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

ACQUISITION OF EQUITY INTEREST IN GANSU DAMING

On 27 October 2023, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Seller and Zhejiang Kaigao (a shareholder of the Target Company) entered into the Equity Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell, the Target Interest (representing an approximately 51.4706% equity interest in the Target Company) for the Consideration of RMB312,982,380. The Target Company is principally engaged in the production and distribution of float glass and photovoltaic glass products. Following the Completion, the Target Company will become a non wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

As the Acquisition is subject to fulfilment of the conditions precedent to the Completion, which may or may not be fulfilled, there is no assurance that the Acquisition will be completed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE ACQUISITION

On 27 October 2023 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Seller and Zhejiang Kaigao (a shareholder of the Target Company) entered into the Equity Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell, the Target Interest (representing an approximately 51.4706% equity interest in the Target Company) for the Consideration of RMB312,982,380.

The principal terms of the Equity Transfer Agreement are set out below:

Date

27 October 2023

Parties

(1) the Purchaser;

(2) the Seller; and

(3) Zhejiang Kaigao

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Seller, Zhejiang Kaigao and their respective ultimate beneficial owner(s) are Independent Third Parties.

Subject Matter

Pursuant to the Equity Transfer Agreement, the Purchaser agreed to conditionally acquire, and the Seller agreed to conditionally sell, the Target Interest.

Consideration

The Consideration is RMB312,982,380, which shall be paid by the Purchaser to the Seller within 15 business days from the date on which all of the following events have occurred:

(i) the Equity Transfer Agreement has become effective, which is subject to (a) the approval of the Company; and (b) the consent of a lending bank to the Target Company of the Acquisition having been obtained;

(ii) Completion has taken place in accordance with the completion agreement;

(iii) all required documents for the change registration in respect of the Acquisition with the relevant market supervision authorities have been completely prepared and confirmed by the Purchaser;

(iv) the Acquisition has been registered with the Shanghai United Assets and Equity Exchange and the relevant approval documents have been obtained; and

(v) the Purchaser and Zhejiang Kaigao entering into an equity pledge agreement of the approximately 48.5294% equity interest in the Target Company held by Zhejiang Kaigao in favor of the Purchaser, and providing the all required documents for the pledge registration to the Purchaser to secure the obligations of the Seller and Zhejiang Kaigao under the Equity Transfer Agreement.

Basis of Determination of the Consideration

The Consideration of RMB312,982,380 was determined after arm's length negotiations between the Purchaser and the Seller on normal commercial terms after taking into account, without limitation, the following factors:

(a) the valuation of the market value of the entire equity interest of the Target Company of approximately RMB710,903,100 prepared by Zhongjing Minxin (Beijing) Assets Appraisal Co., Ltd.*（中京民信（北京）資產評估有限公司）(the "**Valuer**"), an independent professional valuer, adopting an income approach using the discounted cash flow method (the "**Valuation**");

(b) high-quality assets and resources held by the Target Group, and its business development and future prospects;

(c) the synergies to be realized to the Group by the Acquisition as part of the Group's strategic expansion plan; and

(d) the potential growth and prospects of the float glass and photovoltaic glass markets in the northwestern region of the PRC.

The income approach was adopted for the valuation of the Target Company as it focuses on the income generating capability and future profitability of an enterprise, which can better reflect the comprehensive profitability of various assets of the Target Company and its future operations and growth.

Profit Guarantee

Zhejiang Kaigao guarantees to the Purchaser that, if the Completion Date is in 2023, the aggregate net profit of the Target Company for the three years ending 31 December 2026 (or, if the Completion Date is in 2024, for the three years ending 31 December 2027, and so forth) (the "**Guarantee Period**") based on the audited financial statements of the Target Company shall be not less than RMB210,000,000 (the "**Guaranteed Amount**"). The Guaranteed Amount was determined by the Contracting Parties on an arm's length basis with reference to the (i) current and potential business performance of the Target Company; (ii) the business plan of the Target Company; and (iii) the outlook of the float glass and photovoltaic glass markets in the PRC.

