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**CHINA GLASS HOLDINGS LIMITED**

**中國玻璃控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3300)**

## **DISCLOSEABLE TRANSACTIONS**

## **FINANCE LEASE ARRANGEMENTS**

### **THE FUJIAN LONGTAI FINANCE LEASE ARRANGEMENT**

The Board would like to announce that on 10 December 2021, Fujian Longtai, Triumph Group Company and the Lessor entered into the Fujian Longtai Finance Lease Arrangement, pursuant to which the Lessor agreed, among other things, to (i) purchase the Fujian Longtai Leased Assets from Fujian Longtai at an aggregate consideration of RMB151 million, and (ii) lease back the Fujian Longtai Leased Assets to Fujian Longtai for a period of 2.57 years with an aggregate lease payment of approximately RMB165.50 million, which is to be payable by Fujian Longtai to the Lessor in ten (10) instalments.

### **THE JIANGSU SHD FINANCE LEASE ARRANGEMENT**

On 10 December 2021, Jiangsu SHD, Triumph Group Company and the Lessor entered into the Jiangsu SHD Finance Lease Arrangement, pursuant to which the Lessor agreed, among other things, to (i) purchase the Jiangsu SHD Leased Assets from Jiangsu SHD at an aggregate consideration of RMB49 million, and (ii) lease back the Jiangsu SHD Leased Assets to Jiangsu SHD for a period of 2.57 years with an aggregate lease payment of approximately RMB53.71 million, which is to be payable by Jiangsu SHD to the Lessor in ten (10) instalments.

## **LISTING RULES IMPLICATIONS**

In addition to the Finance Lease Arrangements, the Group had previously entered into the Existing Finance Lease Arrangements with the Lessor on 19 January 2021 and 24 November 2021. As the Existing Finance Lease Arrangements also involved the leasing of certain machineries and equipment from the Lessor, the consideration of the Existing Finance Lease Arrangements, together with the Finance Lease Arrangements, are aggregated for the purpose of classification of notifiable transactions in accordance with Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangements, when aggregated with the Existing Finance Lease Arrangements, exceed 5% but are all less than 25%, the Finance Lease Arrangements constitute discloseable transactions of the Company and are therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## **THE FUJIAN LONGTAI FINANCE LEASE ARRANGEMENT**

The principal terms of the Fujian Longtai Finance Lease Agreements are set out below:

Date: 10 December 2021

### **Parties:**

- (1) the Lessor (as purchaser and lessor);
- (2) Fujian Longtai (as seller and lessee); and
- (3) Triumph Group Company (as lessee).

## **Purchase of the Fujian Longtai Leased Assets**

Pursuant to the Fujian Longtai Finance Lease Agreements, Fujian Longtai agreed to sell, and the Lessor agreed to purchase, the Fujian Longtai Leased Assets owned by Fujian Longtai at a consideration of RMB151 million (the “**Fujian Longtai Purchase Price**”). The Fujian Longtai Purchase Price was determined after arm’s length negotiations between the contracting parties to the Fujian Longtai Finance Lease Agreements with reference to the net book value of the Fujian Longtai Leased Assets of RMB151.2 million.

## **Lease back of the Fujian Longtai Leased Assets**

Pursuant to the Fujian Longtai Finance Lease Agreements, the Fujian Longtai Leased Assets will be leased back to the Fujian Longtai Lessees for a period of 2.57 years.

## **Lease Payments**

The aggregate lease payments (the “**Fujian Longtai Lease Payments**”) payable by the Fujian Longtai Lessees to the Lessor under the Fujian Longtai Finance Lease Arrangement shall be approximately RMB165.50 million, payable in ten (10) instalments in accordance with the payment schedule in the Fujian Longtai Finance Lease Agreements, comprising (i) the aggregate principal amount of RMB151 million, which is equal to the Fujian Longtai Purchase Price; and (ii) the interest payments of approximately RMB14.50 million, estimated based on a fixed annual interest rate of 3.90%.

