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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)

**CONTINUING CONNECTED TRANSACTIONS –**

**(1) 2024 PRODUCTS SUPPLY FRAMEWORK AGREEMENT;**

**(2) 2024 ENGINEERING PROCUREMENT**

**FRAMEWORK AGREEMENT;**

**AND**

**(3) 2024 PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT**

**THE CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 12 October 2021 in relation to, among other things, (i) the Existing Supply Framework Agreement entered into between the Company and Triumph Group Company; and (ii) the Existing Engineering Framework Agreement entered into between the Company and Triumph Group Company.

As the Existing Supply Framework Agreement will expire on 30 September 2024, the Company, on 28 August 2024, entered into the 2024 Products Supply Framework Agreement with Triumph Group Company, for the supply of certain glass products by the Group to Triumph Group.

Moreover, as the Existing Engineering Framework Agreement will expire on 30 September 2024, the Company, on 28 August 2024, entered into the 2024 Engineering Procurement Framework Agreement with Triumph Group Company, for the supply of certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group.

Furthermore, on 28 August 2024, the Company entered into the 2024 Products Procurement Framework Agreement with Triumph Group Company, for the supply of certain glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group.

## **LISTING RULES IMPLICATIONS**

Triumph Group Company, a substantial Shareholder, is a connected person of the Company under the Listing Rules. Accordingly, the Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of each of the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement exceed 5%, the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement (including their respective proposed annual caps) are subject to the announcement, independent Shareholders' approval and annual reporting requirements under Chapter 14A of the Listing Rules. Hence, the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps are conditional on approval by the independent Shareholders being obtained at the SGM.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the 2024 Products Procurement Framework Agreement exceed 0.1% but are all less than 5%, the 2024 Products Procurement Framework Agreement (including its proposed annual caps) is subject to the announcement and annual reporting requirements but exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **THE SPECIAL GENERAL MEETING**

In accordance with the requirements of the Listing Rules, the SGM will be convened by the Company with a view to seek approval of the independent Shareholders for the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps.

The Independent Board Committee has been established to, taking into account the recommendations of the independent financial adviser (the "IFA"), consider the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps, and advise the independent Shareholders. Somerley Capital Limited has been appointed by the Company as its IFA to recommend the Independent Board Committee and the independent Shareholders in respect of the above matters.

As Triumph Group Company is a contracting party to the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement, Triumph Group Company and its associates will abstain from voting on the resolutions to be proposed at the SGM to be convened for approving the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps.

In accordance with the requirements of the Listing Rules, a circular of the Company (the “**Circular**”) containing, among other things, further details of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; a letter from the Independent Board Committee to the independent Shareholders in respect of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; a letter from the IFA to the Independent Board Committee and the independent Shareholders in respect of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; and a notice convening the SGM, will be despatched to the Shareholders as soon as practicable on or before 19 September 2024 so as to allow sufficient time for the Company to prepare the information for inclusion in the Circular.

**As the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement are conditional on approval by the independent Shareholders being obtained at the SGM, the transactions contemplated under the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **THE 2024 PRODUCTS SUPPLY FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 12 October 2021 in relation to, among other things, the Existing Supply Framework Agreement entered into between the Company and Triumph Group Company.

As the Existing Supply Framework Agreement will expire on 30 September 2024, the Company, on 28 August 2024, entered into the 2024 Products Supply Framework Agreement with Triumph Group Company, for the supply of certain glass products by the Group to Triumph Group.

## **Date**

28 August 2024

## **Parties**

- (1) the Company (as the supplier); and
- (2) Triumph Group Company (as the purchaser).

## **Scope of Services**

Pursuant to the 2024 Products Supply Framework Agreement, the Group agreed to supply certain glass products, including but not limited to float glass, rolled glass and deep-processed glass products to Triumph Group.

Members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the 2024 Products Supply Framework Agreement.

## **Effective Period**

Subject to the approval by the independent Shareholders at the SGM of the Company, the 2024 Products Supply Framework Agreement shall take effect from 1 October 2024 and shall remain valid until 30 September 2027.

