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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)

CONNECTED TRANSACTION

PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY

PROVISION OF FINANCIAL ASSISTANCE TO THE JV COMPANY

Reference is made to the announcement of the Company dated 14 September 2020 in relation to the provision of the First Loan of US\$3.6 million to the JV Company by CNG International pursuant to the First Credit Agreement.

On 29 April 2021, CNG International (as the lender) entered into the New Credit Agreement with the JV Company (as the borrower), pursuant to which CNG International agreed to provide the New Loan as a further loan to the JV Company in the amount of up to US\$2.2 million at a fixed interest rate of 7% per annum.

LISTING RULES IMPLICATIONS

Hony Group Management holds a 45% equity interest of the JV Company. Honky Group Management is controlled by Legend Holdings Corporation, a substantial Shareholder which indirectly holds an approximately 22.80% equity interest in the Company. Therefore, the JV Company is a connected person of the Company pursuant to the Listing Rules. Accordingly, the New Credit Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the parties to the New Credit Agreement had previously entered into the First Credit Agreement on 14 September 2020, the First Loan and the New Loan are aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the New Credit Agreement, when aggregated with the First Credit Agreement, exceed 0.1% but all are less than 5%, the New Credit Agreement is subject to the announcement and annual reporting requirements but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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New Credit Agreement

The principal terms of the New Credit Agreement are set out below:

Date:	29 April 2021
Parties:	(1) CNG International (as the lender); and (2) JV Company (as the borrower).
Principal Amount:	a non-revolving loan in the amount of up to US\$2.2 million
Purpose:	mainly for potential equity acquisitions and other liquidity requirements of the Kazakhstan Project

Term:	a period of one year from the draw down date
Interest:	at a fixed rate of 7% per annum, calculated on a daily basis and payable at the end of the term or on any early repayment date
Repayment:	the New Loan can be repaid in advance or be extended by written agreement by both parties

REASONS FOR AND BENEFITS OF THE NEW CREDIT AGREEMENT

The Group has been actively seeking to expand its glass production businesses outside of the PRC to leverage on the advantages and opportunities resulting from the “Belt and Road” initiative of the PRC. The Kazakhstan Project under the JV Company has been one of the main overseas projects of the Group. The construction process of the Kazakhstan Project has reached the final stage and the ignition of the Kazakhstan Project is scheduled to take place in 2021. Together with the First Loan, the New Loan will provide additional investment capital to the JV Company for potential acquisition of further shareholding in the Kazakhstan Project, which will enhance the Group’s chance to leverage the opportunities from the Kazakhstan Project.

DISCLOSURE OF DIRECTORS’ INTERESTS

Mr. Zhao John Huan (“**Mr. Zhao**”), a non-executive Director of the Company, is a director of Hony Group Management and a non-executive director of Legend Holdings Corporation (a substantial Shareholder). Although Mr. Zhao has no material interest in the New Credit Agreement, he has abstained from voting in the relevant resolutions approving the above agreement for better corporate governance practice.

The Directors (including the independent non-executive Directors and except for Mr. Zhao) are of the view that the New Credit Agreement is in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole; and the terms and conditions of the New Credit Agreement are on normal commercial terms, fair and reasonable.

INFORMATION ABOUT THE RELEVANT PARTIES

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.

CNG International is a direct wholly-owned subsidiary of the Company. CNG International is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding.

JV Company

The JV Company is a company incorporated under the laws of Cayman Islands with limited liability and is held by CNG International, Hony Group Management and Victon Holdings Corporation Limited (“**Victon Holdings**”) as to 45%, 45% and 10% respectively. The JV Company is the general partner of the Belt and Road Glass Industry Integration Fund L.P., which in turn indirectly holds an approximately 69.7% equity interest in the Kazakhstan Project.

Hony Group Management and Victon Holdings

Hony Group Management is controlled by Legend Holdings Corporation, a company listed on the main board of the Stock Exchange (Stock Code: 3396) and a substantial Shareholder which indirectly holds an approximately 22.80% equity interest in the Company. Hony Group Management holds a 45% equity interest in the JV Company. It is principally engaged in investment holding and asset management.

Victon Holdings is a wholly-owned subsidiary of CNIC Corporation Limited, a PRC state-owned enterprise.

LISTING RULES IMPLICATIONS

Hony Group Management holds a 45% equity interest in the JV Company. Hony Group Management is controlled by Legend Holdings Corporation, a substantial Shareholder which indirectly holds an approximately 22.80% equity interest in the Company. Therefore, the JV Company is a connected person of the Company pursuant to the Listing Rules. Accordingly, the New Credit Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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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
“CNG International”	CNG International Investment Limited (中玻國際投資有限公司), a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

“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)
“First Credit Agreement”	the credit agreement dated 14 September 2020 entered into between CNG International and the JV Company in relation to the provision of the First Loan to the JV Company
“First Loan”	a non-revolving one-year term loan in the amount of up to US\$3.6 million provided by CNG International to the JV Company pursuant to the First Credit Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hony Group Management”	Hony Group Management Limited, a company incorporated under the laws of Cayman Islands with limited liability, is controlled by Legend Holdings Corporation, a substantial Shareholder which indirectly holds an approximately 22.80% equity interest in the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“JV Company”	Belt and Road Glass Management Limited, a company incorporated under the laws of Cayman Islands with limited liability, is held by CNG International, Hony Group Management and Victon Holdings Corporation Limited as to 45%, 45% and 10% equity interests respectively.
“Kazakhstan Project”	the construction project of a float glass manufacturing line with an expected capacity of 197,100 tons per year in Kyzylorda, Kazakhstan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Credit Agreement”	the new credit agreement dated 29 April 2021 entered into between CNG International and the JV Company in relation to the provision of the New Loan to the JV Company
“New Loan”	a further non-revolving one-year term loan in the amount of up to US\$2.2 million provided by CNG International to the JV Company pursuant to the New Credit Agreement
“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)
“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
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, unless the context requires otherwise, the terms “connected person(s)”, “connected transaction(s)”, “percentage ratio(s)”, “substantial shareholder(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, 29 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*