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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)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board of directors (the “**Directors**” and the “**Board**”, respectively) of China Glass Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021 – unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2021	2020
	Note	RMB'000	RMB'000
<b>Revenue</b>	4	<b>2,025,214</b>	1,173,300
Cost of sales		<u>(1,310,515)</u>	<u>(986,342)</u>
<b>Gross profit</b>	4	<b>714,699</b>	186,958
Other income	5	<b>11,134</b>	9,661
Distribution costs		<b>(39,908)</b>	(37,286)
Administrative expenses		<b>(130,021)</b>	(131,377)
Impairment losses on receivables and contract assets		<b>(648)</b>	(118,391)
Other operating expenses	6(b)	<u>–</u>	<u>(11,673)</u>
<b>Profit/(loss) from operations</b>		<b>555,256</b>	(102,108)
Finance costs	6(a)	<b>(142,011)</b>	(136,976)
Share of profits less losses of joint ventures		<u>–</u>	<u>(171)</u>
<b>Profit/(loss) before taxation</b>	6	<b>413,245</b>	(239,255)
Income tax	7	<u><b>(111,097)</b></u>	<u>(38,052)</u>
<b>Profit/(loss) for the period</b>		<u><b>302,148</b></u>	<u><b>(277,307)</b></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>273,267</b>	(247,518)
Non-controlling interests		<u><b>28,881</b></u>	<u>(29,789)</u>
<b>Profit/(loss) for the period</b>		<u><b>302,148</b></u>	<u><b>(277,307)</b></u>
<b>Earnings/(loss) per share (RMB cent)</b>	8		
Basic		<u><b>16.48</b></u>	<u>(14.70)</u>
Diluted		<u><b>16.43</b></u>	<u>(14.70)</u>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2021 – unaudited*

*(Expressed in RMB)*

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit/(loss) for the period</b>	<b>302,148</b>	<b>(277,307)</b>
<b>Other comprehensive income for the period</b>		
<b>(after tax and reclassification adjustments):</b>		
Item that will not be reclassified to profit or loss:		
– equity securities at fair value through other comprehensive income (FVOCI)		
– net movement in fair value reserve (non-recycling)	<b>(34)</b>	<b>–</b>
Item that may be reclassified subsequently to profit or loss:		
– exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency	<b>(9,324)</b>	<b>(6,950)</b>
<b>Total comprehensive income for the period</b>	<b>292,790</b>	<b>(284,257)</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>263,911</b>	<b>(254,468)</b>
Non-controlling interests	<b>28,879</b>	<b>(29,789)</b>
<b>Total comprehensive income for the period</b>	<b>292,790</b>	<b>(284,257)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021 – unaudited

(Expressed in RMB)

		(unaudited) At 30 June 2021 RMB'000	(audited) At 31 December 2020 RMB'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		4,623,822	4,265,335
Investment property		21,885	22,463
Right-of-use assets		338,230	323,091
Intangible assets		81,041	93,750
Goodwill		96,113	100,349
Interest in joint ventures		5,843	5,919
Equity securities designated at FVOCI		2,413	2,953
Deferred tax assets		213,696	236,782
		<u>5,383,043</u>	<u>5,050,642</u>
<b>Current assets</b>			
Inventories		507,797	490,138
Contract assets		8,882	29,071
Trade and other receivables	9	782,510	821,319
Prepaid income tax		3,999	3,936
Cash on hand and in bank		583,165	806,137
		<u>1,886,353</u>	<u>2,150,601</u>
<b>Current liabilities</b>			
Trade and other payables	10	766,404	1,194,924
Contract liabilities		208,741	133,655
Bank and other loans		2,586,112	2,227,735
Leases liabilities		12,324	17,491
Convertible bonds	11	–	17,355
Income tax payable		182,227	161,361
		<u>3,755,808</u>	<u>3,752,521</u>
<b>Net current liabilities</b>		<u>(1,869,455)</u>	<u>(1,601,920)</u>
<b>Total assets less current liabilities</b>		<u>3,513,588</u>	<u>3,448,722</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **(CONTINUED)**

*At 30 June 2021 – unaudited*  
*(Expressed in RMB)*

		(unaudited)	(audited)
		At	At
		30 June	31 December
		2021	2020
	Note	RMB'000	RMB'000
<b>Non-current liabilities</b>			
Bank and other loans		999,009	1,212,148
Leases liabilities		10,986	15,426
Deferred tax liabilities		37,026	39,887
Other non-current liabilities		11,260	13,265
		<u>1,058,281</u>	<u>1,280,726</u>
<b>NET ASSETS</b>		<u>2,455,307</u>	<u>2,167,996</u>
<b>CAPITAL AND RESERVES</b>	12		
Share capital		84,867	84,867
Reserves		<u>2,191,801</u>	<u>1,925,537</u>
<b>Total equity attributable to equity</b>			
shareholders of the Company		2,276,668	2,010,404
<b>Non-controlling interests</b>		<u>178,639</u>	<u>157,592</u>
<b>TOTAL EQUITY</b>		<u>2,455,307</u>	<u>2,167,996</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2021 – unaudited*

*(Expressed in RMB unless otherwise indicated)*

## 1 CORPORATE INFORMATION

The Company was incorporated in Bermuda on 27 October 2004 as an exempted company with limited liability under the Bermuda Companies Act 1981. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 23 June 2005. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2021 comprise the Group and the Group’s interest in joint ventures. The Group is principally involved in the production, marketing and distribution of glass and glass products, designing and installation of production lines of pharmaceutical glass, and the development of glass production technology.