## **Pricing**

Pursuant to the 2024 Products Supply Framework Agreement, the price of glass products under the 2024 Products Supply Framework Agreement shall (i) as a general principle, be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both contracting parties under the principle of just, fairness and openness, and based on the prevailing market prices at the time of each transaction; and (ii) be no less than the price offered by the Group to Independent Third Parties for the same or similar products.

## **Pricing Standards**

In determining the sale price for each individual sales order, the Group will provide a quote for the sales order with reference to:

- (i) comparable transactions (if any) conducted by the Group with Independent Third Parties around the same period; and/or

- (ii) communication and exchange of historical and prevailing price information by the sales and marketing department of the Group with industry peers, customers, suppliers and business partners within the glass production industry through various means, including telephone conversations, emails, site visits and meetings; and/or
- (iii) price and market information of glass products in the PRC obtained from China National Bureau of Statistics ([www.stats.gov.cn](http://www.stats.gov.cn)), the glass network/the official website of China glass industry ([www.glass.org.cn](http://www.glass.org.cn)) and other glass industry websites. The relevant market price data will be used as the basis for the transactions with Triumph Group by the sales and marketing department of the Group.

The contracting parties agree that the Group has the freedom to choose its purchasers. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Group, the Group shall not be obliged to supply products to Triumph Group.

## **Historical Transaction Amounts and Proposed Annual Caps**

### ***Historical Transaction Amounts***

The historical transaction amounts pursuant to the Existing Supply Framework Agreement for the period from 12 October 2021 to 31 December 2021, the years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 amounted to approximately RMB nil, RMB20.40 million, RMB32.41 million and RMB12.47 million, respectively.

The historical transaction amounts pursuant to the Existing Supply Framework Agreement for the period from 12 October 2021 to 31 December 2021 and the years ended 31 December 2022 and 2023 did not exceed the respective annual caps of the relevant period/year and the historical transaction amounts pursuant to the Existing Supply Framework Agreement for the six months ended 30 June 2024 did not exceed the annual cap for the nine months ending 30 September 2024.

## ***Proposed Annual Caps***

The proposed annual caps including related taxes of the 2024 Products Supply Framework Agreement are set out below:

|                      | <b>For the<br/>period from<br/>1 October 2024 to<br/>31 December 2024<br/><i>(million RMB)</i></b> | <b>For the<br/>year ending<br/>31 December 2025<br/><i>(million RMB)</i></b> | <b>For the<br/>year ending<br/>31 December 2026<br/><i>(million RMB)</i></b> | <b>For the<br/>period from<br/>1 January 2027 to<br/>30 September 2027<br/><i>(million RMB)</i></b> |
|----------------------|--|--|--|---|
| Proposed annual caps | 62.0   | 320.0  | 330.0  | 260.0   |

The proposed annual caps for the 2024 Products Supply Framework Agreement are determined based on the following factors: (i) the anticipated demand of Triumph Group for the different types of glass products from the Group during the period; (ii) the estimated increase in the production capacity of the Group during the period; (iii) the historical price of the glass products; and (iv) the forecasted price of the glass products.

## **Internal Control Measures**

The Company has established internal control measures to ensure that the continuing connected transaction contemplated under the 2024 Products Supply Framework Agreement is in accordance with the pricing policies and internal procedures adopted by the Group, and that the terms of agreements and the sale price of the glass products to Triumph Group are on normal commercial terms and on terms no less favourable than those terms for similar products sold by the Group to Independent Third Parties. Such internal control measures employed by the Group include the following:

- (i) all sales orders under the 2024 Products Supply Framework Agreement shall be reviewed and approved by the sales department and the general manager of the relevant subsidiary(ies) of the Company receiving the sales order, to ensure the terms are in compliance with the 2024 Products Supply Framework Agreement under which the transactions are entered into, and in this connection, the relevant departments must be satisfied that (1) the pricing policies and internal procedures adopted by the Group have been fully complied with; (2) each transaction thereunder is on normal commercial terms; (3) the sales price of the relevant products to Triumph Group are no less favourable than the prices at which such products are sold by the Group to Independent Third Parties; and (4) the proposed annual caps for the 2024 Products Supply Framework Agreement have not been exceeded and will not be exceeded taking into account the relevant sales order;

