
THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Offer Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in China Glass Holdings Limited, you should at once hand this Offer Document and the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Offer Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Forms of Acceptance.



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)

**UNIFIED GROUP
INVESTMENTS LIMITED**

(Incorporated in the British Virgin Islands with limited liability)

**OFFER DOCUMENT RELATING TO
VOLUNTARY CONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND DBS ASIA CAPITAL LIMITED
FOR AND ON BEHALF OF
UNIFIED GROUP INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
CHINA GLASS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFEROR) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
CHINA GLASS HOLDINGS LIMITED**

Joint financial advisers to the Offeror



Capitalised terms used on this cover shall have the same meanings as those defined in this Offer Document unless the content requires otherwise.

A letter from Lego Securities and DBSAC containing, among other things, the details of the terms and conditions of the Offers are set out on pages 6 to 21 of this Offer Document.

The procedures for acceptance and settlement of the Offers is set out on pages I-1 to I-12 in Appendix I to this Offer Document and in the accompanying Forms of Acceptance. Acceptances of the Share Offer must be received by the Receiving Agent, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:00 p.m. on Wednesday, 10 February 2021, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Acceptances of the Option Offer and the Convertible Bond Offer must be received by the Offeror at Unit 2101-2108, 21st Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong by no later than 4:00 p.m. on Wednesday, 10 February 2021, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

24 December 2020

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EXPECTED TIMETABLE

The expected timetable set out below is indicative and may be subject to change. Any changes to the timetable will be announced by the Offeror as soon as possible.

2020

Despatch date of this Offer Document and the accompanying
Forms of Acceptance and the Offers open for acceptance
(Note 1) Thursday, 24 December

2021

Latest date for the posting of the Response Document (Note 2) Thursday, 7 January

Latest time and date for acceptance of the Offers on the
First Closing Date (Notes 3, 4 and 5) by 4:00 p.m. on
Wednesday, 10 February

Announcement of the results of the Offers and the level of
acceptance as at the First Closing Date to be published on the
website of the Stock Exchange and XYG (Note 3) by 7:00 p.m. on
Wednesday, 10 February

Latest time and date by which the Offers can become or be
declared unconditional as to acceptances (Note 6) by 7:00 p.m. on
Monday, 22 February

Latest date for posting of remittances in respect of valid
acceptances received under the Offers on or before
the First Closing Date (assuming the Offers become
or are declared unconditional in all respects on the
First Closing Date) (Note 7) Tuesday, 23 February

Latest time and date for acceptance of the Offers assuming
that the Offers become or are declared unconditional
in all respects on the First Closing Date (Note 8) by 4:00 p.m. on
Wednesday, 24 February

Notes:

1. The Offers are made on Thursday, 24 December 2020, being the date of despatch of this Offer Document, and is capable of acceptance on and from that date until 4:00 p.m. (Hong Kong time) on the First Closing Date, unless the Offeror revises or extends the Offers in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post the Response Document within 14 days from the posting of the Offer Document, unless the Executive consents to a later date. Such consent will only be given if the Offeror agrees to extend the Closing Date by the number of days in respect of which the delay in the posting of the Response Document is agreed.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which the Offer Document is posted, the Offers must initially be opened for acceptance for at least 28 days following the date on which this Offer Document is posted. The Offers will be closed at 4:00 p.m. (Hong Kong time) on the First Closing Date unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be jointly issued by the Offeror and XYG through the websites of the Stock Exchange and XYG by 7:00 p.m. (Hong Kong time) on the First Closing Date, stating the results of the Offers and whether the Offers have become or are declared unconditional or have been revised or extended to another Closing Date or until further notice. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code. In the latter case, at least 14 days' notice in writing must be given, before the Offers are closed, to the Offer Shareholders, CB Holders and Optionholders who have not accepted the Offers.
4. If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal in force or "extreme conditions" caused by a super typhoon is announced by the Government of Hong Kong on the Closing Date and (i) it is not cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offers will be postponed to 4:00 p.m. (Hong Kong time) on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) it is cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offers will be the same day, i.e., 4:00 p.m. (Hong Kong time) on the Closing Date.
5. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offers are irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed "RIGHT OF WITHDRAWAL" in Appendix I to this Offer Document for further information on the circumstances where acceptances may be withdrawn.
6. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. (Hong Kong time) on the 60th day after the date of despatch of this Offer Document (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Offers have previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offers will lapse at 7:00 p.m. (Hong Kong time) on Monday, 22 February 2021 (or such later day as permitted by the Executive in accordance with the Takeovers Code). In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all conditions must be fulfilled or the Offers must lapse within 21 days of the First Closing Date or of the date the Offers become or are declared unconditional as to acceptances, whichever is later.
7. Remittances in respect of the Offer Shares, the Convertible Bonds and the Share Options (after deducting the sellers' ad valorem stamp duty, as applicable) tendered for acceptance under the Offers will be despatched to the accepting Offer Shareholders, CB Holders and Optionholders by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date on which the Offers become or are declared unconditional in all respects and (ii) the date on which the duly completed Forms of Acceptance and the relevant documents of title of the Offer Shares, the Convertible Bonds and the Share Options are received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer) to render each of such acceptance of the Offers complete and valid in accordance with the Takeovers Code, this Offer Document and the accompanying Forms of Acceptance. Please refer to the section headed "PROCEDURES FOR ACCEPTANCE OF THE OFFERS" and "SETTLEMENT OF THE OFFER" in Appendix I to this Offer Document and the accompanying Forms of Acceptance for further information.

EXPECTED TIMETABLE

8. In accordance with the Takeovers Code, if the Offers become or are declared unconditional (whether as to acceptances or in all respects), the Offers should remain open for acceptance for not less than 14 days thereafter. When the Offers become or are declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offers are closed to those Offer Shareholders, CB Holders and Optionholders who have not accepted the Offers. The Offeror has the right, subject to the Takeovers Code, to extend the Offers until such date as it may determine or as permitted by the Executive.

All times and dates in this Offer Document and the Forms of Acceptance shall refer to Hong Kong local times and dates. Save as mentioned above, if the latest time for the acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as possible.