The Fujian Longtai Lease Payments were determined after arm’s length negotiations between the contracting parties to the Fujian Longtai Finance Lease Arrangement with reference to the prevailing market rates for finance lease arrangements for similar assets involving the issuance of asset-backed commercial papers.

## **Ownership of the Fujian Longtai Leased Assets**

The ownership of the Fujian Longtai Leased Assets under the Fujian Longtai Finance Lease Arrangement will be vested in the Lessor throughout the Fujian Longtai Lease Period. At the end of the Fujian Longtai Lease Period and subject to (i) payment by the Fujian Longtai Lessees of all amounts due under the Fujian Longtai Finance Lease Arrangement; and (ii) payment by Fujian Longtai of a nominal repurchase price of RMB1, the ownership of the Fujian Longtai Leased Assets will be transferred to Fujian Longtai.

## **THE JIANGSU SHD FINANCE LEASE ARRANGEMENT**

The principal terms of the Jiangsu SHD Finance Lease Agreements are set out below:

Date: 10 December 2021

### **Parties:**

- (1) the Lessor (as purchaser and lessor);
- (2) Jiangsu SHD (as seller and lessee); and
- (3) Triumph Group Company (as lessee).

## **Purchase of the Jiangsu SHD Leased Assets**

Pursuant to the Jiangsu SHD Finance Lease Arrangement, Jiangsu SHD agreed to sell, and the Lessor agreed to purchase, the Jiangsu SHD Leased Assets owned by Jiangsu SHD at a consideration of RMB49 million (the “**Jiangsu SHD Purchase Price**”). The Jiangsu SHD Purchase Price was determined after arm’s length negotiations between the contracting parties to the Jiangsu SHD Finance Lease Agreements with reference to the net book value of the Jiangsu SHD Leased Assets of approximately RMB51.08 million.

## **Lease back of the Jiangsu SHD Leased Assets**

Pursuant to the Jiangsu SHD Finance Lease Agreements, the Jiangsu SHD Leased Assets will be leased back to the Jiangsu SHD Lessees for a period of 2.57 years.

## **Lease Payments**

The aggregate lease payments (the “**Jiangsu SHD Lease Payments**”) payable by the Jiangsu SHD Lessees to the Lessor under the Jiangsu SHD Finance Lease Arrangement shall be approximately RMB53.71 million, payable in ten (10) instalments in accordance with the payment schedule in the Jiangsu SHD Finance Lease Agreements, comprising (i) the aggregate principal amount of RMB49 million; and (ii) the interest payments of approximately RMB4.71 million, estimated based on a fixed annual interest rate of 3.90%.

The Jiangsu SHD Lease Payments were determined after arm’s length negotiations between the contracting parties to the Jiangsu SHD Finance Lease Arrangement with reference to the prevailing market rates for finance lease arrangements for similar assets involving the issuance of asset-backed commercial papers.

## **Ownership of the Jiangsu SHD Leased Assets**

The ownership of the Jiangsu SHD Leased Assets under the Jiangsu SHD Finance Lease Arrangement will be vested in the Lessor throughout the Jiangsu SHD Lease Period. At the end of the Jiangsu SHD Lease Period and subject to (i) payment by the Jiangsu SHD Lessees of all amounts due under the Jiangsu SHD Finance Lease Arrangement; and (ii) payment by Jiangsu SHD of a nominal repurchase price of RMB1, the ownership of the Jiangsu SHD Leased Assets will be transferred to Jiangsu SHD.

## **ISSUANCE OF ASSET-BACKED COMMERCIAL PAPERS BY THE LESSOR AND ROLE OF TRIUMPH GROUP COMPANY**

The Finance Lease Arrangements form part of a financing arrangement under which the Lease Payments would become part of the underlying assets for the issuance of asset-backed commercial papers by the Lessor in the PRC. The Finance Lease Arrangements are conditional upon the launch of the asset-backed commercial paper issuances.