## 2 BASIS OF PREPARATION

The interim financial information set out below is derived from the unaudited interim financial report, which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). It was authorised for issue on 27 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of these changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The auditors have expressed an unqualified opinion on those financial statements in their report dated 30 March 2021.

As at 30 June 2021, the Group had net current liabilities of RMB1,869,455,000 (31 December 2020: RMB1,601,920,000). Notwithstanding the net current liabilities as at 30 June 2021, the directors of the Company consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. This is because based on a cash flow forecast of the Group for the next twelve months ending 30 June 2022 prepared by the management, which has taken into account:

- unutilised bank facilities of RMB124.1 million, the Group's newly financed and refinanced bank and other loans of RMB406.9 million;
- the Group has maintained long-term strong business relationship with its major banks to get their continuing support and is actively discussing with these banks for renewal of bank loans or new facilities amounting to RMB1,046.0 million, and the directors of the Company are of the opinion that renewal or new banking facilities is likely to be obtained during the twelve months ending 30 June 2022; and
- financial support committed by the Company's largest shareholder, namely Triumph Science Technology Group Co., Ltd.\* (“凱盛科技集團有限公司”, the “**Triumph Group**”), a wholly-owned subsidiary of China National Building Material Group Co., Ltd., which is a central state-owned enterprise.

The directors of the Company are of the opinion that the Group will have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

\* *The English translation of the name is for identification purpose only and the official name of the entity is in Chinese.*

### 3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by products and services. In a manner consistent with the way in which the information reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five operating segments. No operating segments have been aggregated to form the following reportable segments:

- Clear glass products: this segment produces, markets and distributes clear glass products.
- Painted glass products: this segment produces, markets and distributes painted glass products.
- Coated glass products: this segment produces, markets and distributes coated glass products.
- Energy saving and new energy glass products: this segment produces, processes, markets and distributes energy saving and new energy glass products, such as ultra clear glass, low-emission coated glass, photovoltaic glass and photovoltaic battery module products.
- Design and installation service: this segment provides design, purchasing parts and installation services of pharmaceutical glass production lines.



(a) **Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
– sales of glass products	<b>1,954,402</b>	1,131,691
– revenue from service contracts	<b>62,082</b>	31,642
– sales of spare parts	<b>8,730</b>	9,967
	<b>2,025,214</b>	<b>1,173,300</b>
Disaggregated by geographical location of customers		
– The Mainland China and Hong Kong (place of domicile)	<b>1,562,782</b>	845,172
– Nigeria	<b>173,011</b>	83,049
– Middle East	<b>85,885</b>	79,591
– Ghana	<b>27,373</b>	3,112
– Other countries	<b>176,163</b>	162,376
	<b>462,432</b>	328,128
	<b>2,025,214</b>	<b>1,173,300</b>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b).

(b) **Segment results**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. Inter-segment sales are priced with reference to prices charged to external parties for similar products. The Group's other operating expenses, such as distribution costs and administrative expenses, and assets and liabilities, including the sharing of technical know-how, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2021 and 2020 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation service		Total	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition												
– point in time	979,543	478,004	321,084	150,249	424,718	359,259	233,020	144,179	8,730	9,967	1,967,095	1,141,658
– over time	–	–	–	–	–	–	–	–	58,119	31,642	58,119	31,642
Revenue from external customers	979,543	478,004	321,084	150,249	424,718	359,259	233,020	144,179	66,849	41,609	2,025,214	1,173,300
Inter-segment revenue	49,468	26,296	116	786	2,349	2,281	–	–	–	–	51,933	29,363
Reportable segment revenue	1,029,011	504,300	321,200	151,035	427,067	361,540	233,020	144,179	66,849	41,609	2,077,147	1,202,663
Reportable segment gross profit	329,863	57,880	127,199	25,552	175,387	79,497	69,513	20,403	12,737	3,626	714,699	186,958

## 5 OTHER INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Net gain from sale of raw and scrap materials	6,235	1,425
Interest income	3,461	2,770
Government grants	2,740	2,170
Rental income from investment property	938	917
Net (loss)/gain on disposal of property, plant and equipment	(1,594)	203
Net loss on disposal of a subsidiary	(5,158)	–
Others	4,512	2,176
	<b>11,134</b>	<b>9,661</b>

## 6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

### (a) Finance costs

	Six months ended 30 June	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest on bank and other loans	90,225	109,994
Interest on lease liabilities	1,475	2,972
Finance charges on convertible bonds (Note 11)	21	3,810
Bank charges and other finance costs	<u>20,757</u>	<u>33,088</u>
Total borrowing costs	112,478	149,864
Less: amounts capitalised into property, plant and equipment (Note)	<u>(16,468)</u>	<u>(9,043)</u>
Net borrowing costs	96,010	140,821
Changes in fair value on the derivative component of convertible bonds (Note 11)	–	(999)
Net foreign exchange loss/(gain)	<u>46,001</u>	<u>(2,846)</u>
	<u><b>142,011</b></u>	<u><b>136,976</b></u>

Note: The borrowing costs have been capitalised at 5.82% per annum for the six months ended 30 June 2021 (5.53% per annum for the six months ended 30 June 2020).

