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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**

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The Board would like to announce that on 23 November 2023, Jiangsu SHD 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 Jiangsu SHD at a consideration of RMB150,000,000 and (ii) lease back the Leased Assets to Jiangsu SHD with an aggregate lease payment of approximately RMB157,627,499.

#### **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 pursuant to Chapter 14 of the Listing Rules.

#### **THE FINANCE LEASE ARRANGEMENT**

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

Date: 23 November 2023

Parties:

- (1) the Lessor; and
- (2) Jiangsu SHD.

## **Purchase of the Leased Assets**

Pursuant to the Finance Lease Agreement, Jiangsu SHD agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Jiangsu SHD at a consideration of RMB150,000,000 (the “**Purchase Price**”). The Purchase Price shall be payable by the Lessor to Jiangsu SHD in a number of tranches. The first tranche of the Purchase Price shall be payable by the Lessor upon receiving Jiangsu SHD’s written request within one month from the date of execution of the Finance Lease Agreement. Subsequent tranche(s) of the Purchase Price shall be payable by the Lessor upon receiving Jiangsu SHD’s written request within six (6) months from the date of execution of the Finance Lease Agreement. Jiangsu SHD intends to request for payment of the entire amount of the Purchase Price in one lump sum.

The Purchase Price was determined after arm’s length negotiations between the contracting parties to the Finance Lease Agreement with reference to the net book value of the Leased Assets, which is approximately RMB152,530,548.

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

Pursuant to the Finance Lease Agreement, the Leased Assets will be leased back to Jiangsu SHD for a term ending twenty-four (24) months after the payment of the latest tranche of the Purchase Price (the “**Lease Period**”).

## **The Lease Payments**

The aggregate lease payments (the “**Lease Payments**”) payable by Jiangsu SHD to the Lessor under the Finance Lease Agreement is approximately RMB157,627,499, comprising (i) the principal amount of RMB150,000,000, which is equal to the Purchase Price; and (ii) the interest payments of approximately RMB7,627,499, estimated based on an annual interest rate of 4.52% (which is set at 1.07% above the 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**”) as at 1 November 2023). As stated above, the Purchase Price can be paid in a number of tranches. Corresponding to the Purchase Price, the Lease Payments will also be divided into the same number of tranches. Each tranche of the Lease Payments shall be payable by Jiangsu SHD in eight (8) instalments over a 24-month period in accordance with the respective payment schedules. The interest rate for each tranche of the Lease Payments may be adjusted annually, with reference to the Loan Prime Rate as at the final business day of the previous 12-month period.

The Lease Payments were determined after arm's length negotiations between the contracting parties to the Finance Lease Agreement with reference to the prevailing market rates for finance leases for similar assets.

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

The ownership of the Leased Assets will be transferred from Jiangsu SHD to the Lessor on the date when the Lessor pays the first tranche of the Purchase Price to Jiangsu SHD. The ownership of the Leased Assets will be vested in the Lessor throughout the Lease Period. At the end of the Lease Period and subject to payment by Jiangsu SHD of (i) all 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 Jiangsu SHD.

### **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 net book value of the Leased Assets and the prevailing market rates for finance leases for similar assets.

The Directors are of the view that the Jiangsu SHD will be able to replenish its operating cash, purchase of raw materials, and adjust its debt structure through the Finance Lease Arrangement, and that the terms and conditions of the Finance Lease Agreement 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.

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.

## **The Lessor**

The Lessor is a limited liability company incorporated under the Laws of the PRC. The Lessor is wholly-owned by China Merchants Bank Co., Ltd.\* (招商銀行股份有限公司), the shares of which are listed on the main board of the Stock Exchange (Stock Code: 3968). The Lessor is principally engaged in the financial leasing business.

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 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
“China” or “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)
“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 Jiangsu SHD and the Lessor, pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from Jiangsu SHD at a consideration of RMB150,000,000, and (ii) lease back the Leased Assets to Jiangsu SHD

“Finance Lease Arrangement”	the finance lease arrangement contemplated under the Finance Lease Agreement
“Group”	the Company and its subsidiaries
“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
“Leased Assets”	the glass melting furnace, unloading robot unit and other glass production equipment for the glass production line of Jiangsu SHD
“Lessor”	CMB Financial Leasing Co., Ltd.* (招銀金融租賃有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“%”	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, 23 November 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*