

SHANGHAI YAOHUA PILKINGTON GLASS GROUP CO., LTD.

(Incorporated in the People's Republic of China)

Public Announcement on Resolutions of the 13th Meeting of the 9th Board of Directors

The Board of the Company and all directors commit that there are no false record, misleading statement or omission of material importance of the public announcement, and will bear joint responsibility for the authenticity, accuracy and integrity of its content.

I. Coming of the meeting
The 9th Board of Directors of Shanghai Yaohua Pilkington Glass Group Co., Ltd. ("the Company") sent the notification and meeting materials to all directors on Dec 3, 2019 by email regarding the 13th Board Meeting. The meeting was convened by correspondence on Dec 13, 2019. All directors were present and actually eight directors were present at the meeting, which complied with relevant provisions of the Company Law and Articles of Association.
II. Proposal discussed at the meeting
The meeting considered and approved the following proposals:
1. Proposal on the Connected Transaction: Acquisition of the Equity Interests Held by Pilkington Italy Unlimited in Jiangpu Pilkington SYP Glass Co., Ltd. and Tianjin SYP Glass Co., Ltd.
The Company decided to acquire the equity of float glass production line held by Pilkington Italy Unlimited ("Pilkington Italy"), namely the equity of Jiangpu Pilkington SYP Glass Co., Ltd. ("JSYP") and Tianjin SYP Glass Co., Ltd. ("TSYP"). The plan is as follows after the negotiation:
As at 31 December 2018, the carrying net asset value of JSYP was RMB -103.089 million and the evaluated value was RMB = 79.689 million, with a 22.77% premium paid from appreciation of RMB value. Therefore, the evaluated value of Pilkington Italy's 50% stake in JSYP was RMB = 39.80445 million. As agreed by both parties, Pilkington will transfer its 50% interest in JSYP for RMB 1, and as a compensation for the Company's acquisition of negative assets, Pilkington Italy will also transfer its creditor's rights of RMB 39.80445 million on JSYP at the price of RMB 1. The carrying net asset value of TSYP was RMB 724.5284 million and the evaluated value was RMB 788.5562 million, with a 11.93% premium resulted from appreciation of RMB value. Therefore, the evaluated value of Pilkington Italy's 50.021% stake in TSYP was RMB 17.13565 million. As such, in this acquisition, the Company will pay a total of RMB 39.20 million to Pilkington for the equity interests, the transaction price of equity transfer should be confirmed according to all the shareholders' equity evaluated and filed by Shanghai State-owned Assets Supervision and Administration Commission, the evaluation will be based on the date on 31 Dec 2018 and the transaction will adopt undisclosed agreement.
The Board of the Company authorizes the Management to handle the relevant matters such as audit and evaluation, filing with the State-owned Assets Supervision and Administration Commission, agreement signing, government approval and filing, filing with the industrial and commercial bureaus and loan repayment.
The Company's acquisition of equity of JSYP and TSYP held by Pilkington Italy, the subsidiary of the Company's second largest shareholder, Pilkington International Holding Co., Ltd. B.V. constitutes the connected transaction in accordance with the relevant regulations of Shanghai Stock Exchange of Shanghai Stock Exchange, the related directors Zhao Jian, Eddie Chai, Liu Peng and Paul Ravenscroft withdrew from voting.
For details, refer to the Public Announcement on Connected Transaction Regarding the Acquisition of Equity Interests in Subsidiaries in Shanghai Securities News, Hong Kong Tsing Tsang Road, Hong Kong Tsing Tsang Road and on the website of Shanghai Stock Exchange on Dec 14, 2019.
2. Proposal on Capital Increase to Majority-owned Subsidiary SYP Kangqiao Autoglass Co., Ltd.
Shanghai Yaohua Pilkington Glass Group Co., Ltd. ("the Company" or "SYP"), Shanghai Building Materials Group Co., Ltd. ("Shanghai Building Materials Group") and the Company's wholly-owned subsidiary SYP Kangqiao Autoglass Co., Ltd. ("SYPA") are jointly proposing to increase the capital of SYP Kangqiao Autoglass Co., Ltd. ("SYPA") and the details about the capital increase are as follows: both the Company and SYPA will increase RMB 49.5 million, shareholding ratio of Pilkington Group will increase from 8% to 20% (the increased capital will be invested in cash with RMB 20,204,050.09 and US dollars equivalent to RMB 26,344,553.47 according to the evaluation). The capital increase ratio is 100%, and the capital increase amount of Pilkington Group should be decided based on all shareholders' interests of SYPA filed with Shanghai State-owned Assets Supervision and Administration Commission. The shareholding ratio will depend on the capital contribution amount of the shareholders.
The management layer is authorized by the board of directors to conduct the relevant matters such as the audit and evaluation, filing with the State-owned Assets Supervision and Administration Commission, agreement signing, filing with government and industrial and commercial bureau.
3. Intest capital increase of the Company, the controlling shareholder SBM, and Pilkington Group, the subsidiary of the Company's second largest shareholder, Pilkington International Holding Co., Ltd. B.V. to SYPA constitutes connected transaction in accordance with the relevant regulations of Stock Listing Rules of Shanghai Stock Exchange, the related directors Zhao Jian, Eddie Chai, Liu Peng and Paul Ravenscroft withdrew from voting.
The management layer is authorized by the board of directors to conduct the relevant matters such as the audit and evaluation, filing with the State-owned Assets Supervision and Administration Commission, agreement signing, filing with government and industrial and commercial bureau.
For details, refer to the Public Announcement on Connected Transaction Regarding Capital Increase in the Controlled Subsidiary SYP Kangqiao Autoglass Co., Ltd. in Shanghai Securities News, Hong Kong Tsing Tsang Road and on the website of Shanghai Stock Exchange on Dec 14, 2019.
III. The Proposal on Convention of the 1st Extraordinary Shareholders' General Meeting for 2019
For details, refer to Public Announcement on Convention of the 1st Extraordinary Shareholders' General Meeting for 2019 in Shanghai Securities News, Hong Kong Tsing Tsang Road and on the website of Shanghai Stock Exchange on Dec 14, 2019.
Voting result: 8 affirmative votes, 0 dissenting vote, 0 abstention vote

