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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 2022**

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 2022 together with the comparative figures for the corresponding period in 2021.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022 – unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2022	2021
	Note	RMB'000	RMB'000
<b>Revenue</b>	4	<b>2,061,978</b>	2,025,214
Cost of sales		<u>(1,635,531)</u>	<u>(1,310,515)</u>
<b>Gross profit</b>	4	<b>426,447</b>	714,699
Other income	5	<b>49,598</b>	11,134
Distribution costs		<b>(48,578)</b>	(39,908)
Administrative expenses		<b>(158,350)</b>	(130,021)
Impairment losses on receivables and contract assets		<u><b>(169)</b></u>	<u>(648)</u>
<b>Profit from operations</b>		<b>268,948</b>	555,256
Finance costs	6(a)	<u><b>(128,787)</b></u>	<u>(142,011)</u>
<b>Profit before taxation</b>	6	<b>140,161</b>	413,245
Income tax	7	<u><b>(19,012)</b></u>	<u>(111,097)</u>
<b>Profit for the period</b>		<u><b>121,149</b></u>	<u><b>302,148</b></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>115,708</b>	273,267
Non-controlling interests		<u><b>5,441</b></u>	<u>28,881</u>
<b>Profit for the period</b>		<u><b>121,149</b></u>	<u><b>302,148</b></u>
<b>Earnings per share (RMB cent)</b>	8		
Basic		<u><b>6.881</b></u>	<u>16.480</u>
Diluted		<u><b>6.880</b></u>	<u>16.431</u>

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

*For the six months ended 30 June 2022 – unaudited*

*(Expressed in RMB)*

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>121,149</b>	<b>302,148</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>65</b>	<b>(34)</b>
Item that may be reclassified subsequently to profit or loss:		
– exchange differences on translation	<b>(37,910)</b>	<b>(9,324)</b>
<b>Total comprehensive income for the period</b>	<b>83,304</b>	<b>292,790</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>77,859</b>	<b>263,911</b>
Non-controlling interests	<b>5,445</b>	<b>28,879</b>
<b>Total comprehensive income for the period</b>	<b>83,304</b>	<b>292,790</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

(Expressed in RMB)

		(unaudited) At 30 June 2022 RMB'000	(audited) At 31 December 2021 RMB'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		7,343,817	6,750,142
Investment property		20,583	21,240
Right-of-use assets		543,867	560,577
Intangible assets		64,809	66,762
Other non-current assets		138,698	182,006
Goodwill		124,572	127,215
Interest in joint ventures		5,951	5,685
Equity securities designated at FVOCI		1,697	1,610
Deferred tax assets		203,557	187,472
		<u>8,447,551</u>	<u>7,902,709</u>
<b>Current assets</b>			
Inventories		1,221,933	832,908
Contract assets		47,700	35,190
Trade and bills receivables	9	185,144	194,244
Other receivables	10	338,639	353,534
Prepayments		231,464	364,922
Prepaid income tax		3,886	4,092
Cash on hand and at bank		1,019,665	692,935
		<u>3,048,431</u>	<u>2,477,825</u>
<b>Current liabilities</b>			
Trade and bills payables	11	493,148	462,072
Accrued charges and other payables	12	988,930	1,051,983
Contract liabilities		281,705	204,926
Bank loans and other borrowings		4,133,880	3,826,420
Leases liabilities		10,278	14,200
Income tax payable		193,615	206,115
		<u>6,101,556</u>	<u>5,765,716</u>
<b>Net current liabilities</b>		<u>(3,053,125)</u>	<u>(3,287,891)</u>
<b>Total assets less current liabilities</b>		<u>5,394,426</u>	<u>4,614,818</u>