DEFINITIONS

In this Offer Document, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“Anti-trust Clearance”	the submission of the formal notification and any related filings pursuant to the Anti-Monopoly Laws of the PRC to the SAMR, in connection with the Offers, and the obtaining of clearance or deemed clearance from the SAMR in respect of such filings
“associate(s)”	has the meaning given to it in the Takeovers Code
“BLUE Form of Convertible Bond Offer Acceptance”	the BLUE form of acceptance and transfer of the Convertible Bonds in respect of the Convertible Bond Offer accompanying this Offer Document
“BVI”	the British Virgin Islands
“Business Day(s)”	a business day is a day on which the Stock Exchange is open for the transaction of business
“CB Holders”	the holders of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CGH Board”	the board of directors of the Company
“CGH Directors”	the directors of the Company
“Closing Date”	the First Closing Date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	China Glass Holdings Limited (中國玻璃控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3300)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Convertible Bond Offer”	the offer by Lego Securities and DBSAC for and on behalf of the Offeror in accordance with the Takeovers Code to acquire the Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror) in accordance with the terms described in this Offer Document
“Convertible Bonds”	the convertible bonds issued by the Company on 22 May 2015 with an outstanding principal amount of US\$2,500,000 and due on 4 February 2021 as at the Latest Practicable Date
“DBS Bank”	DBS Bank (Hong Kong) Limited, a company incorporated in Hong Kong and recognised by the Executive as an exempt principal trader for the purposes of the Takeovers Code, the operations of which are carried out independently of any takeover activities carried on by DBSAC with appropriate Chinese walls and compliance procedures in place
“DBS Group”	DBS Group Holdings Limited and its subsidiaries from time to time, including but not limited to DBS Bank and DBSAC
“DBSAC”	DBS Asia Capital Limited, one of the joint financial advisers to the Offeror, a licensed corporation under the SFO, licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, which shall make the Offers for and on behalf of the Offeror jointly with Lego Securities
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	the facilities amounting to a total of HK\$1,900 million granted by DBS Bank to the Offeror to finance the consideration payable under the Offers
“First Closing Date”	10 February 2021, being the first closing date of the Offers (or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code)
“Form(s) of Acceptance”	the WHITE Form of Share Offer Acceptance, the BLUE Form of Convertible Bond Offer Acceptance and the YELLOW Form of Option Offer Acceptance (as the context may require) in respect of the Offers which accompany(ies) this Offer Document
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“HKSCC Nominees”	HKSCC Nominees Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	2 December 2020, being the last trading day of the Shares immediately preceding the date of the R3.5 Announcement
“Latest Practicable Date”	21 December 2020, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained herein
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, and one of the joint financial advisers to the Offeror
“Lego Securities”	Lego Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO, which shall make the Offers for and on behalf of the Offeror jointly with DBSAC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offers”	means the Share Offer, the Convertible Bond Offer and the Option Offer
“Offer Document”	this offer document jointly issued by the Offeror and XYG, which sets out, among others, details of the Offers in accordance with the Takeovers Code
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 3 December 2020 (being the date of the R3.5 Announcement) and ending on the later of (i) the date when the Offers close for acceptances; and (ii) the date when the Offers lapse
“Offer Shares”	all the Shares in issue, other than those already owned by or to be acquired by the Offeror
“Offer Shareholders”	the holders of the Offer Shares
“Offeror”	Unified Group Investments Limited, a company incorporated in the BVI with limited liability and wholly owned by XYG
“Optionholders”	the holders of the Share Options

DEFINITIONS

“Option Offer”	the offer by Lego Securities and DBSAC for and on behalf of the Offeror in accordance with the Takeovers Code to cancel all outstanding Share Options in exchange for cash in accordance with the terms described in this Offer Document
“PRC”	the People’s Republic of China (for the purpose of this Offer Document, excluding Hong Kong, Macao and Taiwan)
“Receiving Agent”	Computershare Hong Kong Investor Services Limited, the receiving and paying agent in relation to the Share Offer, situated at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, situated at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Relevant Authority(ies)”	means any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution
“Relevant Period”	the period commencing from 3 June 2020, being the date falling six months preceding the date of the commencement of the Offer Period, up to and including the Latest Practicable Date
“Response Document”	the board circular required to be issued by the Company to all Offer Shareholders, CB Holders and Optionholders in accordance with Rule 8.4 of the Takeovers Code
“RMB”	Renminbi yuan, the lawful currency of the PRC
“R3.5 Announcement”	the joint announcement of the Offeror and XYG dated 3 December 2020 in relation to the Offers
“SAMR”	the State Administration for Market Regulation of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares

DEFINITIONS

“Share Offer”	the voluntary conditional cash offer by the Offeror to acquire all of the outstanding Shares (other than those already owned or agreed to be acquired by the Offeror) in accordance with the terms and conditions set out in this Offer Document
“Share Offer Price”	the price at which the Share Offer is made, being HK\$0.9 per Offer Share
“Share Option(s)”	share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 30 May 2005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“US\$”	United States dollars, the lawful currency of the United States of America
“Unconditional Date”	the date on which the Offers become or are declared unconditional in all respects, the latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Offer Document (or such later date to which the Executive may consent)
“ WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer of the Offer Shares in respect of the Share Offer accompanying this Offer Document
“XYG”	Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board of the Stock Exchange (stock code: 868)
“XYG Board”	the board of directors of XYG
“ YELLOW Form of Option Offer Acceptance”	the YELLOW form of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Offer Document
“%”	per cent.

LETTER FROM LEGO SECURITIES AND DBSAC



Room 301, 3/F,
China Building, 29 Queen's Road
Central, Hong Kong



73/F, The Center,
99 Queen's Road Central,
Central, Hong Kong

24 December 2020

To the Offer Shareholders, CB Holders and Optionholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND DBS ASIA CAPITAL LIMITED
FOR AND ON BEHALF OF
UNIFIED GROUP INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
CHINA GLASS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFEROR) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
CHINA GLASS HOLDINGS LIMITED**

INTRODUCTION

References are made to the R3.5 Announcement and the announcement of the Company dated 7 December 2020 in relation to the Offers, pursuant to which it was announced that Lego Securities and DBSAC would, on behalf of the Offeror, make voluntary conditional cash offers in compliance with the Takeovers Code (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror) at the Share Offer Price of HK\$0.9 per Offer Share; (ii) to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror); and (iii) to cancel all the outstanding Share Options.

This letter forms part of this Offer Document and sets out, among other things, details of the Offers, the reasons for making the Offers, the intentions of the Offeror in respect of the Group and certain background information of the Offeror. Further details on the terms of the Offers are set out in Appendix I to this Offer Document and the accompanying Forms of Acceptance.

The Company is required to despatch the Response Document within 14 days after the posting of this Offer Document. Offer Shareholders, Optionholders and CB Holders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offers.

LETTER FROM LEGO SECURITIES AND DBSAC

THE OFFERS

On 2 December 2020 (after trading hours), the Offeror had informed the CGH Board that it intended to make, through Lego Securities and DBSAC, the Offers (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror) at the Share Offer Price of HK\$0.9 per Offer Share; (ii) to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror); and (iii) to cancel all the outstanding Share Options.

As at the Latest Practicable Date, save for 18,968,000 Shares, representing approximately 1.0% of the issued share capital of the Company, held by the parties acting in concert with the Offeror, the Offeror and the parties acting in concert with it were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities.

Principal terms of the Offers

The Share Offer

Lego Securities and DBSAC are, for and on behalf of the Offeror and in compliance with the Takeovers Code, making a voluntary conditional cash offer to acquire all the Offer Shares on the following terms:

For each Offer Share HK\$0.9 in cash

All the Offer Shares to be acquired under the Share Offer shall be (i) fully-paid; (ii) free from any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same; and (iii) with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof on or after the date of despatch of this Offer Document.

There has been no dividend or distribution declared by the Company for the year ended 31 December 2019, for the six months ended 30 June 2020 and up to the Latest Practicable Date. In the event that any dividends or distributions are declared after the date of despatch of the Offer Document, paid or made in respect thereof until the close of the Offers, the amount of such dividends or other distributions will be deducted from the Share Offer Price after consultation with the Executive.

