

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 announcement.*



## **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**

### **FINANCE LEASE ARRANGEMENTS**

The Board would like to announce that on 9 August 2023, the Lessees and the Lessor entered into the Finance Lease Arrangements (which consist the First Finance Lease Arrangement and the Second Finance Lease Arrangement), pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from the Lessees at an aggregate consideration of RMB200 million, and (ii) lease back the Leased Assets to the Lessees for a period of forty-eight (48) months with an aggregate lease payment of approximately RMB218.86 million, which is to be payable by the Lessees to the Lessor in sixteen (16) equal instalments.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangements, when aggregated with each other, 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 under Chapter 14 of the Listing Rules.

## THE FINANCE LEASE ARRANGEMENTS

### (A) The First Finance Lease Arrangement

#### *The First Transfer Agreement*

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

Date: 9 August 2023

Parties:

- (1) the Lessor (as purchaser); and
- (2) the Lessees (as joint sellers).

#### **Purchase of the First Leased Assets**

Pursuant to the First Transfer Agreement, the Lessees agreed to sell, and the Lessor agreed to purchase, the First Leased Assets owned by the Lessees at a consideration of RMB100 million (the “**First Purchase Price**”). The First Purchase Price was determined after arm’s length negotiations between the contracting parties to the First Finance Lease Arrangement with reference to the asset valuation report issued by an independent valuer, which is approximately RMB106.57 million.

#### *The First Finance Lease Agreement*

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

Date: 9 August 2023

Parties:

- (1) the Lessor (as lessor); and
- (2) the Lessees (as joint lessees).

## **Lease back of the First Leased Assets**

Pursuant to the First Finance Lease Agreement, the First Leased Assets will be leased back to the Lessees for a period of forty-eight (48) months.

## **The First Lease Payments**

The lease payments payable by the Lessees to the Lessor under the First Finance Lease Arrangement is approximately RMB109.43 million (the “**First Lease Payments**”), payable by the Lessees to the Lessor in sixteen (16) equal instalments during the Lease Period, comprising (i) the principal amount of RMB100 million, which is equal to the First Purchase Price; and (ii) the interest payments of approximately RMB9.43 million, estimated based on a monthly interest rate of 0.352% (equivalent to an annualized interest rate of 4.224%, which is set at 0.674% 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 July 2023). Starting from the first calendar year after the Commencement Date, if the Loan Prime Rate is adjusted during the Lease Period, the interest rate may be adjusted with reference to the difference between the Loan Prime Rate as of 1 January of that calendar year and the Loan Prime Rate as of the Commencement Date, in which case the adjustment to the monthly interest rate shall be equal to one twelfth of such difference.

A service fee of RMB850,000 is also charged by the Lessor for the provision of finance leasing service by the Lessor under the First Finance Lease Agreement (the “**First Service Fee**”). The First Service Fee is payable on the Commencement Date.

The First Lease Payments and the First Service Fee were determined after arm’s length negotiations between the contracting parties to the First Finance Lease Arrangement with reference to the prevailing market rates for finance leases for similar assets.

## **Ownership of the First Leased Assets**

The ownership of the First Leased Assets will be transferred from the Lessees to the Lessor on the date when the Lessor pays the First Purchase Price to the Lessees. The ownership of the First Leased Assets will be vested in the Lessor throughout the Lease Period. At the end of the Lease Period and subject to payment by the Lessees of (i) all amounts due under the First Finance Lease Arrangement; and (ii) a nominal repurchase price of RMB1, the ownership of the First Leased Assets will be transferred back to the Lessees.

## **(B) The Second Finance Lease Arrangement**

### ***The Second Transfer Agreement***

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

Date: 9 August 2023

Parties:

- (1) the Lessor (as purchaser); and
- (2) the Lessees (as joint sellers).

### **Purchase of the Second Leased Assets**

Pursuant to the Second Transfer Agreement, the Lessees agreed to sell, and the Lessor agreed to purchase, the Second Leased Assets owned by the Lessees at a consideration of RMB100 million (the “**Second Purchase Price**”). The Second Purchase Price was determined after arm’s length negotiations between the contracting parties to the Second Finance Lease Arrangement with reference to the asset valuation report issued by an independent valuer, which is approximately RMB106.63 million.

## ***The Second Finance Lease Agreement***

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

Date: 9 August 2023

Parties:

- (1) the Lessor (as lessor); and
- (2) the Lessees (as joint lessees).

### **Lease back of the Second Leased Assets**

Pursuant to the Second Finance Lease Agreement, the Second Leased Assets will be leased back to the Lessees for a period of forty-eight (48) months.