### (b) Other operating expenses

	Six months ended 30 June	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Impairment losses on property, plant and equipment	<u>–</u>	<u>11,673</u>

(c) Other items

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	<b>1,310,515</b>	986,342
Depreciation and amortisation charge		
– property, plant and equipment and intangible assets	<b>132,541</b>	125,051
– investment property	<b>578</b>	578
– right-of-use assets	<b>10,031</b>	12,750
Short-term lease charges	<b>1,076</b>	1,364
Research and development costs (other than capitalised costs and related amortisation)	<b>484</b>	448

7 INCOME TAX

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation:		
– provision for Corporate Income Tax on the estimated taxable profits for the period	<b>90,292</b>	8,971
– (over)/under-provision of Corporate Income Tax in respect of prior years	<b>(28)</b>	22
	<b>90,264</b>	8,993
Deferred taxation	<b>20,833</b>	29,059
	<b>111,097</b>	38,052

The Hong Kong Profits Tax rate for the six months ended 30 June 2021 is 16.5% (six months ended 30 June 2020: 16.5%).

The subsidiaries of the Group incorporated in Cayman Islands and British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2021 (six months ended 30 June 2020: 25%).

The subsidiaries of the Group established in Nigeria are subject to Nigeria Corporate Income Tax rate of 30% for the six months ended 30 June 2021 (six months ended 30 June 2020: 30%).

A subsidiary of the Group established in Nigeria is established in one of Nigerian Export Processing Zones and exempted from all Federal, State and Local Government taxes and levies.

A subsidiary of the Group established in Italy is subject to Italy Corporate Income Tax rate of 27.9% (six months ended 30 June 2020: 27.9%).

A subsidiary of the Group established in Turkey is subject to Turkey Corporate Income Tax rate of 20% (six months ended 30 June 2020: 20%).

A subsidiary of the Group established in the Republic of the Union of Myanmar is subject to Myanmar Corporate Income Tax rate of 25% (six months ended 30 June 2020: 25%).

## **8 EARNINGS/(LOSS) PER SHARE**

### **(a) Basic earnings/(loss) per share**

The calculation of basic earnings per share for the six months ended 30 June 2021 is based on the profit attributable to ordinary equity shareholders of the Company of RMB273,267,000 (six months ended 30 June 2020 is based on the loss attributable to ordinary equity shareholders of the Company of RMB247,518,000) and the weighted average of 1,658,147,000 ordinary shares, taking into the effect of shares purchased under a share award scheme set out in Note 12(b)(ii) (six months ended 30 June 2020: 1,683,807,000 shares) in issue during the six months ended 30 June 2021.

**(b) Diluted earnings/(loss) per share**

The calculation of diluted earnings per share for the six months ended 30 June 2021 is based on the profit attributable to ordinary equity shareholders of the Company (diluted) of RMB 272,471,000 and the weighted average number of ordinary shares (diluted) of 1,658,314,000.

**(i) Profit attributable to ordinary equity shareholders of the Company (diluted)**

	<b>Six months ended 30 June 2021 RMB'000</b>
Profit attributable to ordinary equity shareholders	<b>273,267</b>
After tax effect of effective interest on the liability component of convertible bonds	<b>21</b>
After tax effect of net gain on redemption of convertible bonds	<b>(817)</b>
	<hr/>
Profit attributable to ordinary equity shareholders (diluted)	<b>272,471</b>
	<hr/> <hr/>

**(ii) Weighted average number of ordinary shares (diluted)**

	<b>2021 '000</b>
Weighted average number of ordinary shares at 30 June	<b>1,658,147</b>
Effect of conversion of convertible bonds (Note 11)	<b>167</b>
	<hr/>
Weighted average number of ordinary shares (diluted) at 30 June	<b>1,658,314</b>
	<hr/> <hr/>

There were no dilutive potential ordinary shares for the six months ended 30 June 2020. The Group's convertible bonds (see Note 11) were not included in the calculation of dilutive earnings per share for the six months ended 30 June 2020 because they were anti-dilutive.

## 9 TRADE AND OTHER RECEIVABLES

	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Trade receivables from (Note (a)):		
– third parties	282,739	182,198
– Triumph Group's related parties	6,395	6,677
– affiliates of non-controlling equity owners of subsidiaries	15,069	15,069
	<u>304,203</u>	<u>203,944</u>
Less: loss allowance	<u>(141,177)</u>	<u>(140,516)</u>
	<u>163,026</u>	<u>63,428</u>
Amounts due from related companies:		
– an equity shareholder of the Company (Note (i))	12	13
– non-controlling equity owners of a subsidiary (Note (i))	150	150
– a joint venture (Note (ii))	35,614	23,324
	<u>35,776</u>	<u>23,487</u>
Other debtors (Note (iii))	358,655	466,199
Less: loss allowance	<u>(154,141)</u>	<u>(154,401)</u>
	<u>204,514</u>	<u>311,798</u>
Financial assets measured at amortised cost	<u>403,316</u>	<u>398,713</u>
Bills receivable	146,058	264,422
Prepayments and value added tax refundable	<u>233,136</u>	<u>158,184</u>
	<u>782,510</u>	<u>821,319</u>

Notes:

- (i) The amounts are unsecured and non-interest bearing, and have no fixed terms of repayment.
- (ii) The amounts are unsecured, with fixed interest rate of 7.00%, and fixed repayment terms before 31 December 2021.
- (iii) As at 30 June 2021, the amounts of RMB87.0 million (31 December 2020: RMB87.0 million) is the remaining receivables from the local government authority for relocation of production plants.