LETTER FROM LEGO SECURITIES AND DBSAC

The Convertible Bond Offer

Lego Securities and DBSAC are, for and on behalf of the Offeror and in compliance with the Takeovers Code, making a voluntary conditional cash offer to acquire all the outstanding Convertible Bonds on the following terms:

For every US\$10,000 face value of the Convertible Bonds HK\$54,499.22 in cash

The Convertible Bonds will be acquired fully paid and free from all liens, charges, options, equities, encumbrances or other third party rights of any nature and together with all rights now or hereafter attaching or accruing to them, including the right to all dividends and other distributions (if any) declared, made or paid after the date of despatch of the Offer Document. In the event that any dividends or distributions are declared after the date of despatch of the Offer Document, paid or made in respect thereof until the close of the Offers, the amount of such dividends or other distributions will be deducted from the offer price for the Convertible Bonds after consultation with the Executive.

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Convertible Bond Offer will apply to all outstanding Convertible Bonds in issue on the date on which the Convertible Bond Offer is made (other than those already owned or agreed to be acquired by the Offeror) and will not apply to any Convertible Bonds which are or have been redeemed or converted into Shares prior to the close of the Offers. In the event that the Convertible Bonds or part thereof are converted after the Latest Practicable Date and new Shares are issued pursuant to such conversion, such Shares will form part of the Share Offer.

The offer price for the Convertible Bonds is HK\$54,499.22 for every US\$10,000 face value of the Convertible Bonds, determined in accordance with Practice Note 6 to the Takeovers Code as the “see-through” consideration for each Convertible Bond, being the number of Shares into which the Convertible Bonds is convertible (being 15,138,671 Shares) multiplied by the Share Offer Price (HK\$0.9 per Offer Share).

The Option Offer

Lego Securities and DBSAC are, for and on behalf of the Offeror and in compliance with the Takeovers Code, making an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options on the following terms:

For cancellation of each Share Option HK\$0.0001 in cash

As disclosed in the prospectus of the Company dated 13 June 2005, under the Share Option Scheme, if a general offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to all Shareholders (or all holders other than the offeror and its concert parties and persons controlled by the offeror) and the offer becomes or is declared unconditional during the option period of an outstanding option, the Optionholder (or his legal personal representative) shall be entitled to exercise the Share Option (to the extent not already exercised) at any time before the expiry of the period of ten business days following the date on which the offer becomes or is declared unconditional. Following the expiry of the period, the Share Options shall automatically lapse thereafter.

LETTER FROM LEGO SECURITIES AND DBSAC

As at the Latest Practicable Date, the Company had 30,060,000 outstanding Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 30,060,000 Shares at an exercise price of HK\$1.25 per Share on or before 12 May 2022. Since the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out of the money and the offer price for the cancellation of each Share Option is set at a nominal value of HK\$0.0001.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Subject to the Share Offer becoming unconditional in all respects, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

Comparison of value

The Share Offer Price of HK\$0.9 per Offer Share represents:

- (i) the closing price of HK\$0.9 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 17.4% to the closing price of HK\$1.09 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 1.7% to the average closing price of approximately HK\$0.916 per Share for the five trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 8.0% over the average closing price of approximately HK\$0.833 per Share for the 10 trading days up to and including the Last Trading Day;
- (v) a premium of approximately 43.8% over the average closing price of approximately HK\$0.626 per Share for the 30 trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 37.9% to the audited consolidated net asset value of the Company of approximately RMB1.24 (equivalent to approximately HK\$1.45) per Share as at 31 December 2019 as set out in the annual report of the Company for the year ended 31 December 2019; and
- (vii) a discount of approximately 28.6% to the unaudited consolidated net asset value of the Company of approximately RMB1.08 (equivalent to approximately HK\$1.26) per Share as at 30 June 2020 as set out in the interim report of the Company for the six months ended 30 June 2020.

Highest and lowest Share price

During the Relevant Period, the highest and lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.12 per Share on 1 December 2020 and HK\$0.345 per Share on 28 September 2020 and 29 September 2020, respectively.

LETTER FROM LEGO SECURITIES AND DBSAC

Value of the Offers

Based on the published information of the Company available to the public as at the Latest Practicable Date, the Company had 1,810,147,058 Shares in issue. Save for (i) 30,060,000 outstanding Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 30,060,000 Shares at an exercise price of HK\$1.25 per Share on or before 12 May 2022; and (ii) outstanding Convertible Bonds with an aggregate principal amount of US\$2,500,000 convertible into 15,138,671 Shares, the Offeror is not aware of the Company having any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue as at the Latest Practicable Date.

On the basis of the Share Offer Price of HK\$0.9 per Offer Share and assuming no further Shares are issued whether pursuant to the exercise of Share Options, conversion of Convertible Bonds or otherwise before the close of the Offers, 1,810,147,058 Shares (including 18,968,000 Shares held by the parties acting in concert with the Offeror) will be subject to the Share Offer and the Share Offer is valued at approximately HK\$1,629.1 million.

Assuming none of the Share Options is exercised prior to the close of the Offers, 30,060,000 Share Options will be subject to the Option Offer and assuming that the Option Offer is accepted in full, the Option Offer will be valued at HK\$3,006.0 based on the offer price for the Share Options of HK\$0.0001 per Share Option.

Assuming none of the Convertible Bonds is redeemed or converted prior to the close of the Offers, based on the maximum number of Shares the Convertible Bonds is convertible into (being 15,138,671 Shares) and the Share Offer Price of HK\$0.9 per Offer Share, the Convertible Bond Offer is valued at approximately HK\$13.6 million, assuming that the Convertible Bond Offer is accepted in full.

Based on the above, the aggregate value of the Offers will be approximately HK\$1,642.8 million.

Assuming that all the Share Options are exercised by the Optionholders and all the Convertible Bonds are converted, the number of issued Shares will be 1,855,345,729 (including 18,968,000 Shares held by the parties acting in concert with the Offeror) and the Share Offer will be valued at approximately HK\$1,669.8 million and the value of the Convertible Bond Offer and the Option Offer will be nil. Accordingly, the total amount payable by the Offeror under the Offers will be approximately HK\$1,669.8 million.

Financial resources available to the Offeror

The Offeror intends to finance the total consideration payable under the Offers through (i) the Offeror's own resources; and (ii) the Facility provided by DBS Bank. Both Lego Corporate Finance and DBSAC, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offers.

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CONDITIONS TO THE OFFERS

Conditions to the Share Offer

The Share Offer shall be conditional upon the satisfaction of the following conditions on or before the Closing Date unless otherwise waived by the Offeror:

- i. valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the parties acting in concert with it holding more than 51% of the voting rights in the Company as at the Closing Date;
- ii. the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of the Offeror or the parties acting in concert with it;
- iii. no event, up to the Closing Date, having occurred which would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers;
- iv. no Relevant Authority(ies) in the PRC, Hong Kong, Cayman Islands and Bermuda having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers (other than such items or events above as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers), in particular, with respect to anti-trust review in the PRC under the Anti-Monopoly Law of the PRC, the SAMR having made the decision not to conduct further review of the Offers or allowing the Offers to proceed or the Offers having been deemed to have been cleared by the SAMR under the Anti-Monopoly Law of the PRC (by virtue of all applicable waiting periods under the Anti-Monopoly Law of the PRC, in respect of the review of the Offers, having expired), on terms reasonably acceptable to the Offeror;

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- v. no event occurring or having occurred which is an event of default or other event giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the Group is a party or by which it is bound and no lender to any member of the Group indicating on or prior to the date to be stated in the Offer Document as the Closing Date that it will exercise such rights to accelerate repayment or claim an event of default; and
- vi. since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Company or any other member of the Group.