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

*At 30 June 2022*

*(Expressed in RMB)*

		(unaudited)	(audited)
		At	At
		30 June	31 December
		2022	2021
	Note	RMB'000	RMB'000
<b>Non-current liabilities</b>			
Bank loans and other borrowings		1,801,745	1,016,138
Lease liabilities		67,911	73,423
Deferred tax liabilities		136,642	137,583
Other non-current liabilities		9,438	9,651
		<u>2,015,736</u>	<u>1,236,795</u>
<b>NET ASSETS</b>		<u><b>3,378,690</b></u>	<u><b>3,378,023</b></u>
<b>CAPITAL AND RESERVES</b>	13		
Share capital		85,951	85,703
Reserves		<u>2,567,375</u>	<u>2,562,081</u>
<b>Total equity attributable to equity</b>			
shareholders of the Company		2,653,326	2,647,784
Non-controlling interests		<u>725,364</u>	<u>730,239</u>
<b>TOTAL EQUITY</b>		<u><b>3,378,690</b></u>	<u><b>3,378,023</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2022 – 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 2022 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 29 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any 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 2021 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 2021 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 2022.

As at 30 June 2022, the Group had net current liabilities of RMB3,053,125,000 (31 December 2021: RMB3,287,891,000). Notwithstanding the net current liabilities as at 30 June 2022, 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 of a cash flow forecast of the Group for the next twelve months ending 30 June 2023 prepared by the management, which has taken into account:

- the Group has unutilised bank facilities of RMB791.1 million;
- the Group has newly financed and refinanced bank loans and other borrowings of RMB1,867.9 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 RMB496.7 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 2023; 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.

Based on the cash flow forecast, 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:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

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>2022</b>	<b>2021</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></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>1,922,756</b>	1,954,402
– revenue from service contracts	<b>122,762</b>	62,082
– sales of spare parts	<b>16,460</b>	8,730
	<b><u>2,061,978</u></b>	<b><u>2,025,214</u></b>
Disaggregated by geographical location of customers		
– The Mainland China and Hong Kong (place of domicile)	<b><u>1,400,117</u></b>	<b><u>1,562,782</u></b>
– Nigeria	<b>226,815</b>	173,011
– Middle East	<b>128,812</b>	85,885
– Ghana	<b>56,086</b>	27,373
– Other countries	<b>250,148</b>	176,163
	<b><u>661,861</u></b>	<b><u>462,432</u></b>
	<b><u>2,061,978</u></b>	<b><u>2,025,214</u></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 2022 and 2021 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
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	1,037,403	979,543	247,167	321,084	507,591	424,718	130,595	233,020	16,460	8,730	1,939,216	1,967,095
– over time	–	–	–	–	–	–	–	–	122,762	58,119	122,762	58,119
Revenue from external customers	1,037,403	979,543	247,167	321,084	507,591	424,718	130,595	233,020	139,222	66,849	2,061,978	2,025,214
Inter-segment revenue	–	49,468	–	116	–	2,349	–	–	–	–	–	51,933
Reportable segment revenue	<u>1,037,403</u>	<u>1,029,011</u>	<u>247,167</u>	<u>321,200</u>	<u>507,591</u>	<u>427,067</u>	<u>130,595</u>	<u>233,020</u>	<u>139,222</u>	<u>66,849</u>	<u>2,061,978</u>	<u>2,077,147</u>
Reportable segment gross profit	<u>75,851</u>	<u>329,863</u>	<u>79,190</u>	<u>127,199</u>	<u>212,007</u>	<u>175,387</u>	<u>25,164</u>	<u>69,513</u>	<u>34,235</u>	<u>12,737</u>	<u>426,447</u>	<u>714,699</u>

## 5 OTHER INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Government grants	31,516	2,740
Net gain from sale of raw and scrap materials	11,682	6,235
Interest income	3,690	3,461
Rental income from investment property	545	938
Net gain/(loss) on disposal of property, plant and equipment	67	(1,594)
Net loss on disposal of a subsidiary	–	(5,158)
Others	2,098	4,512
	<u>49,598</u>	<u>11,134</u>

## 6 PROFIT BEFORE TAXATION

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

### (a) Finance costs

	Six months ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank loans and other borrowings	107,908	90,225
Interest on lease liabilities	3,164	1,475
Finance charges on convertible bonds	–	21
Bank charges and other finance costs	34,257	20,757
	<hr/>	<hr/>
Total borrowing costs	145,329	112,478
Less: amounts capitalised into property, plant and equipment (Note)	(20,784)	(16,468)
	<hr/>	<hr/>
Net borrowing costs	124,545	96,010
Net foreign exchange losses	4,242	46,001
	<hr/>	<hr/>
	<b>128,787</b>	<b>142,011</b>
	<hr/>	<hr/>

Note: The borrowing costs have been capitalised at 5.68% per annum for the six months ended 30 June 2022 (5.82% per annum for the six months ended 30 June 2021).