Under the Finance Lease Arrangements, Triumph Group Company is a joint lessee primarily to facilitate and provide necessary credit support in relation to issuance of the asset-backed commercial papers, and act as the obligors if Fujian Longtai and Jiangsu SHD fail to perform their obligations under the Fujian Longtai Finance Lease Arrangement and Jiangsu SHD Finance Lease Arrangement, respectively. The participation of Triumph Group Company in the Finance Lease Arrangements does not constitute a transaction with Fujian Longtai and Jiangsu SHD.

## **REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS**

The terms of the Finance Lease Arrangements, including the Purchase Prices and the Lease Payments, were determined after arm's length negotiations with reference to the average fair market price of similar assets and the prevailing market rates for finance lease arrangements for similar assets involving the issuance of asset-backed commercial papers. The Directors are of the view that the Group will be able to replenish the operating cash of Jiangsu SHD and Fujian Longtai through the Finance Lease Arrangements, and that the terms and conditions of the Finance Lease Agreements are on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT THE RELEVANT CONTRACTING PARTIES**

### **The Company and the Group**

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

Fujian Longtai is an indirect non wholly-owned subsidiary of the Company. Fujian Longtai is a limited liability company established in the PRC and is principally engaged in the business of the production, marketing and distribution of glass and glass products, the development of glass production technology and mining, production and sale of materials.

Jiangsu SHD is an indirect wholly-owned subsidiary of the Company. Jiangsu SHD is a limited liability company established in the PRC and is principally engaged in the business of the production, marketing and distribution of glass and glass products.

### **Triumph Group Company**

Triumph Group Company is a substantial Shareholder. Triumph Group Company is a wholly-owned subsidiary of CNBM Group Corporation and is the management platform, financing platform, investment platform, integration platform established by CNBM Group Corporation, a state-owned enterprise in the PRC, to promote management integration for being practical, refining and strengthening the high-end technology industries, its business covers hundreds of countries and regions around the world. Triumph Group Company adheres to the scientific and technological innovation, focusing on core strategy in high-end product development, vigorously develop new energy, new materials, new glass, new equipment and other emerging industries.

### **The Lessor**

The Lessor is a limited liability company incorporated in the PRC and is principally engaged in financial leasing business in the PRC. The Lessor is owned as to 75% and 25% by Shanghai Junxin Industry Co., Ltd.\* (上海君信實業有限公司) and a minority shareholder, respectively. The largest shareholder which holds 30% equity interest in Shanghai Junxin Industry Co., Ltd.\* (上海君信實業有限公司) is Shanghai Yanjun Enterprise Management Centre\* (上海彥君企業管理中心), which in turn is wholly-owned by Chen Jianhong (陳鑒鴻). The remaining equity interest in Shanghai Junxin Industry Co., Ltd.\* (上海君信實業有限公司) is held by a diverse shareholder base each holding less than 30% equity interest.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as otherwise disclosed in this announcement, the Lessor and its ultimate beneficial owner(s) are third parties independent of the Company and each of its connected persons.

## LISTING RULES IMPLICATIONS

In addition to the Finance Lease Arrangements, the Group had previously entered into other finance lease arrangements with the Lessor on 19 January 2021 and 24 November 2021 (the “**Existing Finance Lease Arrangements**”), further details of which are set out in the Company’s announcements dated 19 January 2021 and 24 November 2021. As the Existing Finance Lease Arrangements also involved the leasing of certain machineries and equipment from the Lessor, the consideration of the Existing Finance Lease Arrangements, together with the Finance Lease Arrangements, are aggregated for the purpose of classification of notifiable transactions in accordance with Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangements, when aggregated with the Existing Finance Lease Arrangements, exceed 5% but are all less than 25%, the Finance Lease Arrangements constitute discloseable transactions of the Company and are therefore subject to the notification and announcement requirements but exempt from the Shareholders’ approval requirement pursuant to Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Glass Holdings Limited (中國玻璃控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 3300)
“CNBM Group Corporation”	China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a limited liability company incorporated under the Laws of the PRC and a PRC’s state-owned enterprise