As part of conditions (iii) and (iv) above, the Anti-trust Clearance is required for the Share Offer to become or be declared unconditional in all respects and for the Offers to complete as completion of the Offers without first obtaining the Anti-trust Clearance would constitute a violation of the Anti-Monopoly Laws of the PRC.

The Offeror has submitted a filing to the SAMR under the Anti-Monopoly Law of the PRC on 8 December 2020. As at the Latest Practicable Date, the Anti-trust Clearance has not yet been granted. The Offeror expects that the Anti-trust Clearance would generally be available in around two to four months from the date of submission of the filings, subject to the SAMR's merger control review process on a case-by-case basis.

Having considered the public information of the Company published on its annual reports, the directors of XYG believe that no other regulatory approvals (including merger control approvals of other foreign governments) would be required for the purpose of the Offers.

The Offeror reserves the right to waive, in whole or in part, all or any of the conditions either generally or in respect of any particular matter save that conditions (i), (iii) and (iv) cannot be waived. For the avoidance of doubt, based on the publicly available information of the Company, the Offeror has no knowledge and information as to whether any event mentioned in condition (v) above exists as at the Latest Practicable Date.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above conditions as basis for not proceeding with the Offers only if the circumstances which give rise to a right to invoke such conditions are of material significance to the Offeror in the context of the Offers.

If any of the above conditions cannot be fulfilled or waived by the Closing Date (unless otherwise extended and announced by the Offeror), the Share Offer will lapse. As of the Latest Practicable Date, none of the conditions has been satisfied.

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In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects. The Offer Shareholders, Optionholders and CB Holders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.

The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

Condition to the Convertible Bond Offer

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

Condition to the Option Offer

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

CLOSING OF THE OFFERS

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date of the Offers will fall on or after the 28th day from the date of this Offer Document. Where the Offers becomes or are declared unconditional (whether as to acceptances or in all respects), they should remain open for acceptance for not less than fourteen (14) days thereafter. The Offer Shareholders, Optionholders and CB Holders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this minimum 14-day period.

The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Offer Document (or such later date to which the Executive may consent).

SETTLEMENT OF CONSIDERATION

Payment in cash in respect of the acceptances of the Offers, net of seller's Hong Kong ad valorem duty, will be made as soon as possible but in any event within seven (7) Business Days of the date on which (i) the relevant documents of title are received by or on behalf of the Offeror to render each such acceptance complete and valid; and (ii) when the Offers have become or are declared unconditional, whichever is later.

No fractions of a cent will be payable and the amount of cash consideration will be rounded up to the nearest cent.

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Acceptance of the Offers

Subject to the Share Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Receiving Agent, the Offer Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date of the despatch of the Offer Document.

Subject to the Option Offer becoming unconditional, following the acceptance of the Option Offer, the Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

Subject to the Convertible Bond Offer becoming unconditional, acceptance of the Convertible Bond Offer by any CB Holders will be deemed to constitute a warranty by such person that all Convertible Bonds sold by such person under the Convertible Bond Offer are free from all encumbrances whatsoever.

Dealing in the Company's securities

Save for (i) 800,000 Shares purchased by a company controlled by Dr. LEE Yin Yee, B.B.S., being the chairman and an executive director of XYG and a director of the Offeror, at prices between HK\$0.38 and HK\$0.40 per Share on 28 August 2020; (ii) 100,000 Shares purchased by Ms. TUNG Chau Mui, daughter of Mr. TUNG Ching Bor, being the vice-chairman and an executive director of XYG and a director of the Offeror, at the price of HK\$0.70 per Share on 17 November 2020; and (iii) 300,000 Shares purchased by Ms. NG Lai Ming, sister of Mr. NG Ngan Ho, being a non-executive director of XYG, at prices between HK\$0.74 and HK\$0.78 per Share on 20 November 2020, 24 November 2020 and 27 November 2020, none of the Offeror and any parties acting in concert with the Offeror had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Offer Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The seller's Hong Kong ad valorem stamp duty (if any) payable by the CB Holders who accept the Convertible Bond Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Convertible Bonds; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Bond Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Bond Offer.

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The Offeror will arrange for payment of the stamp duty on behalf of accepting Offer Shareholders and accepting CB Holders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares, and acceptance of the Convertible Bond Offer and transfer of the Convertible Bonds, respectively.

No stamp duty is payable in connection with the acceptances of the Option Offer.

Overseas Offer Shareholders, Optionholders and CB Holders

The availability of the Offers to any overseas Offer Shareholders, Optionholders and CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The overseas Offer Shareholders, Optionholders and CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the overseas Offer Shareholders, Optionholders and CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes or other required payments due by such overseas Offer Shareholders, Optionholders and CB Holders in respect of such overseas jurisdictions).

Acceptance of the Offers by any overseas Offer Shareholders, Optionholders and CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such overseas Offer Shareholders, Optionholders and CB Holders lawfully under the laws of the relevant jurisdictions. The overseas Offer Shareholders, Optionholders and CB Holders should consult their professional advisers if in doubt.

Taxation implications

The Offer Shareholders, the Optionholders and the CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable. None of the Offeror, parties acting in concert with the Offeror, Lego Corporate Finance, Lego Securities, DBSAC and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable.

Further terms of the Offer

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and the acceptance period in relation to the Offers as set out in Appendix I to this Offer Document and the accompanying Forms of Acceptance.

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SHAREHOLDING STRUCTURE

Based on the publicly available information of the Company, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date:

Name of Shareholder	Shareholding as at the Latest Practicable Date		Shareholding as at the Latest Practicable Date (assuming all the Share Options are exercised and the Convertible Bonds are fully converted)	
	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %
First Fortune Enterprises Limited (<i>Notes 1, 4, 5</i>)	272,926,000	15.1	272,926,000	14.7
Mei Long Developments Limited (<i>Notes 2, 4, 5</i>)	104,750,740	5.8	104,750,740	5.6
Elite World Investments Limited (<i>Note 3</i>)	35,000,000	1.9	35,000,000	1.9
中國建材集團有限公司 (China National Building Material Group Co., Ltd.*) (<i>Note 6</i>)	416,424,621	23.0	416,424,621	22.4
Bank of Communications Trustee Limited (<i>Note 7</i>)	152,000,000	8.4	152,000,000	8.2
Mr. Cui Xiangdong and Twinkle Fame Limited (<i>Notes 8 and 9</i>)	14,732,000	0.8	19,532,000	1.1
Mr. Zhou Cheng (<i>Note 8</i>)	22,672,633	1.3	22,672,633	1.2
Mr. Lyu Guo (<i>Note 8</i>)	7,012,096	0.4	8,412,096	0.5
Parties acting in concert with the Offeror (<i>Note 10</i>)	18,968,000	1.0	18,968,000	1.0
Other Optionholders	—	—	23,860,000	1.3
CB Holders	—	—	15,138,671	0.8
Other public Shareholders	765,660,968	42.3	765,660,968	41.3
Total	<u>1,810,147,058</u>	<u>100</u>	<u>1,855,345,729</u>	<u>100</u>

Notes:

1. First Fortune Enterprises Limited is a wholly-owned subsidiary of Hony International Limited. Hony International Limited is owned as to 60% by Easylead Management Limited and 40% by Right Lane Limited. Easylead Management Limited and Right Lane Limited are taken to be interested in the shares held by First Fortune Enterprises Limited and Hony International Limited by virtue of Part XV of the SFO.
2. Mei Long Developments Limited is owned as to 60% by Easylead Management Limited and 40% by Right Lane Limited. Easylead Management Limited and Right Lane Limited are taken to be interested in the shares held by Mei Long Developments Limited by virtue of Part XV of the SFO.