- (ii) the sales and marketing department at the Group level will obtain the prevailing market price of the relevant glass products to compare with the price quoted in the sales orders placed by Triumph Group;
- (iii) the sales and marketing department at the Group level will prepare monthly reports on the connected transactions under the 2024 Products Supply Framework Agreement and submit to the continuing connected transactions' monitoring committee of the Group (consisting the chief executive officer, chief financial officer, the head of each of the securities management department, sales and marketing department, strategic procurement department, production technology department, financial management department and investment management department of the Group) to assess if the continuing connected transaction has been in compliance with the internal procedures regarding continuing connected transactions and the terms of the 2024 Products Supply Framework Agreement; and
- (iv) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transaction under the 2024 Products Supply Framework Agreement every year in accordance with the requirements of the Listing Rules.

The Board considers that such internal control procedures can effectively ensure that the pricing and terms of the transactions contemplated under the 2024 Products Supply Framework Agreement are conducted on normal commercial terms and on terms no less favourable than those terms for similar products sold by the Group to Independent Third Parties, and in accordance with the pricing policies of the Group.

## **THE 2024 ENGINEERING PROCUREMENT FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 12 October 2021 in relation to, among other things, the Existing Engineering Framework Agreement entered into between the Company and Triumph Group Company.

As the Existing Engineering Framework Agreement will expire on 30 September 2024, the Company, on 28 August 2024, entered into the 2024 Engineering Procurement Framework Agreement with Triumph Group Company, for the supply of certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group.

## **Date**

28 August 2024

## **Parties**

- (1) the Company (as the purchaser); and
- (2) Triumph Group Company (as the supplier).

## **Scope of Services**

Pursuant to the 2024 Engineering Procurement Framework Agreement, Triumph Group agrees to supply certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements to the Group.

Members of the Group and Triumph Group will further enter into sub-agreements or other confirmation documents for each engineering project in accordance with the terms of the 2024 Engineering Procurement Framework Agreement.

## **Effective Period**

Subject to the approval by the independent Shareholders at the SGM of the Company, the 2024 Engineering Procurement Framework Agreement shall take effect from 1 October 2024 and shall remain valid until 30 September 2027.

## **Pricing**

The price of equipment, materials, engineering services fee and installation fee under the 2024 Engineering Procurement Framework Agreement (the “**Engineering Procurement Prices and Fees**”), as a general principle, shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm’s length basis by both contracting parties under the principle of just, fairness and openness, and based on the prevailing market prices at the time of each transaction.

Pursuant to the 2024 Engineering Procurement Framework Agreement, the contracting parties agreed that (i) the Engineering Procurement Prices and Fees charged by Triumph Group to the Group shall not be higher than those comparable transactions (if any) charged by Triumph Group to Independent Third Parties for the same or similar type of equipment, materials, installation and engineering services; and (ii) the Engineering Procurement Prices and Fees payable by the Group shall not be higher than those comparable transactions (if any) charged to the Group by Independent Third Parties for the same or similar type of equipment, materials, installation and engineering services.

## **Pricing Standards**

The Engineering Procurement Prices and Fees under the 2024 Engineering Procurement Framework Agreement will be determined with reference to:

- (i) prices offered by Triumph Group to other Independent Third Parties on the same or similar type of the engineering projects;
- (ii) the comparable transactions (if any) with Independent Third Parties by the Group during the same period on the same or similar type of the engineering projects; and
- (iii) communication and exchange of historical and prevailing price information by the Group with peers and business partners within the glass production industry through various means, including telephone conversations, emails, site visits and meetings.