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year. Cash before delivery is generally required for all new customers. Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to customers and debtors, depending on credit assessment carried out by management on an individual customer basis.

**(a) Ageing analysis**

Included in trade and other receivables are trade and bills receivables (net of loss allowance for doubtful debts) with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	<b>At 30 June 2021 RMB'000</b>	At 31 December 2020 RMB'000
Within 1 month	<b>137,316</b>	63,859
More than 1 month but less than 3 months	<b>39,808</b>	103,557
More than 3 months but less than 6 months	<b>94,919</b>	116,284
More than 6 months but less than 1 year	<b>14,924</b>	32,698
Over 1 year	<b>22,117</b>	11,452
	<b>309,084</b>	327,850

**10 TRADE AND OTHER PAYABLES**

	<b>At 30 June 2021 RMB'000</b>	At 31 December 2020 RMB'000
Trade payables to:		
– third parties	<b>287,271</b>	323,716
– Triumph Group's related parties	<b>174</b>	258,563
– affiliates of non-controlling equity owners of subsidiaries	<b>49</b>	599
Bills payable	<b>31,650</b>	83,785
	<b>319,144</b>	666,663



	<b>At 30 June 2021 RMB'000</b>	At 31 December 2020 RMB'000
Amounts due to related companies:		
– Triumph Group and its related parties (Note)	<b>41,626</b>	48,161
– Companies under common significant influence (Note)	<b>11</b>	11
	<b>41,637</b>	48,172
Accrued charges and other payables	<b>378,300</b>	414,589
Financial liabilities measured at amortised cost	<b>739,081</b>	1,129,424
Payables for miscellaneous taxes	<b>27,323</b>	65,500
	<b>766,404</b>	1,194,924

Note: The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Included in trade and other payables are trade and bills payable with the following ageing analysis (based on the maturity date) as of the end of the reporting period:

	<b>At 30 June 2021 RMB'000</b>	At 31 December 2020 RMB'000
Due within 1 month or on demand	<b>302,459</b>	351,280
Due after 1 month but within 6 months	<b>14,753</b>	183,379
Due after 6 months but within 1 year	<b>1,932</b>	132,004
	<b>319,144</b>	666,663

## 11 CONVERTIBLE BONDS

	Liability component RMB'000	Derivative component RMB'000	Total RMB'000
At 1 January 2020	44,503	3,832	48,335
Accrued finance charges for the year	5,717	–	5,717
Interest paid	(2,404)	–	(2,404)
Fair value changes on the derivative component	–	(490)	(490)
Partial redemption of convertible bonds	(30,453)	(2,219)	(32,672)
Exchange adjustments	(1,049)	(82)	(1,131)
At 31 December 2020 and 1 January 2021	16,314	1,041	17,355
Accrued finance charges for the period (Note 6(a))	21	–	21
Interest paid	(205)	–	(205)
Redemption of convertible bonds	(16,125)	(1,037)	(17,162)
Exchange adjustments	(5)	(4)	(9)
At 30 June 2021	<u>–</u>	<u>–</u>	<u>–</u>

On 4 February 2016, the Company issued unsecured convertible bonds with an aggregate face value of US\$10,000,000 (equivalent to approximately RMB65,419,000), interest bearing at 7.5% per annum and maturing on 4 February 2021 to China-Africa Manufacturing Investment Co., Limited (the “**Bondholder**”).

Upon issuance, the Bondholder could, at any time till 25 January 2021, convert the bonds into the Company’s shares at HK\$1.28 per share (i.e. the conversion option). The Bondholder shall have the right to require the Company to redeem the convertible bonds by depositing a notice of redemption at its face value at any time from 4 February 2019 to 4 February 2021, (i.e. the put option). If at any time till 25 January 2021, the closing price per share for each trading day of any 15 consecutive trading day period equals to or exceeds HK\$2.56, the Bondholder shall be obliged to convert the bonds into the Company’s shares (i.e. the forced conversion option). The conversion, put and forced conversion options are all classified as derivative financial instruments and have been included in the balance of convertible bonds in the consolidated statement of financial position.

Pursuant to the redemption term of the convertible bonds, the Bondholder deposited notices to redeem the first, second, third and forth 25% of total outstanding principal of the convertible bonds on 1 July 2019, 3 January 2020, 1 July 2020 and 4 January 2021 separately. As at 30 June 2021, all the convertible bonds had been redeemed by the Bondholder.

## 12 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS

### (a) Dividends/distributions

- (i) Distributions payable to equity shareholders of the Company attributable to the interim period.

The directors of the Company have proposed an interim distribution after the interim period of HK\$0.05 per share (six months ended 30 June 2020: HK\$Nil) or approximately RMB75.3 million (six months ended 30 June 2020: RMBNil), based on the existing 1,810,147,058 ordinary shares in issue as at 30 June 2021. The aggregate amounts to be paid to shareholders will be determined based on the number of ordinary shares as at the record date for determination of entitlement to the distribution.

The interim distribution has not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.

No final dividend in respect of the previous financial year has been approved during the interim period (six months ended 30 June 2020: HK\$Nil).