Shanghai Yaohua Pilkington Glass Group Co., Ltd.
14 December 2019

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(Incorporated in the People's Republic of China)

Public Announcement on Resolutions of the 14th Meeting of the 9th Supervisory Committee

The Supervisory Committee of the Company and all supervisors commit that there are no false record, misleading statement or omission of material importance of the public announcement, and will bear joint responsibility for the authenticity, accuracy and integrity of its content.

I. The convening of the meeting
The 9th Supervisory Committee of Shanghai Yaohua Pilkington Glass Group Co., Ltd. ("the Company") sent out the notification and materials by email to all supervisors on Dec 3, 2019 regarding the convening of the 14th Meeting. The meeting was convened by correspondence on Dec 13, 2019. Three supervisors should attend the meeting and actually three supervisors were present at the meeting, which complied with relevant provisions of the Company Law and Articles of Association.
II. Proposal discussed at the meeting
The meeting approved the following proposals after the serious consideration of supervisors:
1. Proposal on the Connected Transaction: Acquisition of the Equity Interests Held by Pilkington Italy Unlimited in Jiangpu Pilkington SYP Glass Co., Ltd. and Tianjin SYP Glass Co., Ltd.
The Supervisory Committee believes that the equity transfer of float glass production line of the Company is in line with the Company's strategy of enhancing the float glass. The transfer amount of Pilkington Italy Unlimited receives will be invested to automotive glass sector, which will help the Company expand its automotive glass business. The decision-making procedure is legitimate and not detrimental to the interests of the Company and shareholders.
Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote
2. Proposal on Capital Increase to Majority-owned Subsidiary SYP Kangqiao Autoglass Co., Ltd.
The Supervisory Committee believes that the capital increase will enhance the strength of SYP Kangqiao Autoglass Co., Ltd., improve the technological level, reinforce the competitiveness, obtain more business opportunities, and help the Company further expand and optimize the automotive glass business, conforming to the interests of the Company and its shareholders. The proposal involved connected transaction and the related supervisory member Mr. Chen Zongliang withdrew from voting.
For details, refer to the Public Announcement on Connected Transaction Regarding Capital Increase in the Controlled Subsidiary SYP Kangqiao Autoglass Co., Ltd. in Shanghai Securities News, Hong Kong Tsing Tsang Road and on the website of Shanghai Stock Exchange on Dec 14, 2019.
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RMB23.472 million at the appreciation rate of 22.77%.