“Director(s)”	the director(s) of the Company
“Finance Lease Agreements”	collectively, the Fujian Longtai Finance Lease Agreements and the Jiangsu SHD Finance Lease Agreements
“Finance Lease Arrangements”	collectively, the Fujian Longtai Finance Lease Arrangement and the Jiangsu SHD Finance Lease Arrangement
“Fujian Longtai”	Fujian Longtai Industries Company Limited* (福建龍泰實業有限公司), a limited liability company incorporated under the Laws of the PRC and an indirect non wholly-owned subsidiary of the Company
“Fujian Longtai Finance Lease Agreements”	the agreement and the supplemental agreement entered into between Fujian Longtai, Triumph Group Company and the Lessor, pursuant to which the Lessor agreed, among other things, (i) to purchase the Fujian Longtai Leased Assets from Fujian Longtai at an aggregate consideration of RMB151 million, and (ii) to lease back the Fujian Longtai Leased Assets to Fujian Longtai for a period of 2.57 years
“Fujian Longtai Finance Lease Arrangement”	the finance lease arrangement contemplated under the Fujian Longtai Finance Lease Agreements
“Fujian Longtai Leased Assets”	certain machineries and equipment forming part of the automotive glass production line of Fujian Longtai that is currently under construction
“Fujian Longtai Lease Period”	2.57 years commencing from the date on which the Fujian Longtai Purchase Price is paid by the Lessor
“Fujian Longtai Lessees”	collectively, Fujian Longtai and Triumph Group Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jiangsu SHD”	Jiangsu SHD New Materials Company Limited* (江蘇蘇華達新材料有限公司), a limited liability company incorporated under the Laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Jiangsu SHD Finance Lease Agreements”	the agreement and the supplemental agreement entered into between Jiangsu SHD, Triumph Group Company and the Lessor, pursuant to which the Lessor agreed, among other things, (i) to purchase the Jiangsu SHD Leased Assets from Jiangsu SHD at an aggregate consideration of RMB49 million; and (ii) to lease back the Jiangsu SHD Leased Assets to Jiangsu SHD for a period of 2.57 years
“Jiangsu SHD Finance Lease Arrangement”	the finance lease arrangement contemplated under the Jiangsu SHD Finance Lease Agreements
“Jiangsu SHD Leased Assets”	certain machineries and equipment for the float glass production line of Jiangsu SHD
“Jiangsu SHD Lease Period”	2.57 years commencing from the date on which the Jiangsu SHD Purchase Price is paid by the Lessor
“Jiangsu SHD Lessees”	collectively, Jiangsu SHD and Triumph Group Company
“Lease Payments”	collectively, the Fujian Longtai Lease Payments and the Jiangsu SHD Lease Payments
“Lessor”	King Sun Financial Leasing (Shanghai) Co., Ltd. (君信融資租賃(上海)有限公司), a company incorporated in the PRC with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“Purchase Prices”	collectively, the Fujian Longtai Purchase Price and the Jiangsu SHD Purchase Price
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of par value HK\$0.05 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Triumph Group Company”	Triumph Science & Technology Group Co., Ltd.* (凱盛科技集團有限公司), a limited liability company incorporated under the Laws of the PRC, a substantial Shareholder and a wholly-owned subsidiary of CNBM Group Corporation
“%”	per cent.

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

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

Hong Kong, 10 December 2021

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

*Executive Director:*

Mr. Lyu Guo (*Chief Executive Officer*)

*Non-executive Directors:*

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

*Independent Non-executive Directors:*

Mr. Zhang Baiheng; Mr. Chen Huachen; and Mr. Wang Yuzhong

\* *For identification purpose only*