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3. Elite World Investments Limited is wholly-owned by Cheer Elite Holdings Limited. Cheer Elite Holdings Limited is wholly-owned by Right Lane Limited. Right Lane Limited is taken to be interested in the shares held by Elite World Investments Limited by virtue of Part XV of the SFO.
4. Easylead Management Limited is owned as to one-third by each of Messrs. Cao Zhijiang, Liu Jinduo and Zhang Zuxiang. Each of them is taken to be interested in the shares held by Easylead Management Limited by virtue of Part XV of the SFO.
5. Right Lane Limited is a direct wholly-owned subsidiary of Legend Holdings Corporation.
6. China Triumph International Investment Company Limited is a wholly-owned subsidiary of 凱盛科技集團有限公司 (Triumph Science & Technology Group Co., Ltd.*), which is a wholly-owned subsidiary of China National Building Material Group Co., Ltd*. China National Building Material Group Co., Ltd* is taken to be interested in the shares held by China Triumph International Investment Company Limited and Triumph Science & Technology Group Co., Ltd.* by virtue of Part XV of the SFO.
7. Bank of Communications Trustee Limited has been appointed as the trustee of the share award scheme of the Company.
8. Being directors of the Company.
9. Twinkle Fame Limited is a company wholly-owned by Mr. Cui Xiangdong.
10. As at the Latest Practicable Date, the Offeror did not own any Shares. The 18,968,000 Shares were owned as to (i) 800,000 Shares by a company controlled by Dr. LEE Yin Yee, B.B.S., being the chairman and an executive director of XYG and a director of the Offeror; (ii) 17,768,000 Shares by Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., being the chief executive officer and an executive director of XYG; (iii) 100,000 Shares by Ms. TUNG Chau Mui, daughter of Mr. TUNG Ching Bor, being the vice-chairman and an executive director of XYG and a director of the Offeror; and (iv) 300,000 Shares by Ms. NG Lai Ming, sister of Mr. NG Ngan Ho, being a non-executive director of XYG. For the avoidance of doubt, the aggregate of these 18,968,000 Shares held by parties acting in concert with the Offeror are subject to the Share Offer.
11. DBSAC is one of the joint financial advisers to the Offeror in respect of the Offers. Accordingly, DBSAC and relevant members of the DBS Group which hold Shares are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of “acting in concert” in the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary investment clients of the DBS Group). As at the Latest Practicable Date, DBSAC and relevant members of the DBS Group did not hold any Shares on a proprietary basis.

* The English names are for identification purpose only.

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INFORMATION OF THE COMPANY

The Company is an investment holding 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). The Group is one of the PRC'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.

Set out below is the summary of consolidated financial information of the Company for the two years ended 31 December 2018 and 2019 as extracted from the annual report of the Company for the year ended 31 December 2019 and for the six months ended 30 June 2020 as extracted from the interim report of the Company for the six months ended 30 June 2020:

	For the year ended		For the six
	31 December		months ended
	2018	2019	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Revenue	2,617,725	2,369,230	1,173,300
Profit/(loss) before taxation	153,134	89,428	(239,255)
Profit/(loss) for the year/period	104,074	72,704	(277,307)

As at 30 June 2020, the unaudited consolidated net assets of the Company was approximately RMB1,956.9 million.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI and a wholly owned subsidiary of XYG. XYG is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 868). As at the Latest Practicable Date, the controlling shareholders of XYG are Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai *P.S.M., D.M.S.M., J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung, Mr. NG Ngan Ho, Mr. LI Man Yin and their respective controlled corporations, pursuant to the shareholders' agreement among the controlling shareholders dated 14 September 2004. XYG is principally engaged in the production and sales of a wide range of glass products, including automobile glass, architectural glass, float glass and other glass products for different commercial and industrial applications.

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XYG is one of the major players in the global glass industry. Despite the downturn in the float glass market during the first half of 2020 due to the COVID-19 pandemic, XYG is cautiously optimistic about the float glass market in the future and its long-term business development prospects. It is the business strategy of XYG to secure its market-leading position and enhance its economies of scale through strategic expansion in a timely manner of production capacities across different product segments and the construction of new production complexes incorporating streamlined production processes at different locations both in the PRC and overseas. XYG considers the acquisition of the Group could broaden the float glass production capacities and geographical coverages of XYG by offering wider range of products in different locations in the PRC, and thereby increasing the market share of XYG. Further, XYG expects that the acquisition will also enhance the economies of scale of XYG and the Group as a whole by enhancing production efficiency and enabling saving in purchase costs, production costs and fixed costs.

The Share Offer Price is determined with reference to (i) prevailing share price of the Shares; (ii) the prospects of the float glass industry; and (iii) the potential synergic effect and economies of scale of the enlarged group after the acquisition. The XYG Board considers that the terms of the Offers are fair and reasonable and in the interests of XYG and its shareholders as a whole.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offers. The intention of the Offeror is that the Group's existing principal activities will be maintained, and at the same time after completion of the Offers, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror had not identified any investment or business opportunities for the Company nor had the Offeror entered into any related agreement, arrangements, understandings or negotiation or discussions and there is no plan on any injection or disposal of any assets or businesses into/of the Group as at the Latest Practicable Date.

The Offeror may consider convening a general meeting to appoint new member(s) to the CGH Board if such appointment is considered to be beneficial to the future development of the Group as permitted under the Takeovers Code. Any change to the composition of the CGH Board will be made in compliance with the Takeovers Code and the Listing Rules.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the potential change(s) to the composition of the CGH Board, the Offeror has no existing plan or contemplation to terminate the employment of any other employees or other personnel of the Group. However, after the close of the Offers, the Offeror will continuously review the operation of the Group and the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

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COMPULSORY ACQUISITION AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any powers of compulsory acquisition in respect of the Company under the provisions of the laws of Bermuda. The Offeror intends the issued Shares to remain listed on the Stock Exchange after the close of the Offers. According to the Listing Rules, if, at the close of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The directors of the Offeror have jointly undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

GENERAL

All documents and remittances will be sent to the Offer Shareholders, CB Holders and Optionholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, register of CB Holders or register of Optionholders or, in case of joint Offer Shareholders, CB Holders and Optionholders, to such Offer Shareholders, CB Holders and Optionholders whose name appears first in the register of members of the Company, register of CB Holders and register of Optionholders, respectively, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer). None of the Offeror, XYG, Lego Corporate Finance, Lego Securities, DBSAC, the Receiving Agent and their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers and the Offeror set out in the appendices to this Offer Document and the accompanying Forms of Acceptance, which form part of this Offer Document.

In considering what action to take in connection with the Offers, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Following the despatch of this Offer Document by the Offeror, the Company will be required under the Takeovers Code to send to all Shareholders, Optionholders and CB Holders the Response Document within 14 days. The Response Document will include the views of the CGH Board and the independent board committee of the Company on the Offers, and the letter of advice from the

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independent financial adviser appointed by the Company in relation to the Offers. Offer Shareholders, Optionholders and CB Holders are advised to read this Offer Document and the Response Document before taking any action in respect of the Offers.

