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CHINA GLASS HOLDINGS LIMITED

中國玻璃控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 3300)

DISCLOSEABLE TRANSACTION

FINANCE LEASE ARRANGEMENT

The Board would like to announce that on 18 September 2020, Suqian CNG entered into the Finance Lease Arrangement, involving the Finance Lease Agreement and Consultancy Agreement, pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from Suqian CNG at a consideration of RMB75 million, and (ii) lease back the Leased Assets to Suqian CNG for a period of three years with the aggregate lease payments of approximately RMB80.81 million, which is to be payable by Suqian CNG to the Lessor in twelve (12) equal instalments.

LISTING RULES IMPLICATIONS

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

THE FINANCE LEASE ARRANGEMENT

The principal terms of the Finance Lease Arrangement are set out below:

Date: 18 September 2020

Parties:

- (1) the Lessor; and
- (2) Suqian CNG

Purchase of the Leased Assets

As part of the Finance Lease Arrangement and pursuant to the Finance Lease Agreement, Suqian CNG agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Suqian CNG at a consideration of RMB75 million (the “**Purchase Price**”). The Purchase Price was determined after arm’s length negotiations between the parties to the Finance Lease Agreement with reference to the net value of the Leased Assets, which is approximately RMB89.80 million.

Lease back of the Leased Assets

As part of the Finance Lease Arrangement and pursuant to the Finance Lease Agreement, the Leased Assets will be leased back to Suqian CNG for a period of three years.

Lease Payments

The aggregate lease payments (the “**Lease Payments**”) payable by Suqian CNG to the Lessor under the Finance Lease Agreement shall be approximately RMB80.81 million, payable in twelve (12) equal instalments during the Lease Period in accordance with the payment schedule in the Finance Lease Agreement, comprising (i) the principal amount of RMB75 million, which is equal to the Purchase Price; and (ii) interest payments of approximately RMB5.81 million, estimated based on an annual interest rate of 4.65% (determined and may be adjusted with reference to the loan prime rate for RMB loans with the maturity of five years or above as promulgated by the People’s Bank of China from time to time). Pursuant to the Finance Lease Agreement, Suqian CNG shall pay lease charges of approximately RMB0.23 million to the Lessor on the date when the Purchase Price is paid (the “**Lease Charges**”).

Consultancy Fee

As part of the Finance Lease Arrangement and pursuant to the Consultancy Agreement, Suqian CNG shall pay the consultancy fee of approximately RMB1.46 million to Doowin Financial Leasing (the “**Consultancy Fee**”) for the provision of financial planning proposal, consulting services on finance and financing, and assisting Suqian CNG to negotiate with funder(s) on securing the financing project and control the financing costs. The Lease Payments, the Lease Charges and the Consultancy Fee were determined after arm’s length negotiations between the parties to the Finance Lease Agreement and the Consultancy Agreement with reference to the prevailing market rates for finance lease arrangements for similar assets.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in the Lessor throughout the Lease Period. At the end of the Lease Period and subject to payment by Suqian CNG of (i) the final instalment of the Lease Payments; and (ii) a nominal repurchase price of RMB1, the ownership of the Leased Assets will be transferred back to Suqian CNG.

Early Termination

During the Lease Period, Suqian CNG may serve a 30-day written notice to the Lessor requesting for an early termination of the Finance Lease Agreement. Subject to the agreement of the Lessor, Suqian CNG shall make a payment in full to the Lessor of, inter alia, the following: (i) all of the due and outstanding Lease Payments and other payables under the Finance Lease Agreement; (ii) the principal portion of the remaining undue Lease Payments; (iii) compensation for early termination (subject to waiver of the Lessor); and (iv) the nominal repurchase price of RMB1. Upon receipt of all the above payment by the Lessor, the Finance Lease Agreement shall be terminated and the ownership of the Leased Assets shall be transferred to Suqian CNG.