If the aggregate net profit of the Target Company for the Guarantee Period is less than the Guaranteed Amount, Zhejiang Kaigao shall, within 15 business days after the publication of the last audited accounts of the Target Company of the Guarantee Period, either:

(1) compensate the Target Company on a dollar-for-dollar basis in respect of any such shortfall between the aggregate net profit of the Target Company during the Guarantee Period and the Guaranteed Amount; or

(2) compensate the Purchaser on an equity basis, in which case Zhejiang Kaigao shall transfer equity interest in the Target Company calculated based on the formula to the Purchaser for nil consideration ("**Compensation Interest**"):

$$A = \frac{(B - C) \times D}{E}$$

A = Amount of Compensation Interest

B = Guaranteed Amount

C = Aggregate net profit of the Target Company during the Guarantee Period

D = 51.4706%, being the percentage of equity interest acquired pursuant to the Acquisition

E = RMB1.49, being the price per equity interest acquired pursuant to the Acquisition

If the equity interest in the Target Company held by Zhejiang Kaigao at the time when such Compensation Interest becomes payable is less than the amount of Compensation Interest calculated based on the formula above, or if Zhejiang Kaigao elects to compensate by way of a combination of cash and equity, then the amount of cash compensation and equity compensation to be paid to the Purchaser shall be determined according to the negotiation between the Purchaser and Zhejiang Kaigao.

Conditions Precedent

The Completion is conditional on the fulfilment (or waiver) of the following conditions:

(i) all necessary internal and external (including governmental) consents, approvals, authorizations and/or waivers (if applicable) for the entering into the Equity Transfer Agreement and completion of Acquisition having been obtained by the Contracting Parties;

(ii) new articles of association of the Target Company having been entered into by the Purchaser and Zhejiang Kaigao and the new board of directors, supervisory board members and senior management members having been duly appointed in accordance with the terms of the Equity Transfer Agreement; and

(iii) there being no material adverse change up to the Completion Audit Benchmark Date.

Completion

Subject to the fulfilment of the conditions precedent, Completion shall take place on the Completion Date on which the Seller, the Purchaser, Zhejiang Kaigao and the Target Company enter into a completion agreement.

Following the Completion, the Purchaser will hold an approximate 51.4706% equity interest in the Target Company and the Target Company will become a non wholly-owned subsidiary of the Company.

FINANCIAL INFORMATION OF THE TARGET GROUP

As at the 31 December 2022, the net assets value of the Target Group was RMB350.61 million.

Set out below is a summary of the consolidated financial information of the Target Group for the years ended 31 December 2021 and 31 December 2022 prepared in accordance with the PRC Generally Accepted Accounting Principles:

	For the year ended 31 December	
	2021	**2022**
	(RMB'000)	*(RMB'000)*
	(unaudited)	*(unaudited)*
Loss before tax	–	57,394
Loss after tax	–	57,394

The Target Group started trial operation of the first ultra-white float glass production line with a melting capacity of 600 tons per day in March 2022. Prior to this, the Target Group was in the project development and construction phase.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is committed to the implementation of its strategy of "Growth by Merger and Acquisition". The Group will continue to explore potential quality projects, accelerate the development in the fields of new glass, new materials and new energy and gives impetus to the optimization and upgrading of the industrial structure to achieve growth and diversified development which is in line with the strategic development goals of the Company. The Target Company currently has an ultra-white float glass production line with a melting capacity of 600 tonnes per day with its supporting photothermal glass and off-line Low-E glass deep processing line and an additional photovoltaic rolled glass production line under construction with a planned melting capacity of 800 tonnes per day with its supporting deep processing line. Both production lines are located in Yumen City, Gansu Province. The Acquisition will allow the Company to strategically expand in the northwestern region of the PRC and fully utilize the resources and geographical market advantages of the region to expand the Company's production capacity and optimize its product structure. The Acquisition will also allow the Company to seize the growth opportunities of the new energy industry in the region, and further enhance the Company's sales and industry position.

The Board considers that the terms and conditions of the Equity Transfer 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 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, specialized 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.

The Purchaser is an indirect wholly-owned subsidiary of the Company. The Purchaser is a limited liability company incorporated in the PRC and is principally engaged in investment holding, and the business of the procurement, marketing and distribution of glass products and raw materials.

The Seller

The Seller is a limited partnership organized under the laws of PRC and is principally engaged in investment holding.

Each of Hangzhou Songran Technology Co., Ltd.* (杭州嵩然科技有限公司) ("**Hangzhou Songran**") and Shanghai Dongyuan Huixin Equity Investment Fund Management Co., Ltd.* (上海東源匯信股權投資基金管理有限公司) ("**Shanghai Dongyuan**") is a general partner of the Seller, each holding an 0.01% equity interest in the Seller. The Seller is also held by Shanghai Dongxing Investment Holding Co., Ltd.* (上海東興投資控股發展有限公司) ("**Shanghai Dongxing**") as to approximately 98.78% and Zhejiang Kaigao as to approximately 1.19%.