Yours faithfully,
For and on behalf of
Lego Securities Limited

Kelvin Li
Director

Yours faithfully,
For and on behalf of
DBS Asia Capital Limited

Wei Mun Yip
Managing Director

1. PROCEDURES FOR ACCEPTANCE OF THE OFFERS

1.1 The Share Offer

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Share Offer.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) for not less than the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Receiving Agent, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, marked "**Unified Group — Share Offer**" on the envelope, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date, unless the Offers becomes or are declared unconditional or have been extended or revised with the consent of the Executive.
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:
 - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and request it to deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Receiving Agent; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Receiving Agent; or

- (iii) if your Shares have been lodged with your licensed securities dealer/ registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/ custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it in an envelope marked "**Unified Group — Share Offer**" to the Receiving Agent together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror, Lego Securities, DBSAC or their respective agent(s) to collect from the Company or the Receiving Agent on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Receiving Agent on your behalf and to authorize and instruct the Receiving Agent to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Receiving Agent with the **WHITE** Form of Share Offer Acceptance.
- (e) Acceptance of the Share Offer will be treated as valid only if the completed and signed **WHITE** Form of Share Offer Acceptance is received by the Receiving Agent by no later than 4:00 p.m. on the Closing Date unless the Offers become or are declared unconditional or have been extended or revised with the consent of the Executive, and the Receiving Agent has recorded the acceptance and any relevant documents required by the Takeovers Code have been so received, and are:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

- (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
- (iii) certified by the Registrar or the Stock Exchange.
- (f) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent (together with any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) must be produced.
- (g) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) will be given.

1.2 The Option Offer

- (a) To accept the Option Offer, you should complete and sign the accompanying **YELLOW** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) Without prejudice to the paragraph headed “Acceptance of the Offers” in the “LETTER FROM LEGO SECURITIES AND DBSAC” contained in this Offer Document, the completed **YELLOW** Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities and any other document(s) required in respect thereof) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, to the Offeror at Unit 2101-2108, 21st Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, marked “**Unified Group — Option Offer**” on the envelope, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) No stamp duty will be deducted from the amount paid or payable to Optionholders who accept the Option Offer.
- (d) No acknowledgment of receipt of any **YELLOW** Form(s) of Option Offer Acceptance, certificate(s) of the Share Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities and any other document(s) required in respect thereof) will be given.

- (e) Deeming provisions: the following provisions apply in the case of incorrectly completed, incomplete or illegible **YELLOW** Form of Option Offer Acceptance:
 - (i) if no total number of Share Options is specified or if the total number of the Share Options specified in the **YELLOW** Form of Option Offer Acceptance is greater than the Share Options tendered and the Optionholder has signed the **YELLOW** Form of Option Offer Acceptance, the Optionholder will be deemed to have accepted the Option Offer in respect of the number of Share Options tendered by such Optionholder; and
 - (ii) if the total number of Share Options specified in the **YELLOW** Form of Option Offer Acceptance is smaller than the Share Options tendered and the Optionholder has signed the **YELLOW** Form of Option Offer Acceptance, such Optionholder will be deemed to have accepted the Option Offer in respect of the total number of Share Options equal to the number of Share Options specified in the **YELLOW** Form of Option Offer Acceptance.

1.3 The Convertible Bond Offer

- (a) If you accept the Convertible Bond Offer and the certificate(s) of the Convertible Bonds and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) is/are in your name, you should complete the **BLUE** Form of Convertible Bond Offer Acceptance in accordance with the instructions printed thereon in respect of the outstanding principal amount of the Convertible Bonds held by you that you wish to tender to the Convertible Bond Offer, which instructions form part of the terms and conditions of the Convertible Bond Offer.
- (b) The completed **BLUE** Form of Convertible Bond Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Convertible Bonds and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) which you intend to accept the Convertible Bond Offer, by post or by hand, to the Offeror at Unit 2101-2108, 21st Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, marked “**Unified Group — Convertible Bond Offer**” on the envelope, as soon as possible but in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) The Offeror will deduct from the amount paid or payable to CB Holders who accept the Convertible Bond Offer the seller’s ad valorem stamp duty which may be charged on the transfer of Convertible Bonds under the Convertible Bond Offer. If the Stamp Duty Office adjudicates that no stamp duty is chargeable on the transfer, a stamp duty refund cheque will be despatched to the accepting CB Holders by ordinary post at its/his/her own risk in due course.
- (d) No acknowledgement of receipt of any **BLUE** Form of Convertible Bond Offer Acceptance and/or certificate(s) of the Convertible Bonds and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) will be given.

- (e) Deeming provisions: the following provisions apply in the case of incorrectly completed, incomplete or illegible **BLUE** Form of Convertible Bond Offer Acceptance:
 - (i) if no principal amount is specified or a principal amount in excess of the registered holding of the Convertible Bonds of the CB Holder is specified in the **BLUE** Form of Convertible Bond Offer Acceptance and the CB Holder has signed the **BLUE** Form of Convertible Bond Offer Acceptance, such CB Holder will be deemed to have accepted the Convertible Bond Offer for his/her/its entire registered holding of the Convertible Bonds; and
 - (ii) if the principal amount of the Convertible Bonds specified in the **BLUE** Form of Convertible Bond Offer Acceptance is smaller than the principal amount of the Convertible Bonds tendered and the CB Holder has signed the **BLUE** Form of Convertible Bond Offer Acceptance, the CB Holder is deemed to have accepted the Convertible Bond Offer in respect of the principal amount of the Convertible Bonds as shall be equal to the principal amount of the Convertible Bonds specified in such **BLUE** Form of Convertible Bond Offer Acceptance.

2. SETTLEMENT OF THE OFFERS

2.1 The Share Offer

Subject to the Offers becoming or being declared unconditional and provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) are complete and in good order in all respects and have been received by the Receiving Agent before the close of the Share Offer, a cheque for the amount due to each of the Offer Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Shares tendered by it/him/her under the Share Offer will be despatched to such Offer Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date of on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Receiving Agent of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder.

2.2 The Option Offer

Subject to the Offers becoming or being declared unconditional and provided that a valid **YELLOW** Form of Option Offer Acceptance and the relevant certificate(s) in respect of the Share Options (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Offeror before the close of the Option Offer, a cheque for the amount due to each of the Optionholders who accepts the Option Offer in respect of the Share Option tendered by it/him/her under the Option Offer will be despatched to such Optionholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date of on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Offeror of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.