### (b) Equity-settled share-based transactions

- (i) Share option scheme

The Company has a share option scheme (the “**Share Option Scheme**”) which was adopted on 30 May 2005 and expired on 22 June 2015. Before its expiry, the Company granted 33,370,000 share options to a director of the Company and certain employees of the Group on 13 May 2015 with a contractual life of seven years.

A new share option scheme (the “**Share Option Scheme 2016**”) has been approved by a special general meeting of shareholders of the Company on 19 February 2016.

No share options were granted to the directors and employees of the Group under the Share Option Scheme 2016 during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

No share options issued under the Share Option Scheme were exercised during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

(ii) Share award scheme

On 12 December 2011, the Company adopted a share award scheme (the “**Share Award Scheme**”) as a mean of rewarding and retaining employees of the Group and to attract suitable personnel for further development of the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

Details of the shares held under the Share Award Scheme are set out below:

	<b>Average purchase price HK\$</b>	<b>No. of shares held '000</b>	<b>Value RMB'000</b>
At 1 January 2020		115,620	64,253
Shares purchased during the period	0.401	<u>36,380</u>	<u>11,436</u>
At 31 December 2020 and 30 June 2021		<u><u>152,000</u></u>	<u><u>75,689</u></u>

During the six months ended 30 June 2021, no ordinary share was purchased for the Share Award Scheme (six months ended 30 June 2020: 36,380,000 ordinary shares with an average purchase price of HK\$0.401 per share). No shares have been awarded to any selected employee as at the date of this interim result announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET REVIEW

In the first half of 2021, with the impact of COVID-19 pandemic in Europe and the United States diminishing and vaccination accelerating, the general liquidity of the global financial market remained abundant, and the world economy continued to recover amidst volatility, regardless of the significant regional economic disparity. In the first half of the year, China continued its efforts to consolidate and expand its achievements in the prevention and control of COVID-19 pandemic and economic and social development while unremittingly implementing its well-targeted macro policies, resulting in continuous rebound of production demand, and a stable uprising momentum of its economy.

In the first half of 2021, the supply-side structural reform of the domestic flat glass industry yielded remarkable results, which, together with China's initiative to achieve "carbon emissions peak and carbon neutrality" as well as the tightening of its environmental protection policies, further optimized its industrial structure and effectively alleviated the contradiction of overcapacity on the supply side. Benefiting from the accelerated completion of the downstream real estate projects, the rapid development of new energy vehicles, and the upgrade of home furnishings and appliance consumption, the flat glass market was subject to robust demand, resulting in "high project kick-off rate, low inventory, increase in both volume and price, and steady improvement in operating results". As for pharmaceutical glass, driven by the widespread vaccination of the COVID-19 vaccine and standardized evaluation policies, the progress of neutral borosilicate glass substitution was speeding up, showing relatively huger market potential.

### BUSINESS REVIEW

#### Overview

As at 30 June 2021, the Group had 12 float glass production lines, and had all 12 float glass production lines in operation. As at the date of this announcement, the Group had successfully completed the acquisition of Fujian Longtai Industries Company Limited\* (福建龍泰實業有限公司) ("Fujian Longtai"). Currently, the Group has 13 float glass production lines, with a daily melting capacity of 6,900 tonnes. In addition, the Group owned one offline low-emission ("Low-E") coated glass production line, one production line for ultra-thin photovoltaic encapsulating material for bi-facial modules, and a company specialized in neutral pharmaceutical glass production line technologies and services.

### **Production, sales and selling price**

In the first half of 2021, the Group produced approximately 17.58 million and sold 17.06 million weight cases of various types of glass products, representing an increase of 2% and 15%, respectively, compared with the same period of last year, with a consolidated average selling price of approximately RMB114.5 per weight case, representing an increase of 51% compared with the same period of last year.

### **Prices of raw and fuel materials, and production costs**

In terms of raw materials, in the first half of 2021, driven by the strong demand in the glass market, the soda ash price in the domestic market showed a stable and rising trend, the fluctuation of which was slightly lagging behind that of the glass price, but the overall trend remained consistent. In terms of mineral raw materials, the prices of domestic silica sand, limestone and dolomite rose slightly during the first half of 2021.

In terms of fuel, fuel oil price rebounded from a low level in the first half of 2021 due to the significant increase in crude oil price, showing an overall upward trend with fluctuation. Benefiting from the robust market demand, the price of low-sulfur fuel oil was rising most notably. Natural gas prices declined slightly in the first half of the year, but still remained at a high level, representing a significant year-on-year increase, mainly due to the economic recovery in the international market and the increase in market demand.

## **MAJOR WORKS IN THE FIRST HALF OF 2021**

### **1. Implementing and deepening the three major strategies to improve performance and focusing on the float glass industry to achieve refinement, precision and reinforcement**

In terms of “organic growth”, we took advantage of the industry recovery opportunity, optimized product structure, adhered to product differentiation, improved product added value, and sought the best production cost while ensuring production safety and product quality; at the same time, we captured historical opportunities, accelerated the construction of new energy material projects, and drove our business to achieve greater breakthroughs. In terms of “M&A and restructuring”, we have strategically expanded our presence in the South China market, with our focus in the first half of the year on advancing the acquisition of Fujian Longtai; at the same time, we actively explored potential high-quality projects according to the Group’s strategic planning. In terms of “going global”, we closely monitored the impact of the local pandemic in Nigeria and Italy on our production operations and strengthened our management and control; closely monitored the construction progress of the Kazakhstan project, which is expected to reach ignition and production in 2021.