Hanghzhou Songran is held by two individuals, Wang Guoliang and Shi Shaohua as to 99% and 1%, respectively. Shanghai Dongyuan is held by Shanghai Dongxing, Qingtian Zhongjing Jisi Equity Investment Fund Management Co., Ltd.* (青田中靜集思股權投資基金管理有限公司) ("**Qingtian Zhongjing**") and Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd.* (上海虹橋經濟技術開發區聯合發展有限公司) ("**Shanghai Hongqiao**") as to 45%, 40% and 15%, respectively. Qingtian Zhongjing is wholly-owned by Zhongjing Xinhua Asset Management Co., Ltd.* (中靜新華資產管理有限公司), which in turn is held by Shanghai Zhongjing Anying Investment Co., Ltd.* (上海中靜安銀投資有限公司) ("**Shanghai Zhongjing**") as to approximately 58.61% with the remaining equity interests held by a diverse group of shareholders each holding less than 20% equity interest. Shanghai Zhongjing is indirectly wholly-owned by Modern Innovation Holding Co., Ltd* (現代創新控股有限公司), which in turn is held by Zhongjing Industrial (Group) Co., Ltd.* (中靜實業(集團)有限公司) ("**Zhongjing Industrial**") as to 60% and two other shareholders each holding a 20% equity interest. Zhongjing Industrial is held as to 97.5% by Shanghai Soong Ching Ling Foundation, a public welfare foundation. Shanghai Hongqiao is wholly-owned by Shanghai Land (Group) Limited* (上海地產(集團)有限公司), which is a PRC state-owned enterprise. Shanghai Dongxing is ultimately held by the Ministry of Finance of the PRC and the National Council for Social Security Fund of the PRC (全國社會保障基金理事會) as to 98% and 2%, respectively.

Zhejiang Kaigao

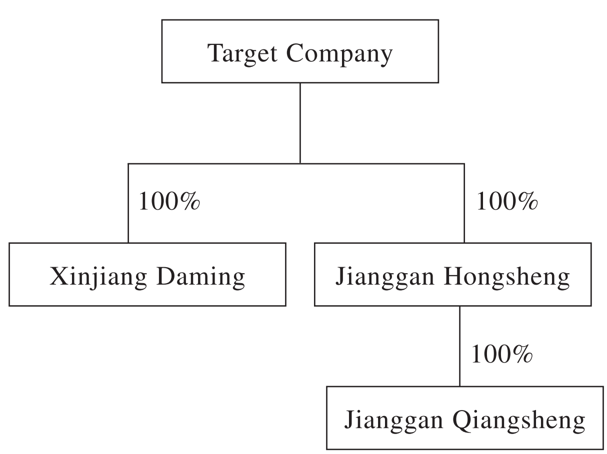
Zhejiang Kaigao is a limited liability company incorporated in the PRC and is principally engaged in the development and sales of glass and glass products, and the design and construction of solar power generation system. Zhejiang Kaigao is the minority shareholder of the Target Company and holds the remaining approximately 48.5294% equity interest in the Target Company. It is wholly-owned by an individual, Tu Jiakai.

The Target Group

The Target Company is a limited liability company incorporated in the PRC and, together with its subsidiaries, is principally engaged in the production and distribution of float glass and photovoltaic glass products.

The Target Company holds 100% of the equity interest in each of Xinjiang Kaisheng Daming Solar Energy Technology Co., Ltd.* (新疆凱盛大明光能科技有限公司) ("**Xinjiang Daming**") and Yumen Jianggan Hongsheng New Energy Technology Co., Ltd.* (玉門江贛洪晟新能源科技有限公司)("**Jianggan Hongsheng**"). Jianggan Hongsheng holds 100% of the equity interest in Yumen Jianggan Qiangsheng New Energy Technology Co., Ltd.* (玉門江贛强盛新能源科技有限公司)("**Jianggan Qiangsheng**").

Set out below is the corporate structure of the Target Group as at the date of this announcement:



LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

As the Acquisition is subject to fulfilment of the conditions precedent to the Completion, which may or may not be fulfilled, there is no assurance that the Acquisition will be completed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

PROFIT FORECASTS UNDER THE VALUATION REPORT

As the Valuation adopts an income approach using the discounted cash flow method, the Valuation constitutes a profit forecast in respect of the Target Company under Rule 14.61 of the Listing Rules and the requirements of Rule 14.60A and 14.62 of the Listing Rules are therefore applicable.

KPMG (the "**Reporting Accountants**") has been engaged by the Company to report on the calculations of the discounted future cash flows used in the Valuation.