The assessed value of all the shareholders' interests in JSYP was RMB = 79.689 million according to asset-based approach. Aftermentioned evaluation result remains in force for one year from the date of the evaluation.
2. Tianjin SYP Glass Co., Ltd. ("TSYP")
1) Legal representative: Eddie Chai
2) Business type: a company of limited liability (a Sino-foreign joint venture)
3) Domicile: 1168 Daging Biweidui Road (West), Binhai New District, Tianjin Municipality
4) Legal representative: Eddie Chai
5) Registered capital: RMB736,166,200
6) Date of incorporation: 29 April 2002
7) Business term: 29 April 1995 to 29 April 2045
8) Business scope: production and sale of various sheet glass and related products and sheet glass processed products and related products, as well as equipment leases; technical consultation and production of glass of various specifications; R&D of new glass products; sale of homogenous products; provision of after-sales services, and import and sale of commodities of the same kind of the company's own products (where government approval is required according to law, it shall be obtained before operation).
9) Ownership structure:
Currently, the Company, Pilkington Italy, the Company's wholly-owned subsidiary Glaxind Limited and Tianjin Building Materials Group Holding Company Limited ("TBMG") are jointly proposing to increase the capital of TSYP, respectively. Upon the completion of the equity transfer, the Company, Glaxind Limited, Tianjin Building Materials Group (Holding) Corporation will own a 54.51%, 22.74% and 22.74% interest in TSYP.

Key financial data and production information of the latest year and the latest accounting period:
As at the end of 2018, the total assets, total liabilities and net asset value of TSYP were RMB 1,326,547.2 million, RMB 622,018.8 million and RMB 704,528.4 million, respectively. For 2018, TSYP achieved operating revenue of RMB 589,145.9 million and a net profit of RMB 24,342.5 million (unaudited).

For Jan-Sep 2019, TSYP operating revenue was RMB 427,349.2 million and net profit was RMB - 8,173.6 million. As at 30 Sep 2019, the total assets achieved RMB 141,555.6 million, total liabilities were RMB 735,208.8 million and net asset value of TSYP was RMB 696,348 million (unaudited).

TSYP is a joint venture of the Company, Tianjin Building Materials Group (Holding) Corporation, Glaxind Limited and Pilkington Italy. In December 2017, it absorbed Tianjin SYP Pilkington Glass Co., Ltd. The total investment in it is RMB 1,727,739,600. TSYP is one of the domestic makers of automotive glazing of the highest level. With its production lines adopting the technologies and production processes of NSG Group in Japan and Pilkington in the UK, it is strongly competitive in production, technology and product quality. It currently has two production lines, with a designed melting capacity of 550 metric tons/day and 400 metric tons/day, it can produce around 330,000 metric tons of float glass annually. It is capable of producing HDM glass series with high added value, transparent float glass with 2mm-19mm thickness, multi-colored glass with 2mm-8mm thickness, H-green and A-green glass, private glass, online coated self-cleaning glass, etc. Its products have passed the ISO9001 and ISO9001:2008 certifications.

1) Asset ownership
Before this acquisition, TSYP is a majority-owned subsidiary of the Company, with a clear ownership structure. And the equity interests in TSYP cannot be pledged or restricted in any other way; nor are the interests involved in any litigation or arbitration or seized, frozen or being taken any other judicial measure on.

12) Evaluation of the target asset
Wanlong issued Asset Evaluation Report on All the Shareholders' Interests in Tianjin SYP Glass Co., Ltd. in an Acquisition of the Equity Interests Held by Pilkington Italy Unlimited in Tianjin SYP Glass Co., Ltd. by Shanghai Yaohua Pilkington Glass Group Co., Ltd. (WLPBZ [2019] No. 10434) on Oct 6, 2019.

The base date of this evaluation is on 31 December 2018, adopting the asset-based approach and income approach. The evaluation conclusion is as follows:
A. Evaluation result by asset-based approach
1) The carrying value of total assets is RMB 1326,547.2 million, and the evaluated value is RMB 1401,584.2 million, increasing RMB 74,037 million with 5.58% of appreciation rate.
2) The carrying value of total liabilities is RMB 622,018.8 million, and the evaluated value is RMB 612,010.2 million, increasing RMB -10,086 million with -1.61% of appreciation rate.

