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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**

#### **FINANCE LEASE ARRANGEMENT**

The Board would like to announce that on 9 August 2023, Shaanxi CNG and the Lessor entered into the Finance Lease Agreement, pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from Shaanxi CNG at a consideration of RMB200 million, and (ii) lease back the Leased Assets to Shaanxi CNG for a period of thirty-six (36) months with an aggregate lease payment of approximately RMB215.38 million, which is to be payable by Shaanxi CNG to the Lessor in twelve (12) 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 and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## THE FINANCE LEASE ARRANGEMENT

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

Date: 9 August 2023

Parties:

- (1) the Lessor; and
- (2) Shaanxi CNG.

### Purchase of the Leased Assets

Pursuant to the Finance Lease Agreement, Shaanxi CNG agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Shaanxi CNG at a consideration of RMB200 million (the “**Purchase Price**”). The Purchase Price was determined after arm’s length negotiations between the contracting parties to the Finance Lease Agreement with reference to the net asset value of the Leased Assets of approximately RMB203.2 million.

### Lease back of the Leased Assets

Pursuant to the Finance Lease Agreement, the Leased Assets will be leased back to Shaanxi CNG for a period of thirty-six (36) months, subject to early termination in accordance with the terms and conditions of the Finance Lease Agreement.

### Lease Payments

The aggregate lease payments (the “**Lease Payments**”) payable by Shaanxi CNG to the Lessor under the Finance Lease Agreement is approximately RMB215.38 million, payable in twelve (12) instalments during the Lease Period in accordance with the payment schedule in the Finance Lease Agreement, comprising (i) the principal amount of RMB200 million, which is equal to the Purchase Price; and (ii) the interest payments of approximately RMB15.38 million, estimated based on an annual interest rate of 4.66% (which is set at 1.01% above the current loan prime rate for RMB loans with the maturity of one year as published by the PRC National Interbank Funding Center (the “**Loan Prime Rate**”) on 20 May 2023. Interest rate may be adjusted every twelve (12) months (each of such twelve (12) months being a “**Payment Period**”). For the first Payment Period of the Lease Period, the annual interest rate shall be fixed at 4.66%. For every Payment Period thereafter, the interest rate applicable shall be set at 1.01% above the most recently published Loan Prime Rate of the previous Payment Period.

## **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 Shaanxi CNG of (i) all outstanding amounts due under the Finance Lease Agreement; and (ii) a nominal repurchase price of RMB1, the ownership of the Leased Assets will be transferred back to Shaanxi CNG.

## **Early Termination**

During the Lease Period, Shaanxi CNG may serve at least thirty (30) days' written notice to the Lessor requesting for an early termination of the Finance Lease Agreement. Subject to the agreement by Lessor, Shaanxi CNG shall pay in full to the Lessor of the following: (i) all due and outstanding Lease Payments, interest incurred for overdue payments and the principal portion of the remaining undue Lease Payments; (ii) the nominal repurchase price of RMB1 for acquiring the Leased Assets; (iii) a compensation fee for the early termination, calculated at 1% of the principal portion of the remaining undue Lease Payments; and (iv) any other tax payments and outstanding payments that may arise from such early termination. Upon receipt of all the above payments by the Lessor, the Finance Lease Agreement will be terminated, upon which the ownership of the Leased Assets will be transferred back to Shaanxi CNG.

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

The terms of the Finance Lease Arrangement, including the Purchase Price 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.

The Directors are of the view that the Group will be able to replenish the operating cash and/or refinance existing loans of Shaanxi CNG through the Finance Lease Arrangement, and that the terms and conditions of the Finance Lease Agreement is 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, 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.

Shaanxi CNG is an indirect non-wholly owned subsidiary of the Company. Shaanxi 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 glass and glass products.

### **The Lessor**

The Lessor is a limited liability company incorporated under the laws of the PRC and is principally engaged in financing leasing business in the PRC.

The Lessor is held as to 50% equity interests by China Petrochemical Corporation (中國石油化工集團有限公司), a state-owned enterprise in the PRC, and the remaining 50% equity interests by Taiping Life Insurance Company Limited\* (太平人壽保險有限公司), a company incorporated under the laws of the PRC which is held as to 75.1% equity interests by China Taiping Insurance Holdings Company Limited (中國太平保險控股有限公司), a company incorporated under the laws of Hong Kong and listed on the Main Board of the Stock Exchange (Stock Code: 966) and indirectly held as to 24.9% equity interests by Ageas SA/NV, a company incorporated in Belgium and listed on the Brussels Stock Exchange (Stock Code: AGS).

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

## **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 and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under 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)
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the agreement entered into between the Lessor and Shaanxi CNG, pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from Shaanxi CNG at a consideration of RMB200 million, and (ii) lease back the Leased Assets to Shaanxi CNG for a period of thirty-six (36) months with an aggregate lease payment of approximately RMB215.38 million
“Finance Lease Arrangement”	the arrangement contemplated under the Finance Lease Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lease Period”	thirty-six (36) months commencing from the date on which the Purchase Price of the Leased Assets is paid by the Lessor

“Leased Assets”	certain equipment for the float glass production line of Shaanxi CNG pursuant to the Finance Lease Agreement
“Lessor”	Taiping & Sinopec Financial Leasing Co., Ltd.* (太平石化金融租賃有限責任公司), a limited liability company incorporated under the laws 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
“Shaanxi CNG”	Shaanxi CNG New Technology Limited* (中玻(陝西)新技術有限公司), a limited liability company incorporated under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company
“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
“%”	per cent.

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

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

Hong Kong, 9 August 2023

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

*Executive Director:*

Mr. Lyu Guo (*Chief Executive Officer*)

*Non-executive Directors:*

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

*Independent Non-executive Directors:*

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

\* *For identification purpose only*