If there are no available prevailing market prices or where it is impracticable to obtain such market prices, the Group and Triumph Group will determine the price through arm's length negotiation with reference to:

- (i) the previous similar transactions conducted by the Group and Independent Third Parties;
- (ii) similar transactions conducted by Triumph Group and Independent Third Parties; and/or
- (iii) the costs of equipment and materials, technical requirements on installation, manpower involved, complexity of technical plan, technology advancement and duration of the installation provided and required by Triumph Group for engineering projects. The price offered by Triumph Group to the Group shall be no more than those offered by Triumph Group to the other Independent Third Parties.

Upon collection of market information as stated above, relevant terms (including pricing and payment terms) will be used as the basis for the transaction with Triumph Group.

The contracting parties agree that the Group has the freedom to choose its suppliers. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Group, the Group shall not be obliged to purchase products or services from Triumph Group.

## Historical Transaction Amounts and Proposed Annual Caps

### ***Historical Transaction Amounts***

The historical transaction amounts pursuant to the Existing Engineering Framework Agreement for the period from 12 October 2021 to 31 December 2021, the years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 amounted to approximately RMB69.20 million, RMB857.81 million, RMB204.75 million and RMB31.61 million, respectively.

The historical transaction amounts pursuant to the Existing Engineering Framework Agreement for the period from 12 October 2021 to 31 December 2021 and the years ended 31 December 2022 and 2023 did not exceed the respective annual caps of the relevant period/year and the historical transaction amounts pursuant to the Existing Engineering Framework Agreement for the six months ended 30 June 2024 did not exceed the annual cap for the nine months ending 30 September 2024.

### ***Proposed Annual Caps***

The proposed annual caps including related taxes of the 2024 Engineering Procurement Framework Agreement are set out below:

|                      | <b>For the<br/>period from<br/>1 October 2024 to<br/>31 December 2024<br/><i>(million RMB)</i></b> | <b>For the<br/>year ending<br/>31 December 2025<br/><i>(million RMB)</i></b> | <b>For the<br/>year ending<br/>31 December 2026<br/><i>(million RMB)</i></b> | <b>For the<br/>period from<br/>1 January 2027 to<br/>30 September 2027<br/><i>(million RMB)</i></b> |
|----------------------|--|--|--|---|
| Proposed annual caps | 470.0  | 1,850.0  | 2,200.0  | 1,830.0   |

The proposed annual caps for the 2024 Engineering Procurement Framework Agreement are determined based on the estimated amounts of equipment, materials, engineering services, construction services and installation services to be required for future engineering projects after taking into account:

- (i) the projected schedule of new construction projects, cold-repair projects and technological upgrading projects proposed to be implemented by the Group during the period;
- (ii) the estimated demand of products and services based on the complexity of the construction work and installation work for future projects;
- (iii) the historical transaction amounts conducted by the Group pursuant to the Existing Engineering Framework Agreement; and

- (iv) the estimated Engineering Procurement Prices and Fees for each scheduled project based on a combination of certain available information such as (a) the feasibility reports provided by qualified institutions appointed by the Company; (b) quotations from Independent Third Parties; (c) detailed breakdown of the budgeted cost prepared and estimated by the Company; (d) current draft project contract; (e) current draft contracts of Triumph Group, including but not limited to the draft project contracts, adjustments and variation orders; and (f) historical price of similar engineering projects, depending on the type and stage of each scheduled project.

### **Internal Control Measures**

The Company has established internal control measures to ensure that the continuing connected transactions contemplated under the 2024 Engineering Procurement Framework Agreement is in accordance with the pricing policies and internal procedures adopted by the Group, and that the terms of agreement and the Engineering Procurement Prices and Fees will be on normal commercial terms and on terms no less favourable than those terms offered to the Group by Independent Third Parties. Such internal control measures in relation to the procurement of the equipment materials, construction services and installation services provided by Triumph Group include:

- (i) the production technology department of the Group, together with the person in-charge of the investment management department of the Group, the production supervisor of the unit initiating the relevant engineering project and the professional technicians selected by the unit(s) of engineering construction and providing engineering services, will form a project team for each new construction, reconstruction and expansion, and technical transformation and design project;
- (ii) the relevant project initiation unit of the Group shall conduct tender in strict compliance with the Group's tender policies. In principle, quotations from at least three suppliers (including Triumph Group) shall be obtained in order to review the price;
- (iii) the project team will conduct a comprehensive review on the design plan, investment amount, procurement list, engineering technical pricing basis and terms negotiation of each engineering construction procurement and service project. The project team will then submit the project schemes to the investment management committee of the Group for discussion and approval;
- (iv) the written contract in relation to the transaction shall be executed after approval and/or authorization by the Group's authority, after joint review by the compliance supervision department (being the department in charge) together with production technology department, investment management department and financial management department;

- (v) the production technology department of the Group will prepare quarterly reports on the engineering construction procurements and connected transactions under the 2024 Engineering Procurement Framework Agreement and submit to the continuing connected transactions' monitoring committee of the Group (consisting the chief executive officer, chief financial officer, and the head of each of the securities management department, financial management department, investment management department, production technology department, sales and marketing department and strategic procurement department of the Group) to assess if the continuing connected transaction has been in compliance with the internal procedures regarding continuing connected transactions and the terms of the 2024 Engineering Procurement Framework Agreement; and
- (vi) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transaction under the 2024 Engineering Procurement Framework Agreement every year in accordance with the requirements of the Listing Rules.

## **THE 2024 PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT**

On 28 August 2024, the Company entered into the 2024 Products Procurement Framework Agreement with Triumph Group Company, for the supply of certain glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group.

### **Date**

28 August 2024

### **Parties**

- (1) the Company (as the purchaser); and
- (2) Triumph Group Company (as the supplier).

## **Scope of Services**

Pursuant to the 2024 Products Procurement Framework Agreement, Triumph Group agreed to supply certain glass products, photovoltaic modules, equipment and other spare parts to the Group.

Members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the 2024 Products Procurement Framework Agreement.

## **Effective Period**

The 2024 Products Procurement Framework Agreement shall take effect from 1 October 2024 and shall remain valid until 30 September 2027.

## **Pricing**

Pursuant to the 2024 Products Procurement Framework Agreement, the price of products under the 2024 Products Procurement Framework Agreement shall (i) as a general principle, be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both contracting parties under the principle of just, fairness and openness, and based on the prevailing market prices at the time of each transaction; and (ii) be no more than the price offered by Triumph Group to Independent Third Parties for the same or similar products.

## **Pricing Standards**

The purchase price for each individual purchase order will be determined with reference to:

- (i) prices offered by Triumph Group to other Independent Third Parties on the same or similar type of products; and/or
- (ii) comparable transactions (if any) conducted by the relevant subsidiary(ies) of the Company with Independent Third Parties around the same period; and/or
- (iii) communication and exchange of historical and prevailing price information by the procurement department of the relevant subsidiary(ies) of the Company with industry peers, customers, suppliers and business partners within the glass production industry and machinery and equipment manufacturing industry through various means, including telephone conversations, emails, site visits and meetings; and/or

- (iv) price and market information of glass products, photovoltaic modules, equipment and other spare parts obtained from official websites and other websites which are widely used and recognised in the relevant industry(ies). The relevant market price data will be used as the basis for the transactions with Triumph Group by the strategic procurement department of the Group.

The contracting parties agree that the Group has the freedom to choose its suppliers. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Group, the Group shall not be obliged to purchase products from Triumph Group.

## **Historical Transaction Amounts and Proposed Annual Caps**

### ***Historical Transaction Amounts***

There was no historical transaction in respect of the supply of glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group.

### ***Proposed Annual Caps***

The proposed annual caps including related taxes of the 2024 Products Procurement Framework Agreement are set out below:

|                      | For the<br>period from<br>1 October 2024 to<br>31 December 2024<br><i>(million RMB)</i> | For the<br>year ending<br>31 December 2025<br><i>(million RMB)</i> | For the<br>year ending<br>31 December 2026<br><i>(million RMB)</i> | For the<br>period from<br>1 January 2027 to<br>30 September 2027<br><i>(million RMB)</i> |
|----------------------|---|--|--|--|
| Proposed annual caps | 5.5   | 11.0   | 16.0   | 15.5   |

The proposed annual caps for the 2024 Products Procurement Framework Agreement are determined based on the following factors: (i) the anticipated demand of the Group for the different types of products from Triumph Group during the period; (ii) the historical price of the products; and (iii) the forecasted price of the products.