**2. Optimizing the functions of headquarters and deepening “five-in-one” management**

We optimized the “five-in-one” business management model covering “production, marketing, procurement, finance and investment” and optimized the management mechanism under a dedicated committee to coordinate the Group’s human, capital, technology, information and other resources so as to maximize resource utilization.

**3. Adhering to technology innovation and continuously expanding into new glass, new materials and new energy fields**

In line with the national low-carbon, green, energy-saving and environmental protection development concept, we leveraged internal and external technology development platforms to promote product technical differentiation, accelerate conversion between old and new production capacity and facilitate green and sustainable development. In the first half of the year, we successfully developed a new online coated technology with thin-flow, multi-layer, co-doping and common coupling; successfully developed online Sun-E<sup>®</sup> energy-saving coated glass (crystal blue) products with stable production; as well as developed the float online film coloring and rapid color switching technology, resolved the worldwide technical problems of film layer interference coloring and difficulty in controlling color uniformity over a large area.

**4. Capturing market opportunities accurately and adjusting marketing policies in a timely manner**

We responded to market fluctuations by strengthening the analysis and judgment of market development, leading the market trend and adjusting the marketing strategy in a timely manner. With an emphasis on market channel development, through analysis of product and customer structures and target markets, we selected and accumulated customer resources carefully, diversified customer base, and balanced and coordinated customer channel relationships.

**5. Building “CNG” brand and enhancing capital market management**

Aiming to build “CNG” brand in all aspects, internally, it is required to penetrate the brand building into personal work; externally, we enhanced capital market management, actively utilized investor relationships and media resources, combined with the Company’s major developments, investment projects and other strategic implementation and dynamics to enhance the Company’s exposure and brand awareness.

### **Impact of COVID-19 pandemic**

In the first half of 2021, the domestic pandemic was under effective control, while the foreign pandemic was not optimistic. The Group struck to make good efforts on pandemic prevention and closely monitored the impact of the pandemic on the domestic and overseas glass markets, flexibly adjusted its marketing strategies according to the import and export channels and personnel entry and exit policies and coordinated the production and operation, supply chain transportation and safe working environment for employees to maximize the optimal allocation of resources. In the first half of the year, there were no COVID-19 infection cases found in the Group's domestic and overseas bases.

### **THE GLASS MARKET OUTLOOK**

The International Monetary Fund predicts that the world economy will grow at an annual rate of approximately 6% in 2021 and the global economic recovery will continue to show a diverging trend, while China's stable and improving economic recovery process may experience even greater challenges. In the second half of the year, the glass industry will enter its traditional peak season, the current boom of the industry is expected to be maintained. On the supply side, new production capacity will be limited due to the deepening supply-side structural reform plus the "double carbon (雙碳)" environmental protection policy; on the demand side, as the property industry's rigid demand is stable and the industry is under its completion cycle, it is expected that supply and demand will remain in a tight balance in the second half of the year, with price growth drivers still exist. Pharmaceutical glass, new energy glass, new energy automotive glass and green energy-saving building glass will be the major growth drivers for the industry demand in the future. However, the mutation of COVID-19, international trade disputes, anti-globalization trend, below expected performance in real estate investment and completion, and the regulation risk from commodity policies in the post-COVID-19 era will bring some uncertainties to the development of the glass industry.



## **FORECAST OF PRICES OF RAW AND FUEL MATERIALS, AND PRODUCTION COSTS**

In terms of raw materials, it is expected that in the second half of 2021, as a result of the robust demand for downstream glass products, the price of soda ash will have strong upward impetus and may remain fluctuate at a high level. It is expected that the prices of silica sand, limestone, dolomite and other mineral raw materials are on an upward trend as the supply of raw ore decreases and demand exceeds supply due to the impact of the strict control by national environmental protection and safety policies.

In terms of fuels, it is expected that fuel oil prices may continue to rise due to the continuing tight balance between crude oil supply and demand; low sulfur fuel oil prices are expected to be more flexible; and natural gas prices are expected to remain fluctuated at a high level in the second half of the year as a result of the increasing demand in the domestic market and tight supply in the international market.

## **WORK PLANS FOR THE SECOND HALF OF 2021**

1. We will focus on the float glass industry to improve performance, with emphasis on promoting the construction of Kazakhstan project and Longyan B line (龍巖B線), pushing forward the construction of new energy and new material projects, and actively facilitating the Company's strategic layout process in pharmaceutical glass market.
2. We will optimize the management functions of headquarters and deepen "five in one" management; enhance "benchmarking" management and accomplish in promoting management and efficiency by "benchmarking"; and continue to implement the management philosophy of "streamlining organization, management and operation" to reduce non-profit-making companies, lower operating costs.
3. We will care about the growth of our employees and promote a younger management team; as well as practically improve the performance incentive and equity incentive mechanism which enable us to provide market competitive salary for our employees.
4. We will enhance our capital market management level and fully leverage external publicity channels to increase the brand awareness and influence of "CNG".
5. We will continue to implement COVID-19 prevention measures, strengthen safe inventory management and flexibly respond to unexpected outbreaks.

## **FINANCIAL REVIEW**

### **Revenue**

For the first six months of 2021, the revenue of the Group from its principal business increased by approximately 73% to RMB2,025 million as compared to RMB1,173 million in the first six months of 2020. The increase in revenue was mainly attributable to the combined effects of the increase in average unit selling price and the increase of sales volume.