### **The Second Lease Payments**

The lease payments payable by the Lessees to the Lessor under the Second Finance Lease Arrangement is approximately RMB109.43 million (the “**Second Lease Payments**”), payable by the Lessees to the Lessor in sixteen (16) equal instalments during the Lease Period, comprising (i) the principal amount of RMB100 million, which is equal to the Second Purchase Price; and (ii) the interest payments of approximately RMB9.43 million, estimated based on a monthly interest rate of 0.352% (equivalent to an annualized interest rate of 4.224%, which is set at 0.674% 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 July 2023). Starting from the first calendar year after the Commencement Date, if the Loan Prime Rate is adjusted during the Lease Period, the interest rate may be adjusted with reference to the difference between the Loan Prime Rate as of 1 January of that calendar year and the Loan Prime Rate as of the Commencement Date, in which case the adjustment to the monthly interest rate shall be equal to one twelfth of such difference.

A service fee of RMB850,000 is also charged by the Lessor for the provision of finance leasing service by the Lessor under the Second Finance Lease Agreement (the “**Second Service Fee**”). The Second Service Fee is payable on the Commencement Date.

The Second Lease Payments and the Second Service Fee were determined after arm’s length negotiations between the contracting parties to the Second Finance Lease Arrangement with reference to the prevailing market rates for finance leases for similar assets.

### **Ownership of the Second Leased Assets**

The ownership of the Second Leased Assets will be transferred from the Lessees to the Lessor on the date when the Lessor pays the Second Purchase Price to the Lessees. The ownership of the Second Leased Assets will be vested in the Lessor throughout the Lease Period. At the end of the Lease Period and subject to payment by the Lessees of (i) all amounts due under the Second Finance Lease Arrangement; and (ii) a nominal repurchase price of RMB1, the ownership of the Second Leased Assets will be transferred back to the Lessees.

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

The terms of the Finance Lease Arrangements, including the Purchase Prices, Lease Payments and Service Fees were determined after arm’s length negotiations with reference to the appraised value of the Leased 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 Wuhai CNG through the Finance Lease Arrangements, and that the terms and conditions of the Finance Lease Arrangements 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, 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.

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

Wuhai CNG is an indirect non wholly-owned subsidiary of the Company. Wuhai CNG 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 Lessor**

The Lessor is a limited liability company incorporated under the laws of the PRC. The Lessor is an indirect wholly-owned subsidiary of China Chengtong Development Group Limited (中國誠通發展集團有限公司), a company incorporated under the laws of Hong Kong and listed on the Main Board of the Stock Exchange (Stock Code: 217). The Lessor is principally engaged in the business of finance lease, sale and leaseback, operating lease and other financial leasing services.

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 Arrangements, when aggregated with each other, 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 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
“China Glass Investment”	China Glass Investment Limited* (中玻投資有限公司), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Commencement Date”	the commencement date of the Lease Period
“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 Arrangements”	collectively, the First Finance Lease Arrangement and the Second Finance Lease Arrangement
“First Finance Lease Agreement”	the agreement entered into among the Lessor and the Lessees on 9 August 2023, pursuant to which the Lessor agreed, among other things, to lease back the First Leased Assets to the Lessees for a period of forty-eight (48) months
“First Finance Lease Arrangement”	the arrangement contemplated under the First Transfer Agreement and the First Finance Lease Agreement
“First Leased Assets”	certain machineries and equipment for glass production of Wuhai CNG under the First Finance Lease Arrangement



“First Transfer Agreement”	the agreement entered into among the Lessor and the Lessees on 9 August 2023, pursuant to which the Lessor agreed, among other things, to purchase the First Leased Assets from the Lessees at a consideration of RMB100 million
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lease Payments”	collectively, the First Lease Payments and the Second Lease Payments
“Lease Period”	Forty-eight (48) months commencing from the date on which the first instalment of the Lease Payments is paid by the Lessor
“Leased Assets”	collectively, the First Leased Assets and the Second Leased Assets
“Lessor”	Chengtong Financial Leasing Limited* (誠通融資租賃有限公司), a company established in the PRC with limited liability
“Lessees”	collectively, China Glass Investment and Wuhai CNG (as joint lessees)
“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 First Purchase Price and the Second Purchase Price

“RMB”	Renminbi, the lawful currency of the PRC
“Second Finance Lease Agreement”	the agreement entered into among the Lessor and the Lessees on 9 August 2023, pursuant to which the Lessor agreed, among other things, to lease back the Second Leased Assets to the Lessees for a period of forty-eight (48) months
“Second Finance Lease Arrangement”	the arrangement contemplated under the Second Transfer Agreement and the Second Finance Lease Agreement
“Second Leased Assets”	certain machineries and equipment for glass production of Wuhai CNG under the Second Finance Lease Arrangement
“Second Transfer Agreement”	the agreement entered into among the Lessor and the Lessees on 9 August 2023, pursuant to which the Lessor agreed, among other things, to purchase the Second Leased Assets from the Lessees at a consideration of RMB100 million
“Service Fees”	collectively, the First Service Fee and the Second Service Fee
“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
“Wuhai CNG”	Wuhai CNG Special Glass Company Limited* (烏海中玻特種玻璃有限責任公司), a limited liability company established under the laws of the PRC and an indirect non wholly-owned subsidiary of the Company
“%”	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*