## Internal Control Measures

The Company has established internal control measures to ensure that the continuing connected transaction contemplated under the 2024 Products Procurement Framework Agreement is in accordance with the pricing policies and internal procedures adopted by the Group, and that the terms of agreements and the purchase price of the products from Triumph Group are on normal commercial terms and on terms no less favourable than those terms for similar products purchased by the Group from Independent Third Parties. Such internal control measures employed by the Group include the following:

- (i) all purchase orders under the 2024 Products Procurement Framework Agreement shall be reviewed and approved by the procurement department and the general manager of the relevant subsidiary(ies) of the Company placing the purchase order, to ensure the terms are in compliance with the 2024 Products Procurement Framework Agreement under which the transactions are entered into, and in this connection, the relevant departments must be satisfied that (1) the pricing policies and internal procedures adopted by the Group have been fully complied with; (2) each transaction thereunder is on normal commercial terms; (3) the purchase price of the relevant products from Triumph Group are no less favourable than the prices at which such products are purchased by the Group from Independent Third Parties; and (4) the proposed annual caps for the 2024 Products Procurement Framework Agreement have not been exceeded and will not be exceeded taking into account the relevant purchase order;
- (ii) the procurement department and the general manager of the relevant subsidiary(ies) of the Company shall comply with the principle of “purchase-on-demand” when reviewing and approving purchase orders; he/she should arrange for purchases according to the orders of downstream customers upon assessing the inventory situation and related inventory risks of the relevant subsidiary(ies) with reference to the intended purchase quantities;
- (iii) before a new purchase order is placed, the strategic procurement department at the Group level will obtain the historical price and/or prevailing market price of the relevant products to compare with the price in the purchase orders;
- (iv) the strategic procurement department at the Group level will prepare quarterly reports on the connected transactions under the 2024 Products Procurement Framework Agreement and submit to the continuing connected transactions’ monitoring committee of the Group (consisting the chief executive officer, chief financial officer, the head of each of the securities management department, sales and marketing department, strategic procurement department, production technology department, financial management department and investment management department of the Group) to assess if the continuing connected transaction has been in compliance with the internal procedures regarding continuing connected transactions and the terms of the 2024 Products Procurement Framework Agreement; and

- (v) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transaction under the 2024 Products Procurement Framework Agreement every year in accordance with the requirements of the Listing Rules.

The Board considers that such internal control procedures can effectively ensure that the pricing and terms of the transactions contemplated under the 2024 Products Procurement Framework Agreement are conducted on normal commercial terms and on terms no less favourable than those terms for similar products purchased by the Group from Independent Third Parties, and in accordance with the pricing policies of the Group.

## **REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENTS**

Triumph Group Company (a substantial Shareholder) is a wholly-owned subsidiary of CNBM Group Corporation, and is the management platform, financing platform, investment platform, integration platform established by CNBM Group Corporation, a state-owned enterprise in the PRC and the largest comprehensive building materials industry group in the world.

### **The 2024 Products Supply Framework Agreement**

The Group has been able to expand its sales channels and capture the synergy between Triumph Group and the Group through the Existing Supply Framework Agreement. The 2024 Products Supply Framework Agreement will allow the two groups to continue to formulate a long term strategic supply relationship covering a wide spectrum of glass products, which is expected to be mutually beneficial to both parties and contribute to the operational and business development of the Group.