The Board has reviewed and considered the Valuation including the principal assumptions upon which the Valuation is based. The Board has also considered the report from the Reporting Accountants. On the basis of the foregoing, the Board is of the opinion that the Valuation has been made after due and careful enquiry.

To the best knowledge, information and belief of the Directors after making all reasonable enquiry, each of the Valuer and Reporting Accountants is an Independent Third Party.

Details of the principal assumptions upon which the Valuation is based, the report from Reporting Accountants and the letter from the Board in relation to the profit forecast of the Target Company are set out in the appendices to this announcement.

Expert

The following are the qualifications of the expert who has provided opinions and/or suggestions contained in this announcement:

Name	Qualification
KPMG	Certified public accountants Public Interest Entity Auditor Registered in accordance with the Accounting and Financial Reporting Council Ordinance

The Reporting Accountants has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its report and all references to its name included herein in the form and context in which they are included in this announcement.

As at the date of this announcement, the Reporting Accountants does not, directly or indirectly, have any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities of any member of the Group. As at the date of this announcement, the Reporting Accountants does not have any direct or indirect interest in any assets which have been since 31 December 2022 (the date to which the latest published annual result of the Group were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

DEFINITIONS

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

"Acquisition"	the conditional acquisition of approximately 51.4706% of the equity interest in the Target Company at Completion pursuant to the Equity Transfer Agreement
"Board"	the board of Directors

"China" or "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)
"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)
"Completion"	the completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement after the conditions precedent of the Equity Transfer Agreement have been fulfilled or waived (as applicable)
"Completion Audit Benchmark Date"	31 October 2023 (or such later date as the Contracting Parties may agree)
"Completion Date"	the date on which the Seller, the Purchaser, Zhejiang Kaigao and the Target Company enter into a completion agreement confirming the Completion
"Consideration"	RMB312,982,380, being the consideration for the Acquisition
"Contracting Parties"	the Seller, the Purchaser and Zhejiang Kaigao
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement dated 27 October 2023 entered into among the Purchaser, the Seller and Zhejiang Kaigao in relation to the Acquisition
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Purchaser"	China Glass Investment Limited* (中玻投資有限公司), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Seller"	Huzhou Haosheng Industry Investment L.P.* 湖州浩昇實業投資合夥企業(有限合夥), a limited partnership organized under the laws of PRC
"Share(s)"	ordinary share(s) of par value HK$0.05 each in the issued share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s) from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company" or "Gansu Daming"	Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (甘肅凱盛大明光能科技有限公司), a limited liability company incorporated in the PRC
"Target Group"	the Target Company and its subsidiaries
"Target Interest"	the approximately 51.4706% of equity interest in the Target Company which is conditionally agreed to be sold by the Seller to the Purchaser pursuant to the Equity Transfer Agreement

"Zhejiang Kaigao"	Zhejiang Kaigao Solar Energy Technology Co., Ltd.* (浙江凱高光能科技有限公司), a limited liability company incorporated in the PRC
"%"	per cent.

In this announcement, unless the context requires otherwise, the terms "connected person(s)", "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, 27 October 2023

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

Executive Director:
Mr. Lyu Guo *(Chief Executive Officer)*

Non-executive Directors:
Mr. Peng Shou *(Chairman)*; Mr. Zhao John Huan; and Mr. Zhang Jinshu

Independent Non-executive Directors:
Mr. Zhang Baiheng; Mr. Wang Yuzhong; and Mr. Chen Huachen

* *For identification purpose only*

APPENDIX I – PRINCIPAL ASSUMPTIONS OF THE VALUATION

Main Assumptions

Given the Valuation was prepared based on, among others, discounted cash flow under the income method, it is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The Valuation has been prepared on the following principal assumptions:

Basic Assumptions

1. Transaction Assumption

   The transaction assumption assumes that all assets to be appraised are already in the process of being transacted, and the Valuer simulates the market for appraisal according to the transaction conditions of the appraised assets. The transaction assumption is one of the most basic preconditional assumptions for the performance of an asset appraisal.

2. Open Market Assumption

   The open market assumption assumes that as for the subject assets transacted in the market, or the subject assets to be transacted in the market, both parties to the assets transaction have equal footings and have the opportunity and time to obtain sufficient market information, so as to make a rational judgment on the functions, use and transaction price of the subject assets. The open market assumption is based on the fact that the subject assets can be publicly traded in the market.

3. Going-concern Assumption

   The going-concern assumption refers to such an assumption that, after the Valuation Benchmark Date (as defined below), the Target Company will continue to be operated as per its former operating purpose and the manner.