2.3 The Convertible Bond Offer

Subject to the Offers becoming or being declared unconditional and provided that a valid **BLUE** Form of Convertible Bond Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Offeror before the close of the Convertible Bond Offer, a cheque for the amount due to each of the CB Holders who accepts the Convertible Bond Offer in respect of the Convertible Bonds tendered by it/him/her under the Convertible Bond Offer will be despatched to such CB Holder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date of on which the Offers become or are declared unconditional in all respects and (ii) the date of receipt by the Offeror of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to a CB Holder who accepts the Convertible Bond Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting CB Holder is entitled under the Convertible Bond Offer will be implemented in full in accordance with the terms of the Convertible Bond Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting CB Holder.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offers are made on 24 December 2020, being the date of despatch of this Offer Document, and are open for acceptance on and from this date.
- (b) In order to be valid for the Offers, the **WHITE** Form of Share Offer Acceptance, the **BLUE** Form of Convertible Bond Offer Acceptance and the **YELLOW** Form of Option Offer Acceptance must be received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Option Offer and the Convertible Bond Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive in accordance with the Takeovers Code. The Offers are conditional upon, amongst others, the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) in respect of the Share Offer which will result in the Offeror and persons acting in concert with it holding more than 51% of the voting rights of the Company.
- (c) If the Offers are extended or revised, an announcement of such extension or revision will state the next Closing Date or, if the Offers have become unconditional (whether as to acceptances or in all respects), the announcement may contain a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Offer Shareholders, Optionholders and CB Holders, who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter. If, in the course of the Offers, the Offeror revises the terms of the Offers, all Offer Shareholders, Optionholders and CB Holders, whether or not they have already accepted the Offers, will be entitled to the revised terms.
- (d) Any acceptance of the relevant revised Offers shall be irrevocable unless and until the Offer Shareholders, Optionholders and CB Holders who accept the Offers become entitled to withdraw their acceptance under the section headed "RIGHT OF WITHDRAWAL" of this appendix below and duly do so.
- (e) If the Closing Date is extended, any reference in this Offer Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

4. EXERCISE OF SHARE OPTIONS

The Optionholder who wishes to accept the Share Offer may (i) exercise his/her/its Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Share Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Share Options to the Company before the close of the Offers; and (ii) at the same time, or in any event no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code), complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Receiving Agent together with a copy of the set of documents delivered to the Company for exercising the Share Options. Notwithstanding the above, the exercise of the Share Options is always subject to the terms and conditions of the Share Option Scheme and the terms attaching to the grant of the relevant Share Options.

Delivery of the completed and signed **WHITE** Form of Share Offer Acceptance to the Receiving Agent will not serve to complete the exercise of the Share Options but will only be deemed to be an irrevocable authority to the Offeror, Lego Corporate Finance, Lego Securities, DBSAC and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Receiving Agent on his/her/its behalf the relevant share certificate(s) when issued on exercise of the Share Options as if it/they was/were delivered to the Receiving Agent with the **WHITE** Form of Share Offer Acceptance. If the Optionholder fails to exercise his/her/its Share Options as aforesaid and in accordance with the terms and conditions of the Share Option Scheme, there is no guarantee that the Company may issue the relevant share certificate in respect of the Shares allotted pursuant to his/her/its exercise of the Share Option(s) to such Optionholder in time for it to accept the Share Offer as an Offer Shareholder of such Shares under the terms of the Share Offer.

5. LAPSE OF SHARE OPTIONS

Subject to the Offers becoming or being declared unconditional, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced on the Closing Date. Optionholders should note that according to the rules of the Share Option Scheme, the Optionholders are entitled to exercise their Share Options (to the extent not exercised) in full or in part by notice in writing to the Company before the close of the Option Offer. Under the rules of the Share Option Scheme, the Share Options (to the extent not exercised) will cease and determine and lapse automatically after the close of the Option Offer on the Closing Date. Optionholders are reminded that acceptance of the Option Offer made in relation to any Share Option that has lapsed will not render acceptance to be valid. Optionholders are therefore recommended to consult their own professional advisers as to the exercise of the Share Options pursuant to the rules of the Share Option Scheme and the implications as to accepting or rejecting the Option Offer. Nothing in this Offer Document or the Option Offer will serve to extend the life of any Share Option which lapses under the Share Option Scheme. No exercise of the Share Options or acceptance of the Option Offer may be made in relation to any Share Option that has lapsed.

6. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must publish an announcement in accordance with the Takeovers Code on the Stock Exchange's website by no later than 7:00 p.m. on the Closing Date stating whether the Offers have been revised or extended or have expired. The announcement will state the total number of Shares, Share Options and Convertible Bonds and rights over Shares, Share Options and Convertible Bonds:
- (i) for which acceptances of the Offers have been received;
 - (ii) held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
 - (iii) acquired or agreed to be acquired by the Offeror during the Offer Period.

The announcement must include details of any relevant securities in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

In computing the total number or principal amount of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this appendix, and which have been received by the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer) no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, unless the Offers become or are declared unconditional, or are extended or revised with the consent of the Executive, shall be included.

- (b) As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

7. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by the Offer Shareholders, the Optionholders and the CB Holders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offers shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptances. An acceptor of the Offers may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Receiving Agent (in respect of the Share Offer) or the Offeror (in respect of the Convertible Bond Offer and the Option Offer).
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “ANNOUNCEMENTS” above, the Executive may require that the Offer Shareholders, the Optionholders and the CB Holders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

8. HONG KONG STAMP DUTY

The seller’s Hong Kong ad valorem stamp duty payable by the Offer Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The seller’s Hong Kong ad valorem stamp duty (if any) payable by the CB Holders who accept the Convertible Bond Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Convertible Bonds; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Bond Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Bond Offer. The Offeror will arrange for payment of the stamp duty on behalf of accepting Offer Shareholders and accepting CB Holders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares, and acceptance of the Convertible Bond Offer and transfer of the Convertible Bonds, respectively. No stamp duty is payable in connection with the acceptances of the Option Offer.

9. OVERSEAS OFFER SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS

The availability of the Offers to any overseas Offer Shareholders, Optionholders and CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The overseas Offer Shareholders, Optionholders and CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the overseas Offer Shareholders, Optionholders and CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes or other required payments due by such

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

overseas Offer Shareholders, Optionholders and CB Holders in respect of such overseas jurisdictions). Acceptance of the Offers by any overseas Offer Shareholders, Optionholders and CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such overseas Offer Shareholders, Optionholders and CB Holders lawfully under the laws of the relevant jurisdictions. The overseas Offer Shareholders, Optionholders and CB Holders should consult their professional advisers if in doubt.

10. NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, Optionholders and CB Holders, those Offer Shareholders, Optionholders and CB Holders who hold Offer Shares, Share Options and/or Convertible Bonds (as the case may be) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Offer Shares, Share Options and Convertible Bonds, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

11. TAXATION ADVICE

The Offer Shareholders, the Optionholders and the CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, Lego Securities, DBSAC, Lego Corporate Finance and their respective ultimate beneficial owners, directors, officers, agents, associates, advisers or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

12. GENERAL

- (a) All communications, notices, Forms of Acceptance, Share certificate(s), transfer receipt(s), certificate(s) of the Share Options, certificate(s) of the Convertible Bonds, other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Offer Shareholders, the Optionholders and the CB Holders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, Lego Securities, Lego Corporate Finance, DBSAC, the Receiving Agent or any of their respective directors or agents or other parties involved in the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (c) The accidental omission to despatch this Offer Document and/or the Forms of Acceptance or any of them to any person to whom the Offers is made will not invalidate the Offers in any way.

