plan of the Company and will allow the Company capitalize on the rapid development of these industry trends.

The Board considers that the terms and conditions of the JV Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE JV AGREEMENT

The Company and the Group

The Company is an investment holding company. The Group is one of China's leading manufacturers of flat glass, specialised in the research and development, manufacturing and selling of a variety of building coated glass, energy-efficient and environmental friendly glass and new-energy products, in which it occupies a leading technological position.

Success Castle, an indirectly wholly-owned subsidiary of the Company and a limited company incorporated in the British Virgin Islands, is an investment holding company of the Group.

Suqian Bochen

The Suqian Bochen, an invest entity of the Suqian High-Tech Industry Development Zone in the PRC, is a state-owned enterprise indirectly wholly-owned by Suqian Gaobo Industries Company Limited* (宿遷市高博實業有限公司) which in-turn is evenly held by a total of ten residents committee of the Suqian High-Tech Industry Development Zone.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Suqian Bochen and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the maximum capital commitment of the Group pursuant to the JV Agreement (when aggregated with the maximum value of the Put Option as the exercise of the Put Option is not at the discretion of Success Castle or the Group) exceed 5% but are all less than 25%, the transaction under the JV Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Company will comply with the relevant Listing Rules requirements on the exercise of the Put Option.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	China Glass Holdings Limited (中國玻璃控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 3300)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	a party(ies) who is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and the connected person(s) of the Company
“JV Agreement”	the joint venture agreement entered into between Success Castle and Suqian Bochen, pursuant to which the parties agreed to establish the JV Company in the PRC
“JV Company”	Suqian CNG New Energy Co., Ltd.* (宿遷中玻新能源有限公司)(subject to the final name as approved and registered by the relevant PRC government authority), a limited liability company proposed to be incorporated under the Laws of the PRC by the parties to the JV Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of par value HK\$0.05 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Castle”	Success Castle Limited (堡成有限公司*), a company incorporated under the Laws of the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
“Suqian Bochen”	Suqian Bochen Asset Management Company Limited* (宿遷博晨資產經營管理有限公司), a limited liability company incorporated under the Laws of the PRC
“%”	per cent.

In this announcement, unless the context requires otherwise, the terms “percentage ratio(s)” and “subsidiary(ies)”, shall have the meaning given to such terms in the Listing Rules.

By Order of the Board
China Glass Holdings Limited
Lyu Guo
Executive Director

Hong Kong, 19 April 2021

As at the date of this announcement, the directors of the Company are as follows:

Executive Director:

Mr. Lyu Guo

Non-executive Directors:

Mr. Peng Shou (*Chairman*); Mr. Zhao John Huan; Mr. Zhou Cheng (*Honorary Chairman*); and Mr. Zhang Jinshu

Independent Non-executive Directors:

Mr. Zhang Baiheng; and Mr. Chen Huachen

* *For identification purpose only*