### **The 2024 Engineering Procurement Framework Agreement**

The Group has historically entered into various engineering agreements with members of Triumph Group covering areas such as feasibility studies, production line planning and construction, production line upgrade, machinery procurement and installation, environmental protection system upgrades and production line cold repair as the members of Triumph Group are leading players in the respective areas. The 2024 Engineering Procurement Framework Agreement will offer flexibility to the Group in planning various engineering projects and will allow the Group to have better control over the timetables of such projects based on the development plan and the needs of the Group, thereby ensuring the continuity of the supplies of equipment and technical services. Meanwhile, through the 2024 Engineering Procurement Framework Agreement, the Group will fully captivate on the focus of its synergistic development with Triumph Group to ensure the quality and standardisation of the Group's projects, thereby accelerating the Group's progress in industrial upgrading and transformation.

## **The 2024 Products Procurement Framework Agreement**

In recent years, the Group has actively implemented the mid-term and long-term development strategy of “going global”. Through international high-quality production capacity cooperation and global sales channel expansions, the Group is committed to expanding the scale of its overseas businesses and boosting its performance growth. Triumph Group is a top-tier glass new materials enterprise in China. Its businesses cover the research and development, production and sales of deep-processed glass, photovoltaic modules and production line equipment.

The glass products supplied by the Group to Triumph Group under the 2024 Products Supply Framework Agreement will mainly include deep-processed glass products such as ultra-white float glass, ultra-white rolled glass and online Transparent Conductive Oxide coated glass. The Group’s Suqian, Dongtai and Yumen bases have vigorously promoted the development, production and sales of new energy glass in recent years and the quality of the glass they produce for photovoltaic power generation are able to satisfy the further processing needs of Triumph Group. On the other hand, the glass products supplied by Triumph Group to the Group under the 2024 Products Procurement Framework Agreement will mainly include (i) products which are not within the production scope of the Group, which allows the Group to enrich its product structure and, utilizing the overseas sales channels established by the Group, resell such products to its downstream customers to expand its income stream; and (ii) products used for the deep-processing business of the Group, which allows the Group to secure an additional source of supply to ensure the Group has sufficient quantities of such products if the Group’s internal production output cannot satisfy the demand of the Group’s deep-processing production lines at any given time, through which the Group can reliably increase its deep-processing capability.

## **DISCLOSURE OF DIRECTORS’ INTERESTS**

Mr. Peng Shou (“**Mr. Peng**”), the chairman of the Board and a non-executive Director of the Company, is the chief scientist of Triumph Group Company and CNBM Group Corporation, the chairman of the board of directors of China Triumph International Engineering Co., Ltd.\* (中國建材國際工程集團有限公司) (“**CNBM International**”), and the president of CNBM Glass New Materials Research Institute\* (中建材玻璃新材料研究總院). All the entities mentioned above are associates of Triumph Group Company. Mr. Zhang Jinshu (“**Mr. Zhang**”), a non-executive Director of the Company, is the deputy chief economist of Triumph Group Company and the vice president of CNBM International. Although Mr. Peng and Mr. Zhang have no material interest in the Framework Agreements, they have abstained from voting on the relevant Board’s resolutions approving the Framework Agreements for better corporate governance practice.

The Directors (excluding the independent non-executive Directors whose views will be disclosed in the Circular and excluding Mr. Peng and Mr. Zhang) are of the view that entering into the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement is in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole; and the terms and conditions of the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement, and their respective proposed annual caps, are on normal commercial terms, fair and reasonable.

The Directors (including the independent non-executive Directors and except for Mr. Peng and Mr. Zhang) are of the view that entering into the 2024 Products Procurement Framework Agreement is in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole; and the terms and conditions of the 2024 Products Procurement Framework Agreement and its proposed annual caps are on normal commercial terms, fair and reasonable.

## **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.

### **Triumph Group Company**

Triumph Group Company is a substantial Shareholder. Triumph Group Company is a wholly-owned subsidiary of CNBM Group Corporation, and is the management platform, financing platform, investment platform, integration platform established by CNBM Group Corporation to promote management integration for being practical, refining and strengthening the high-end technology industries, its business covers hundreds of countries and regions around the world. Triumph Group Company adheres to the scientific and technological innovation, focusing on core strategy in high-end product development, vigorously develop new energy, new materials, new glass, new equipment and other emerging industries.