(b) Other items

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	1,635,531	1,310,515
Depreciation and amortisation charge		
– property, plant and equipment and intangible assets	170,547	132,541
– investment property	657	578
– right-of-use assets	11,938	10,031
Research and development costs (other than capitalised costs and related amortisation)	601	484

7 INCOME TAX

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation:		
– provision for Corporate Income Tax on the estimated taxable profits for the period	24,715	90,292
– PRC Withholding Tax	11,033	–
– over-provision of Corporate Income Tax in respect of prior years	–	(28)
	35,748	90,264
Deferred taxation	(16,736)	20,833
	19,012	111,097

The Hong Kong Profits Tax rate for the six months ended 30 June 2022 is 16.5% (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 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's corporate income taxes.

A subsidiary of the Group established in Italy is subject to Italy Corporate Income Tax rate of 27.9% (six months ended 30 June 2021: 27.9%).

Pursuant to the PRC Corporate Income Tax Law, non-resident which have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business in the PRC, are subject to PRC income tax at the rate of 10% on various types of passive income including dividends derived from sources in the PRC (the "PRC Withholding Tax"). The dividends distributed by subsidiaries of the Group established in the PRC to their non-resident equity owners are subject to the PRC Withholding Tax.

## 8 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2022 is based on the profit attributable to ordinary equity shareholders of the Company of RMB115,708,000 (six months ended 30 June 2021: RMB273,267,000) and the weighted average of 1,681,551,000 ordinary shares, taking into the effect of shares purchased under a share award scheme set out in Note 13(b)(ii) (six months ended 30 June 2021: 1,658,147,000 shares) in issue during the six months ended 30 June 2022.

#### Weighted average number of ordinary shares

	2022 '000	2021 '000
Issued ordinary shares at 1 January	1,678,288	1,658,147
Effect of share options exercised	3,263	—
Weighted average number of ordinary shares at 30 June	<u>1,681,551</u>	<u>1,658,147</u>

**(b) Diluted earnings per share**

The calculation of diluted earnings per share for the six months ended 30 June 2022 is based on the profit attributable to ordinary equity shareholders of the Company (diluted) of RMB115,708,000 (six months ended 30 June 2021: RMB272,471,000) and the weighted average number of ordinary shares (diluted) of 1,681,746,000 (six months ended 30 June 2021: 1,658,314,000 shares).

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit attributable to ordinary equity shareholders	<b>115,708</b>	273,267
After tax effect of effective interest on the liability component of convertible bonds	–	21
After tax effect of net gain on redemption of convertible bonds	–	(817)
	<hr/>	<hr/>
Profit attributable to ordinary equity shareholders (diluted)	<b><u>115,708</u></b>	<u>272,471</u>

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

	<b>2022</b>	2021
	<b><i>'000</i></b>	<i>'000</i>
Weighted average number of ordinary shares at 30 June	<b>1,681,551</b>	1,658,147
Effect of conversion of convertible bonds	–	167
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<b>195</b>	–
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 30 June	<b><u>1,681,746</u></b>	<u>1,658,314</u>

## 9 TRADE AND BILLS RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade receivables from:		
– third parties	253,557	211,804
– Triumph Group's related parties	1,253	1,610
– affiliates of non-controlling equity owners of subsidiaries	–	15,069
	254,810	228,483
Less: loss allowance	(125,763)	(126,807)
Financial assets measured at amortised cost	129,047	101,676
Bills receivable	56,097	92,568
	<b>185,144</b>	<b>194,244</b>

All of the trade and bills receivables are expected to be recovered 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.

