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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  
THE FUJIAN LONGTAI FINANCE LEASE ARRANGEMENT**

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The Board would like to announce that on 6 June 2024, Fujian Longtai and the Lessor entered into the Fujian Longtai Finance Lease Arrangement, pursuant to which the Lessor agreed, among other things, to (i) purchase the Leased Assets from Fujian Longtai at a consideration of RMB120 million, and (ii) lease back the Leased Assets to Fujian Longtai for a period of twenty (20) months with lease payment of approximately RMB126.7 million, which is payable by Fujian Longtai to the Lessor in seven (7) instalments.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Fujian Longtai Finance Lease Arrangement exceed 5% but are all less than 25%, the Fujian Longtai 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 FUJIAN LONGTAI FINANCE LEASE ARRANGEMENT

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

Date: 6 June 2024

Parties:

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

### Purchase of the Leased Assets

As part of the Fujian Longtai Finance Lease Arrangement, Fujian Longtai agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Fujian Longtai at a consideration of RMB120 million (the “**Purchase Price**”) to be settled by a six months bank’s acceptance bill. The Purchase Price was determined after arm’s length negotiations between the contracting parties to the Fujian Longtai Finance Lease Arrangement with reference to the original book value of the Leased Assets of approximately RMB129.2 million.

### Lease back of the Leased Assets

Pursuant to the Fujian Longtai Finance Lease Agreement, the Leased Assets will be leased back to Fujian Longtai for a period of twenty (20) months (the “**Lease Period**”).

### Lease Payments

The lease payments (the “**Lease Payments**”) payable by Fujian Longtai to the Lessor under the Fujian Longtai Finance Lease Arrangement is approximately RMB126.7 million, payable by Fujian Longtai to the Lessor in seven (7) instalments during the twenty (20) months over the Lease Period in accordance with the payment schedule in the Fujian Longtai Finance Lease Agreement, comprising (i) the principal amount of RMB120 million, which is equal to the Purchase Price; and (ii) the interest payments of approximately RMB6.7 million, estimated based on an annual interest rate of 4.75% (which is set at 1.3% 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**”). The interest rate will first be adjusted on the tenth (10th) day of the twelfth (12th) month after 20 May 2024 (i.e. 10 May 2025) and thereafter adjusted every twelve (12) months to be 1.3% above the most recently published Loan Prime Rate.

The Lease Payments were determined after arm's length negotiations between the contracting parties to the Fujian Longtai Finance Lease Arrangement with reference to (i) the prevailing market rates, which include the prevailing Loan Prime Rate and finance costs of similar finance lease arrangements in the market; and (ii) the duration and payment arrangement of the Fujian Longtai Finance Lease Arrangement.

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

The ownership of the Leased Assets will be transferred from Fujian Longtai to the Lessor on the date when the Lessor pays the Purchase Price to Fujian Longtai. 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 Fujian Longtai of a nominal repurchase price of RMB100 and all outstanding payments due from Fujian Longtai to the Lessor under the Fujian Longtai Finance Lease Agreement, the ownership of the Leased Assets will be transferred back to Fujian Longtai.

### **Early Repayment**

Starting from six months after the beginning of the Lease Period and subject to the Lessor's written approval, Fujian Longtai may serve at least 1 month's written notice requesting for an early termination of the Fujian Longtai Finance Lease Agreement and pay the Lessor: (i) all of the outstanding Lease Payments that has been due; (ii) the principal portion of the undue Lease Payments; (iii) 20% of the interest portion of the undue Lease Payments; and (iv) the nominal repurchase price of RMB100. Upon receipt of all the above payment by the Lessor, the Fujian Longtai Finance Lease Agreement will be terminated, and the ownership of the Leased Assets will be transferred back to Fujian Longtai.

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

The terms of the Fujian Longtai Finance Lease Arrangement, including the Purchase Price and the Lease Payments, were determined after arm's length negotiations with reference to the original book 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 proceeds of the Fujian Longtai Finance Lease Arrangement will be used to repay an intra-group shareholder loan due to the Group and allow the Group to replenish its operating cash flow, and that the terms and conditions of the Fujian Longtai 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.

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 minerals.

### **The Lessor**

The Lessor is a limited liability company established in the PRC and is principally engaged in financial leasing business. The Lessor is a wholly-owned subsidiary of Ping An Insurance (Group) Company of China, Ltd., a company listed on both the Shanghai Stock Exchange (stock code: 601318) and the main board of the Stock Exchange (stock code: 2318).

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 Fujian Longtai Finance Lease Arrangement exceed 5% but are all less than 25%, the Fujian Longtai 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, Macao 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
“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 Agreement”	the agreement entered into between the Lessor and Fujian Longtai, pursuant to which (i) Fujian Longtai agreed to sell, and the Lessor agreed to purchase, the Leased Assets owned by Fujian Longtai; and (ii) the Lessor agreed, among other things, to lease back the Leased Assets to Fujian Longtai for a period of twenty (20) months with a lease payment of approximately RMB126.7 million, which is payable by Fujian Longtai to the Lessor in seven (7) instalments
“Fujian Longtai Finance Lease Arrangement”	the arrangement contemplated under the Fujian Longtai Finance Lease Agreement
“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

“Leased Assets”	certain machineries and equipment for the two float glass production lines of Fujian Longtai pursuant to the Fujian Longtai Finance Lease Arrangement
“Lessor”	Ping An International Financial Leasing Co., Ltd.* (平安國際融資租賃有限公司), 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
“Share(s)”	ordinary share(s) of par value HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“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, 6 June 2024

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*