3) Under the asset-based approach, the Company's net assets and the evaluated value is RMB 788,556.2 million, increasing RMB 84,028.7 million with 11.93% of appreciation rate.
Assessed by asset-based approach, the evaluated value of all the shareholders' interests in TSYP on the base date of assets evaluation is RMB 788,556.2 million.

B. Assessed by income approach, the evaluated value of all the shareholders' interests in TSYP on the base date of assets evaluation is RMB 251.11 million.

C. Evaluation Result
There are differences between asset-based method and income method in the evaluation results. The differences are as follows:
(Unit: ten thousand RMB):

Evaluation method	Carrying value of net assets	Evaluated value	+/-	+/- (%)
Income approach	704,528.4	25,111.0	-45,341.84	-64.36
Asset-based approach	704,528.4	788,556.2	8,402.78	11.93

On analysis of the quality and reliability of the collected information and materials as well as whether there is under-utilization of intangible assets or assets, the evaluation result by asset-based approach is adopted as the conclusion of this evaluation and income approach is used for verification.

The evaluation conclusion: the evaluated value of all the shareholders' interests in TSYP on the base date is RMB 788,556.2 million. The above conclusion of evaluation remains in force within one year from the base date of assets evaluation.

V. Effects on the Company
The Company has accumulated rich experience in technology, production, management, etc. of the float glass production line upon its long-term cooperation with Pilkington Italy. Currently, it is difficult to build a new float glass production line since the government is limiting the number of new float glass production lines under a stricter environmental protection policy. The Company believes that a high-end float glass production line is a scarce resource and wishes to increase investment in this respect. Upon the completion of this acquisition, JSYP and TSYP will become a wholly-owned subsidiary of the Company and has promised to continue to offer technical support to the Company.

The Company's strategy to increase its investment in the float glass production line. Meanwhile, Pilkington Italy will invest the total amount it will receive from the transfer into the automotive glazing segment of the Company to give play to its technological and channel advantages in the automotive glazing sector and enhance its competitive advantage in automotive glazing business and achieve win-win results. Therefore, this acquisition is in line with the Company's strategy of "enhancing the float glass business and expanding the automotive glazing business", as well as the interests of the Company and all its shareholders.

VI. Risk Analysis
The major risk of this acquisition lies in that the Company have to bear the production, technology and management risks associated with the float glass production line on its own after the acquisition. But the risk is controllable because the Company has rich experiences in float glass production and a strong technical team upon years of the relevant operations, and Pilkington International Holdings B.V. will remain the majority shareholder of the Company and has promised to continue to offer technical support to the Company.

The Company will closely follow up this acquisition and disclose the progress in a timely manner. And investors are reminded to exercise caution when making investment decisions.

VII. Documents Available for Reference
1. The Resolutions of the 13th Meeting of the 9th Board of Directors;
2. The Resolutions of the 14th Meeting of the 9th Supervisory Committee;
3. The prior approval and independent opinion of the independent directors;
4. The Resolutions of the Board of Directors;
5. The business licenses of JSYP and TSYP;
6. Evaluation report of JSYP and TSYP;
7. Audit report of JSYP and TSYP.

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Public Announcement on Connected Transaction regarding Capital Increase in the Controlled Subsidiary SYP Kangqiao Autoglass Co., Ltd.