### **Cost of sales**

The Group's cost of sales increased by approximately 33% from RMB986 million for the first six months of 2020 to RMB1,311 million for the first six months of 2021. The increase in cost of sales was mainly attributable to the combined effects of the increase in sales volume and the increase in unit cost of raw materials and fuels.

### **Gross profit**

The Group's gross profit increased by approximately 283% from RMB187 million for the first six months of 2020 to RMB715 million for the first six months of 2021. The increase in gross profit was mainly attributable to the combined effects of the increase in market prices of glass products and the increase in unit cost of raw materials and fuels in line with market.

### **Other income**

The Group's other income increased from RMB10 million for the first six months of 2020 to RMB11 million for the first six months of 2021. Other income was mainly net gain from sale of raw and scrap materials.

### **Administrative expenses**

For the first six months of 2021, the administrative expenses of the Group decreased by approximately 1% to RMB130 million as compared to RMB131 million for the first six months of 2020. The decrease in administrative expenses was mainly due to the decrease of sundry expenses, which was attributable to the improvement of administrative working efficiency.

**Finance costs**

For the first six months of 2021, the finance costs of the Group increased by approximately 4% to RMB142 million as compared to RMB137 million in the first six months of 2020. The increase in finance costs was mainly attributable to the increase of the Group's net foreign exchange loss.

**Income tax**

For the first six months of 2021, the Group's income tax increased by approximately 192% to RMB111 million as compared to RMB38 million in the first six months of 2020. The increase in income tax was mainly due to the increase of the Group's profit before taxation.

**Profit for the period**

For the first six months of 2021, the Group recorded a profit of RMB302 million, as compared to the loss of RMB277 million for the first six months of 2020, which represented a significant turn from a net loss position to a net profit position, and was mainly due to the increase in gross profit and the decrease in expected credit losses.

**Profit attributable to equity shareholders for the current period**

For the first six months of 2021, the Group recorded profit attributable to equity shareholders of the Company of RMB273 million from loss attributable to equity shareholders of RMB248 million for the first six months of 2020.

**Current assets**

The Group's current assets decreased by approximately 12% from RMB2.151 billion as at 31 December 2020 to RMB1.886 billion as at 30 June 2021, which was mainly attributable to the decrease in cash, trade and other receivables and contract assets.

**Current liabilities**

The Group's current liabilities increased slightly from RMB3.753 billion as at 31 December 2020 to RMB3.756 billion as at 30 June 2021, which was mainly attributable to the increase in short-term bank and other loans.

**Non-current liabilities**

The Group's non-current liabilities decreased by approximately 17% from RMB1.281 billion as at 31 December 2020 to RMB1.058 billion as at 30 June 2021, which was mainly attributable to the decrease in long-term bank and other loans.

## **CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND ASSETS-LIABILITIES RATIO**

As at 30 June 2021, the Group's cash and cash equivalents were RMB583 million (31 December 2020: RMB806 million), of which 73% (31 December 2020: 81%) were denominated in RMB, 3% (31 December 2020: 6%) were denominated in United States Dollars ("USD"), 8% (31 December 2020: 6%) were denominated in Nigeria Naira, 1% (31 December 2020: 1%) were denominated in Hong Kong dollars ("HKD"), and 15% (31 December 2020: 6%) were denominated in Euro ("EUR"). Outstanding bank and other loans were RMB3.585 billion (31 December 2020: RMB3.440 billion), of which 63.9% (31 December 2020: 56.8%) were denominated in RMB, 29.3% (31 December 2020: 36.1%) were denominated in USD, 6.2% (31 December 2020: 6.5%) were denominated in HKD and 0.6% (31 December 2020: 0.6%) were denominated in EUR.

As at 30 June 2021, the gearing ratio (total interest-bearing debts divided by total assets) was 0.49 (31 December 2020: 0.49). As at 30 June 2021, the Group's current ratio (current assets divided by current liabilities) was 0.50 (31 December 2020: 0.57). The Group recorded net current liabilities amounted to RMB1.869 billion as at 30 June 2021 (31 December 2020: RMB1.602 billion). As at 30 June 2021, assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.66 (31 December 2020: 0.70). As at 30 June 2021, 73% (31 December 2020: 62%) of the outstanding bank and other loans bear interest at fixed rates while approximately 27% (31 December 2020: 38%) bear interest at variable rates. As at 30 June 2021, 72% (31 December 2020: 65%) of the outstanding bank and other loans will mature within one year while 28% (31 December 2020: 35%) will mature after one year.

## **EXCHANGE RATE FLUCTUATION RISK AND RELATED HEDGING**

The Group's transactions and monetary assets were primarily denominated in RMB, HKD, EUR, USD and Naira. Operating expenses and domestic sales of the Group's PRC subsidiaries were primarily denominated in RMB, operating expenses and sales of a subsidiary incorporated in Nigeria were primarily denominated in Naira, and certain borrowings of the Group were denominated in USD. The Group was of the opinion that the future fluctuation of RMB would be closely associated with the development of the PRC economy. The Group's net assets, profits and dividends may be affected by the fluctuation of the exchange rate of RMB and Nigeria Naira. During the six months ended 30 June 2021, the Group did not purchase any derivatives for hedging purposes.