## **LISTING RULES IMPLICATIONS**

Triumph Group Company, a substantial Shareholder, is a connected person of the Company under the Listing Rules. Accordingly, the Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of each of the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement exceed 5%, the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement (including their respective proposed annual caps) are subject to the announcement, independent Shareholders' approval and annual reporting requirements under Chapter 14A of the Listing Rules. Hence, the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps are conditional on approval by the independent Shareholders being obtained at the SGM.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the 2024 Products Procurement Framework Agreement exceed 0.1% but are all less than 5%, the 2024 Products Procurement Framework Agreement (including its proposed annual caps) is subject to the announcement and annual reporting requirements but exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **THE SPECIAL GENERAL MEETING**

In accordance with the requirements of the Listing Rules, the SGM will be convened by the Company with a view to seek approval of the independent Shareholders for the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps.

The Independent Board Committee has been established to, taking into account the recommendations of the IFA, consider the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps, and advise the independent Shareholders. Somerley Capital Limited has been appointed by the Company as its IFA to recommend the Independent Board Committee and the independent Shareholders in respect of the above matters.

As Triumph Group Company is a contracting party to the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement, Triumph Group Company and its associates will abstain from voting on the resolutions to be proposed at the SGM to be convened for approving the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps.

In accordance with the requirements of the Listing Rules, the Circular containing, among other things, further details of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; a letter from the Independent Board Committee to the independent Shareholders in respect of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; a letter from the IFA to the Independent Board Committee and the independent Shareholders in respect of the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps; and a notice convening the SGM, will be despatched to the Shareholders as soon as practicable on or before 19 September 2024 so as to allow sufficient time for the Company to prepare the information for inclusion in the Circular.

**As the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement are conditional on approval by the independent Shareholders being obtained at the SGM, the transactions contemplated under the 2024 Products Supply Framework Agreement and the 2024 Engineering Procurement Framework Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

|  |   |
|--|---|
| “2024 Engineering Procurement Framework Agreement” | the engineering procurement framework agreement entered into between Triumph Group Company and the Company on 28 August 2024 for the supply of certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group |
| “2024 Products Procurement Framework Agreement”    | the products procurement framework agreement entered into between Triumph Group Company and the Company on 28 August 2024 for the supply of certain glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group   |
| “2024 Products Supply Framework Agreement”         | the products supply framework agreement entered into between Triumph Group Company and the Company on 28 August 2024 for the supply of certain glass products by the Group to Triumph Group   |

|  |  |
|--|--|
| “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)   |
| “CNBM Group Corporation”                   | China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a limited company incorporated under the laws of the PRC and a PRC’s state-owned enterprise  |
| “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   |
| “Existing Engineering Framework Agreement” | the engineering framework agreement entered into between Triumph Group Company and the Company on 12 October 2021 for the supply of certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group |
| “Existing Supply Framework Agreement”      | the supply framework agreement entered into between Triumph Group Company and the Company on 12 October 2021 for the supply of certain glass products by the Group to Triumph Group  |
| “Framework Agreements”                     | (i) the 2024 Products Supply Framework Agreement; (ii) the 2024 Engineering Procurement Framework Agreement; and (iii) the 2024 Products Procurement Framework 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   |

|                                |  |
|--------------------------------|--|
| “Independent Board Committee”  | an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the independent Shareholders on the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps |
| “Independent Third Party(ies)” | a party(ies) who is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and the connected person(s) of the Company   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “RMB”                          | Renminbi, the lawful currency of the PRC   |
| “SGM”                          | the special general meeting of the Company to be convened by the Company with a view to seek approval of the independent Shareholders for the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and their respective proposed annual caps                             |
| “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  |
| “Triumph Group”                | Triumph Group Company and its associates   |
| “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, a substantial Shareholder of the Company and a wholly-owned subsidiary of CNBM Group Corporation  |
| “%”                            | per cent.  |

*In this announcement, unless the context requires otherwise, the terms “associate(s)”, “connected person(s)”, “continuing connected transaction(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**  
**Lyu Guo**  
*Executive Director*

Hong Kong, 28 August 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*