- (d) The Offers and all acceptances under the Offers will be governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Forms of Acceptance will constitute an authority to any director of the Offeror, Lego Securities and DBSAC or such person or persons as any of them may direct to complete and execute any document on behalf of the person accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, Lego Securities and DBSAC or such person or persons as it may direct the Offer Shares, Share Options or the Convertible Bonds, in respect of which such person has accepted the Offers.
- (f) By accepting the Offers, the Offer Shareholders, Optionholders and CB Holders will sell their Offer Shares or Convertible Bonds or tender their Share Options (as the case may be) to the Offeror free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends, interests and distributions (as applicable) which may be recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer or Option Offer or Convertible Bond Offer is made, that is, the date of this Offer Document.
- (g) Acceptance of the Offers by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Lego Securities and DBSAC that the Offer Shares, Share Options or the Convertible Bonds held by such person or persons to be acquired under the Offers are sold by any such person or persons free from all third party rights, liens, charges, equities, options, claims, adverse interests and Encumbrances and together with all rights attaching thereto as at the date on which the Offers is made including the right to receive in full all dividends or other distributions that may be declared, made or paid by the Company on or after the date on which the Offers is made.
- (h) References to the Offers in this Offer Document and in the Forms of Acceptance shall include any extension and, or revision thereof.
- (i) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares, Share Options or the Convertible Bonds in respect of which it is indicated in the relevant Forms of Acceptance is the aggregate number of Offer Shares, Share Options or the Convertible Bonds held by such nominee for such beneficial owners who are accepting the Offers.
- (j) The English text of this Offer Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts in case of inconsistency.

RESPONSIBILITY STATEMENT

This Offer Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers and the Offeror.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

The directors of XYG jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

The information relating to the Group in this Offer Document has been extracted from or based on the published information relating to the Group. The only responsibility accepted by the directors of the Offeror and XYG in respect of such information is for the correctness and fairness of its reproduction or presentation.

DISCLOSURE OF INTERESTS OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

As at the Latest Practicable Date, the Offeror did not own any Shares and the 18,968,000 Shares were owned by the parties acting in concert with the Offeror relate to (i) 800,000 Shares by a company controlled by Dr. LEE Yin Yee, B.B.S., being the chairman and an executive director of XYG and a director of the Offeror; (ii) 17,768,000 Shares by Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., being the chief executive officer and an executive director of XYG; (iii) 100,000 Shares by Ms. TUNG Chau Mui, daughter of Mr. TUNG Ching Bor, being the vice-chairman and an executive director of XYG and a director of the Offeror; and (iv) 300,000 Shares by Ms. NG Lai Ming, sister of Mr. NG Ngan Ho, being a non-executive director of XYG. Save for the 18,968,000 Shares, representing approximately 1.0% of the issued share capital of the Company as at the Latest Practicable Date, held by the parties acting in concert with the Offeror, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities.

Save for (i) 800,000 Shares purchased by a company controlled by Dr. LEE Yin Yee, B.B.S., being the chairman and an executive director of XYG and a director of the Offeror, at prices between HK\$0.38 and HK\$0.40 per Share on 28 August 2020; (ii) 100,000 Shares purchased by Ms. TUNG Chau Mui, daughter of Mr. TUNG Ching Bor, being the vice-chairman and an executive director of XYG and a director of the Offeror, at the price of HK\$0.70 per Share on 17 November 2020; and (iii) 300,000 Shares purchased by Ms. NG Lai Ming, sister of Mr. NG Ngan Ho, being a non-executive

director of XYG, at prices between HK\$0.74 and HK\$0.78 per Share on 20 November 2020, 24 November 2020 and 27 November 2020, none of the Offeror and any parties acting in concert with the Offeror had dealt for value in any relevant securities as defined in Note 4 to Rule 22 of the Takeovers Code of the Company during the Relevant Period and up to the Latest Practicable Date.

ARRANGEMENTS IN CONNECTION WITH THE OFFERS

As at the Latest Practicable Date:

- (a) no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror and parties acting in concert with it and any other person;
- (b) no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code exists between a person who owned or controlled Shares or convertible securities, warrants, options or derivatives of the Company and the Offeror and parties acting in concert with it;
- (c) the securities acquired in pursuance of the Offers will not be transferred, charged or pledged to any other persons and there is no agreement, arrangement or understanding, or any related charge or pledge, which has been entered into which may result in the transfer of voting rights attaching to any securities acquired pursuant to the Offers;
- (d) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) none of the Offeror nor any parties acting in concert with the Offeror has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Offeror nor any parties acting in concert with it had received any irrevocable commitment to accept or reject the Offers;
- (g) no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror and parties acting in concert with it and any of the CGH Directors, recent CGH Directors, and Shareholders or recent Shareholders which had any connection with or dependence upon the Offers;
- (h) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any CGH Director as compensation for loss of office or otherwise in connection with the Offers;
- (i) the Offeror and XYG confirm that they do not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Group;

- (j) apart from the consideration to be paid under the Offers, each of the Offer Shareholders, Optionholders and CB Holders has not and will not receive any other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it in concert in connection with the Offers; and
- (k) there existed no arrangement, understanding or agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand, and any Shareholder(s) on the other hand.

MARKET PRICE

The table below shows, based on publicly available information of the Company, the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
30 June 2020	0.44
31 July 2020	0.405
31 August 2020	0.375
30 September 2020	0.355
31 October 2020	0.385
30 November 2020	0.91
2 December 2020 (Last Trading Day)	1.09
Latest Practicable Date	0.9

Highest and Lowest Share Prices

The highest and lowest closing price per Share as quoted on the Stock Exchange during the Relevant Period and up to the Latest Practicable Date was HK\$1.12 per Share (on 1 December 2020) and HK\$0.345 per Share (on 28 September 2020 and 29 September 2020), respectively.

CONSENTS AND QUALIFICATIONS

The following are the qualification of the experts who have given opinion or advice contained in this Offer Document:

Name	Qualification
Lego Corporate Finance	a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO
DBSAC	a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Lego Securities	a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO

Each of Lego Corporate Finance, DBSAC and Lego Securities has given and has not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their advice or report, and/or references to their name in the form and context in which they are respectively included.

GENERAL

- (a) The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, the directors of the Offeror comprise Dr. LEE Yin Yee, B.B.S. and Mr. TUNG Ching Bor and the Offeror was wholly owned by XYG.
- (b) The registered address of the Offeror is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI. The Offeror does not have a place of business in Hong Kong.
- (c) The registered office of XYG is P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, KY1-1108, Cayman Islands. The correspondence address of XYG is Unit 2101-2108, 21st Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.
- (d) The XYG Board comprises (i) four executive directors, namely Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. and Mr. LEE Shing Kan, (ii) four non-executive directors, namely Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and (iii) five independent non-executive directors, namely Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., J.P., Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.
- (e) The registered office of DBSAC is 73/F, The Centre, 99 Queen's Road Central, Central, Hong Kong.

- (f) The registered office of Lego Corporate Finance is Room 1601, 16/F, China Building, 29 Queen's Road Central, Hong Kong.
- (g) The registered office of Lego Securities is Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong.

The English text of this Offer Document and the Forms of Acceptance shall prevail over their Chinese text for the purpose of interpretation.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 5:30 p.m. (other than Saturdays, Sundays and public holidays) at the office of Squire Patton Boggs, the legal advisers to the Offeror as to Hong Kong laws, at 29th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of XYG (<https://www.xinyiglass.com>) from the date of this Offer Document onwards for so long as the Offers remains open for acceptance:

- (i) the letters of consent from Lego Corporate Finance, DBSAC and Lego Securities referred to in the paragraph headed "CONSENTS AND QUALIFICATIONS" in this Appendix;
- (ii) the letter from Lego Securities and DBSAC, the text of which is set out on pages 6 to 21 of this Offer Document;
- (iii) the Memorandum and Articles of Association the Offeror; and
- (iv) the documents relating to the Facility issued by DBS Bank.