THE GUARANTEE BY TRIUMPH GROUP COMPANY

Pursuant to the Finance Lease Arrangement, Triumph Group Company agreed to provide corporate guarantee in favour of the Lessor for the liabilities of Suqian CNG under the Finance Lease Agreement.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The terms of the Finance Lease Arrangement, including the Purchase Price, the Lease Payments, the Lease Charges and the Consultancy Fee, 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. The Directors are of the view that the Group will be able to replenish the operating cash of Suqian CNG, and reserve funds for Suqian CNG's project construction through the Finance Lease Arrangement, and that the terms and conditions of the Finance Lease Arrangement 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 PARTIES

The Company and the Group

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

Suqian CNG is an indirectly wholly-owned subsidiary of the Company. Suqian CNG is a limited liability company incorporated under the Laws of the PRC and is principally engaged in the business of the production, marketing and distribution of electronic glass and electronic glass products.

The Lessor and Doowin Financial Leasing

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 a wholly-owned subsidiary of China CITIC Bank Corporation Limited, a company listed on the main board of the Stock Exchange (Stock Code: 998).

Doowin Financial Leasing is a limited liability company incorporated in the PRC and is principally engaged in financial leasing business in the PRC. Doowin Financial Leasing is (i) directly and indirectly held as to 75% equity interest by Doowin Property Group Co., Ltd.* (德匯置業集團有限公司) (“**Doowin Property Group**”); and (ii) directly held as to 25% equity interest by New Doowin International Co., Ltd.* (新德匯國際有限公司) (“**New Doowin**”). Doowin Property Group is directly and/or indirectly held by Mr. Zhang Xiankai (張獻開先生), Mr. Qian Jincheng (錢金成先生) and Mr. Qian Jinnai (錢金耐先生). New Doowin is solely owned by Ms. Ni Ting Ting (倪婷婷女士).

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, Doowin Financial Leasing and their respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

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| “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) |
| “Doowin Financial Leasing” | Doowin Financial Leasing Co., Ltd.* (德匯融資租賃有限公司), a company incorporated in the PRC with limited liability |
| “Director(s)” | the director(s) of the Company |
| “Finance Lease Agreement” | the finance lease agreement entered into between Suqian CNG and the Lessor on 18 September 2020, pursuant to which (i) Suqian CNG agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Suqian CNG; and (ii) the Leased Assets will be leased back to Suqian CNG for a period of three years |
| “Consultancy Agreement” | the consultancy agreement entered into between Suqian CNG and Doowin Financial Leasing on 18 September 2020, pursuant to which Suqian CNG agreed to pay a consultancy fee of approximately RMB1.46 million to Doowin Financial Leasing for the provision of financial planning proposal, consulting services on finance and financing, and assisting Suqian CNG to negotiate with funder(s) on securing the financing project and control the financing costs |

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| “Finance Lease Arrangement” | the arrangements contemplated under the Finance Lease Agreement and Consultancy Agreement |
| “Group” | the Company and its subsidiaries |
| “Independent Third Parties” | a party(ies) who is/are not connected person(s) of the Company and is/are third party independent of the Company and the connected persons of the Company |
| “Lease Period” | three years commencing from the date on which the purchase price of the Leased Assets is paid by the Lessor |
| “Leased Assets” | desulfurization and denitrification equipment, waste heat boiler and other glass production equipment of the electronic glass production line of Suqian CNG |
| “Lessor” | CITIC Financial Leasing Co., Ltd.* (中信金融租賃有限公司), a company incorporated in the PRC with limited liability |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Suqian CNG” | Suqian CNG Electronic Glass Company Limited* (宿遷中玻電子玻璃有限公司), a limited liability company incorporated under the Laws of the PRC and an indirect wholly-owned subsidiary of the Company |

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| “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 and a substantial Shareholder |
| “%” | 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
Cui Xiangdong
Executive Director

Hong Kong, 18 September 2020

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

Executive Director:

Mr. Cui Xiangdong

Non-executive Directors:

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

Independent Non-executive Directors:

Mr. Zhang Baiheng; Mr. Zhao Lihua; and Mr. Chen Huachen

* *For identification purpose only*