## **MATERIAL ACQUISITIONS AND DISPOSALS, SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITIONS OF CAPITAL ASSETS**

Save as disclosed below, during the six months ended 30 June 2021, the Group did not have any material investments or acquisitions of capital assets, or material acquisitions or disposals of subsidiaries and associated companies, or significant investments.

On 6 May 2021, CNG Investment Company Limited\* (中玻投資有限公司)(as the purchaser and an indirect wholly-owned subsidiary of the Company) entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) with Fujian Longtai Jiahao Investment Company Limited\* (福建龍泰嘉豪投資有限公司)(as the seller) for the acquisition of 55% equity interest in Fujian Longtai. The Equity Transfer Agreement had been approved by the shareholders of the Company in the special general meeting held on 16 July 2021. The completion of the Equity Transfer Agreement took place on 16 July 2021 (the “**Completion**”) and Fujian Longtai had become a 55%-owned subsidiary of the Company following the Completion (the “**Fujian Longtai Acquisition**”).

As at the date of this announcement, the Group has no plan to make any material investments or acquisitions of capital assets.

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

Save for the Distribution (as defined herein below) and the completion of the Fujian Longtai Acquisition, there have been no important events affecting the Group that have occurred since the end of the reporting period.

## **HUMAN RESOURCES AND EMPLOYEES’ REMUNERATION**

As at 30 June 2021, the Group employed approximately a total of 3,436 employees within and outside the PRC (31 December 2020: about 3,391 employees). The slight increase in staff number of the Group as at 30 June 2021 as compared to 31 December 2020 is a natural consequence of business growth.

The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group’s salary and bonus system. The Company has conditionally adopted the share option schemes for the qualified participants and the share award scheme for certain employees.

The employees of the companies in the Group which were established in the PRC and abroad participate in the benefit schemes meeting requirements of local labour laws and regulations, respectively. No contribution to the above schemes were forfeited for the six months ended 30 June 2021.

## **INTERIM DIVIDEND**

The Board has resolved not to declare interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## **DISTRIBUTION**

As announced by the Company in an announcement dated 27 August 2021, the Board has resolved to propose a distribution of HK\$0.05 per share out of the contributed surplus account of the Company after the 2021 interim period (the “**Distribution**”) (six months ended 30 June 2020: Nil). The Distribution is conditional upon (including but not limited to) (i) the approval of the shareholders of the Company at the special general meeting; and (ii) compliance with the relevant requirements under the Companies Act 1981 of Bermuda and the bye-laws of the Company.

## **SHARE OPTION SCHEMES**

The Company has conditionally adopted a share option scheme (the “**Old Share Option Scheme**”) on 30 May 2005 in order to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of its shareholders, and to maintain or attract business relationship with the qualified participants whose contributions are or may be beneficial to the growth of the Group.

On 13 May 2015, the Company granted share options to a director and certain employees of the Group under the Old Share Option Scheme. Further details of the share options are disclosed in Note 12(b)(i) to the condensed consolidated financial statements.

On 22 June 2015, the Old Share Option Scheme was expired and a new share option scheme (the “**New Share Option Scheme**”) was approved by a special general meeting of shareholders of the Company on 19 February 2016.

During the six months ended 30 June 2021, save for a total of 1,320,000 share options that have lapsed during this period, no share options were exercised, cancelled or lapsed under the Old Share Option Scheme; and no share options were granted, exercised, cancelled or lapsed under the New Share Option Scheme.

## **SHARE AWARD SCHEME**

The Board approved the adoption of the share award scheme of the Company (the “**Share Award Scheme**”) on 12 December 2011 in order to recognise the contributions made by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme would operate in parallel with the Old Share Option Scheme and the New Share Option Scheme.

During the six months ended 30 June 2021, no shares were awarded or vested to directors and employees of the Group under the Share Award Scheme. Further details of the awards granted under the Share Award Scheme are disclosed in Note 12(b)(ii) to the condensed consolidated financial statements.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a public float of not less than 25% of the issued share capital of the Company as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the six months ended 30 June 2021 and up to the latest practicable date prior to the issue of this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company, comprising Mr. Chen Huachen as chairman as well as Mr. Peng Shou, Mr. Zhang Baiheng and Mr. Wang Yuzhong as members, has reviewed, together with the participation of the Company’s management and the external auditors, KPMG, the accounting principles and practices adopted by the Group, and has discussed operational, risk management and internal control, and financial reporting matters and systems of the Group, including the review of the unaudited interim results of the Group for the six months ended 30 June 2021.



## **INVESTOR RELATIONS AND COMMUNICATIONS**

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Group's performance and development.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

Throughout the six months ended 30 June 2021, the Company applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the Directors. Confirmation has been received from all Directors that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2021.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaglassholdings.com](http://www.chinaglassholdings.com)). The interim report of the Company for the six months ended 30 June 2021 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above-mentioned websites in due course.

By Order of the Board  
**China Glass Holdings Limited**  
**Lyu Guo**  
*Executive Director*

Hong Kong, 27 August 2021



As at the date of this announcement, the directors of the Company are as follows:

Executive Director:

Mr. Lyu Guo

Non-executive Directors:

Mr. Peng Shou (*Chairman*); Mr. Zhao John Huan; and Mr. Zhang Jinshu

Independent Non-executive Directors:

Mr. Zhang Baiheng; Mr. Chen Huachen; and Mr. Wang Yuzhong

\* *For identification purpose only*