General Assumptions

1. After the valuation benchmark date of 31 October 2022 (the "**Valuation Benchmark Date**"), there will be no significant changes to the relevant national laws, regulations and policies in force, national macro-economy trend and in political, economic and social environments of the regions where the parties to the transaction are in.

2. The operators of the Target Company after the Valuation Benchmark Date are responsible and that the subject company's management is capable of assuming their positions.

3. The Target Company fully complies with all relevant laws and regulations.

4. There are no significant changes in interest rates, exchange rates, tax bases and rates, and policy levies related to the Target Company after the Valuation Benchmark Date.

5. There will be no other force majeure and unforeseeable factors that will have a material adverse effect on the Target Company after the Valuation Benchmark Date.

Specific Assumptions

1. The accounting policies adopted by the Target Company after the Valuation Benchmark Date and those adopted in the preparation of the valuation report are basically the same in material aspects.

2. The scope and manner of operation of the Target Company after the Valuation Benchmark Date will be consistent with that at present on the basis of the existing management style and management level.

3. The type of value for the purpose of the appraisal is the market value, without taking into account the impact of the economic behaviors involved for the purpose of the appraisal on the business operations situation of the enterprise.

4. The cash inflow of the Target Company after the Valuation Benchmark Date is an average inflow and the cash outflow is an average outflow.

5. The Target Company's high and new technology business inputs, R&D inputs and personnel composition and other high and new technology enterprise identification criteria in the future are in line with the standards for high and new technology enterprise identification, and that the Target Company can be recognized as a high and new technology enterprise and enjoy 15% tax incentive.

6. The photovoltaic glass production line can be put into production and reach the designed capacity according to the planned timeline.

7. The Target Company's trade receivables in the future can be paid in an ordinary manner and there is no major bad debt loss.

8. The basic information and financial information provided by the Purchaser and the Target Company are true, accurate and complete.

APPENDIX II

The following is the text of the report dated 27 October 2023 from the Reporting Accountants, KPMG, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

KPMG

REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE ENTIRE EQUITY INTEREST IN GANSU KAISHENG DAMING SOLAR ENERGY TECHNOLOGY CO., LTD.# (甘肅凱盛大明光能科技有限公司)

TO THE BOARD OF DIRECTORS OF CHINA GLASS HOLDINGS LIMITED

We refer to the discounted future cash flows on which the valuation ("**the Valuation**") dated 9 October 2023 prepared by Zhongjing Minxin (Beijing) Assets Appraisal Co., Ltd.,# (中京民信(北京)資產評估有限公司) in respect of the appraisal of the market value of the entire equity interest in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.# ("**the Target Company**") as at 31 October 2022 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibilities

The directors of China Glass Holdings Limited (the "**Directors**") are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

The English translation of the name is for identification only and the official name of the entity is in Chinese.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Certified Public Accountants
Hong Kong
27 October 2023

APPENDIX III – LETTER FROM THE BOARD

The following is the text of the letter dated 27 October 2023 from the Board prepared for inclusion in this announcement.

The Listing Division
Hong Kong Exchanges and Clearing Limited
12/F, Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

27 October 2023

Dear Sirs,

Company	**:**	**China Glass Holdings Limited (Stock Code: 3300) (the "Company")**
Re	**:**	**Profit Forecast – Confirmation letter under the requirement of Rule 14.62(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")**

Reference is made to the announcement of the Company dated 27 October 2023 (the "**Announcement**") in relation to the valuation report dated 9 October 2023 (the "**Valuation Report**") prepared by Zhongjing Minxin (Beijing) Assets Appraisal Co., Ltd.*（中京民信（北京）資產評估有限公司）(the "**Valuer**") in respect of the appraisal of the market value of the entire equity interest in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.*（甘肅凱盛大明光能科技有限公司）as at 31 October 2022 (the "**Valuation**"). As the Valuation adopts the income approach based on the discounted cash flow method, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and accordingly, Rule 14.62 of the Listing Rules is applicable. The principal assumptions upon which the Valuation are based have been stated in Appendix I to the Announcement.

The board of directors of the Company (the "**Board**") has discussed with the Valuer about different aspects including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. The Board has also considered the report from the Company's reporting accountants, KPMG, regarding whether the calculations of the discounted cash flows upon which Valuation is based on was compiled properly so far as the calculations are concerned.

Pursuant to the requirement of Rule 14.62(3) of the Listing Rules, the Board is of the opinion that the Valuation has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board
China Glass Holdings Limited
Lyu Guo
Executive Director

27 October 2023

* *For identification purpose only*