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I. Coming of the meeting
The 9th Supervisory Committee of Shanghai Yaohua Pilkington Glass Group Co., Ltd. ("the Company" or "SYP"), Shanghai Building Materials Group Co., Ltd. ("SBM") and Pilkington Group Limited ("Pilkington Group") intend to make a joint capital increase of RMB 327,391,603.56 in SYP Kangqiao Autoglass Co., Ltd. ("SYPA"), and the details about the capital increase are as follows: both the Company and SBM increase RMB 49.5 million, shareholding ratio of Pilkington Group will increase from 8% to 20% (the increased capital will be invested in cash with RMB 20,204,050.09 and US dollars equivalent to RMB 26,344,553.47 according to the evaluation). The capital increase will be made in cash, and the capital increase ratio of the Company and SBM, and the capital increase amount of Pilkington Group should be decided based on all shareholders' interests of SYPA filed with Shanghai State-owned Assets Supervision and Administration Commission. The shareholding ratio will depend on the capital contribution amount of the shareholders.
The management layer is authorized by the board of directors to conduct the relevant matters such as the audit and evaluation, filing with the State-owned Assets Supervision and Administration Commission, agreement signing, filing with government and industrial and commercial bureau.
For details, refer to the Public Announcement on Connected Transaction Regarding Capital Increase in the Controlled Subsidiary SYP Kangqiao Autoglass Co., Ltd. in Shanghai Securities News, Hong Kong Tsing Tsang Road and on the website of Shanghai Stock Exchange on Dec 14, 2019.
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IV. Information about the Target Companies to be Transferred
1. Jiangpu Pilkington SYP Glass Co., Ltd. ("JSYP")
1) Unified social credit code: 91320801367319522 (1/1)
2) Business type: a company of limited liability (a Sino-foreign joint venture)
3) Domicile: 10 Xingzhang Road, Changshu Economic & Technological Development Zone, Jiangsu Province
4) Legal representative: Eddie Chai
5) Registered capital: US\$4.3 million
6) Date of incorporation: 24 November 2004
7) Business term: 24 November 2004 to 23 November 2054
8) Business scope: producing various specialty glass, R&D various new glass, and sales of self-produced products and providing with relevant services; import and sale of commodities of the same kind of the company's own products (where any goods, service and special rules are involved, the relevant regulations must be followed); cargo handling, warehousing services, and leases of production equipment and self-owned equipment; port operations and services (subject to the business scope given in the Port Operation License). (Where government approval is required according to law, it shall be obtained before operation).
9) Ownership structure:
Currently, each of the Company and Pilkington Italy holds a 50% interest in JSYP. Upon the completion of the equity acquisition, the Company will own the 100% interest in JSYP.

10) Key financial data and production information of the latest year and the latest accounting period:
As at the end of 2018, the total assets were RMB 621,078.8 million, total liabilities were RMB 274,154.2 million, net asset value of JSYP was RMB = 103.089 million. For 2018, JSYP achieved operating revenue of RMB 253,924.1 million and a net profit of RMB = 25,965.2 million.
For Jan-Sep 2019, JSYP achieved operating revenue of RMB 202,121.4 million and a net profit of RMB 3.682 million. As at 30 Sep 2019, the total assets were RMB 608,604.9 million, total liabilities were RMB 707,979.6 million and net asset value of JSYP was RMB = 99,392.7 million.

TSYP is a joint venture of the Company and Pilkington Italy with a total investment of US\$96.68 million. It primarily makes high-quality float glass by using the proprietary float glass production technology of Pilkington in the UK, and the advanced production equipment of developed countries. It currently has two production lines, with a designed melting capacity of 550 metric tons/day and 400 metric tons/day, it can produce around 330,000 metric tons of float glass annually. And it major products include coated glass, TCO glass, ultra-clear glass, transparent architectural glass, etc., which can be used for automotive glazing and architecture processed glass.

1) Asset ownership
Before this acquisition, JSYP is a majority-owned subsidiary of the Company, with a clear ownership structure. And the equity interests in JSYP are not pledged or restricted in any other way; nor are the interests involved in any litigation or arbitration or seized, frozen or being taken any other judicial measure on.

12) Evaluation of the target asset
Wanlong issued Asset Evaluation Report on All the Shareholders' Interests in Jiangpu Pilkington SYP Glass Co., Ltd. in an Acquisition of the Equity Interests Held by Pilkington Italy Unlimited in Jiangpu Pilkington SYP Glass Co., Ltd. by Shanghai Yaohua Pilkington Glass Group Co., Ltd. (WLPBZ [2019] No. 10433) on Oct 6, 2019.

Adopting asset-based approach based on the date on 31 Dec 2018, the evaluation result was as below:
A. As for total assets, the carrying value is RMB 621,073.8 million, the assessed value is RMB 644,459.7 million, with an appreciation of RMB 23,386 million at the appreciation rate of 3.77%.
B. As for total liabilities, the carrying value is RMB 274,154.2 million, the assessed value is RMB 274,068 million, with an appreciation of RMB = 85.6 thousand at the appreciation rate of -0.01%.