### Ageing analysis

The ageing analysis (based on the invoice date) of trade and bills receivables (net of loss allowance for doubtful debts) as of the end of the reporting period is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 month	68,912	118,000
More than 1 month but less than 3 months	59,168	39,374
More than 3 months but less than 6 months	43,203	21,054
More than 6 months but less than 1 year	13,603	10,720
Over 1 year	258	5,096
	<b>185,144</b>	<b>194,244</b>

## 10 OTHER RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Amounts due from related companies:		
– an equity shareholder of the Company (Note (i))	13	12
– non-controlling equity owners of a subsidiary (Note (i))	<u>51,345</u>	<u>38,358</u>
	<u>51,358</u>	<u>38,370</u>
Deposits and other debtors (Note (ii))	365,599	370,992
Less: loss allowance	<u>(165,432)</u>	<u>(165,432)</u>
	<u>200,167</u>	<u>205,560</u>
Financial assets measured at amortised cost	251,525	243,930
Value added tax refundable	<u>87,114</u>	<u>109,604</u>
	<u>338,639</u>	<u>353,534</u>

Notes:

- (i) The amounts are non-interest bearing, have no fixed terms of repayment, and are secured by the equity interests of the subsidiary held by these non-controlling equity owners.
- (ii) As at 30 June 2022, the amounts of RMB87.0 million (31 December 2021: RMB87.0 million) is the remaining receivables from the local government authority for relocation of production plants.

All of the other receivables are expected to be recovered or recognised as expenses within one year.



## 11 TRADE AND BILLS PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade payables to:		
– third parties	354,605	365,966
– Triumph Group's related parties	263	606
Bills payable	138,280	95,500
	<u>493,148</u>	<u>462,072</u>

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

The ageing analysis (based on the maturity date) of trade and bills payable as of the end of the reporting period is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Due within 1 month or on demand	356,018	407,572
Due after 1 month but within 6 months	135,408	39,500
Due after 6 months but within 1 year	1,722	15,000
	<u>493,148</u>	<u>462,072</u>

## 12 ACCRUED CHARGES AND OTHER PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Amounts due to related parties:		
– Triumph Group and its related parties (Note)	340,431	349,437
– a non-controlling equity owner of a subsidiary	–	134,316
	<u>340,431</u>	<u>483,753</u>
Accrued charges and other payables	<u>610,056</u>	<u>524,263</u>
Financial liabilities measured at amortised cost	950,487	1,008,016
Payables for miscellaneous taxes	38,443	42,787
Provision for legal claims	–	1,180
	<u>988,930</u>	<u>1,051,983</u>

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

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

## 13 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 do not recommend the payment of an interim distribution for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$0.05 per share).

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

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the following interim period, of HK\$0.05 per ordinary share (six months ended 30 June 2021: HK\$Nil)	<b>78,517</b>	–

**(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. Under the Share Option Scheme, 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 the expiry date of 13 May 2022.

During the six months ended 30 June 2022, 5,930,000 share options granted under the Share Option Scheme were exercised before its expiry to subscribe for ordinary shares in the Company at a consideration of HK\$7,412,500 (six months ended 30 June 2021: Nil). As at 13 May 2022, the outstanding 2,650,000 share options granted under the Share Option Scheme were expired without exercise.

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 2022 (six months ended 30 June 2021: 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>No. of shares held</b> <i>'000</i>	<b>Value</b> <i>RMB'000</i>
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	<u>152,000</u>	<u>75,689</u>

During the six months ended 30 June 2022, no ordinary share was purchased for the Share Award Scheme (six months ended 30 June 2021: Nil). 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 2022, due to the recurrent outbreaks of COVID-19 worldwide, the intensified geopolitical conflicts, the rising inflationary pressures in the United States and European developed economies, the pace of world economic recovery slowed down. In the first half of the year, the economic development of the PRC faced triple pressures of “shrinking demand, supply shock, and weakened expectations” affected by the Russian-Ukrainian crisis, a new round of epidemic and the prevention and control policies, which were beyond expectations. In order to maintain the economic operation in a reasonable range, the Chinese government efficiently coordinated both prevention and control of epidemic and economic and social development, effectively implemented a package of policies and measures to stabilize the economic growth, and accelerated the resumption of work, production, business and markets.

In the first half of 2022, due to the continued influence of the national supply-side structural reform, the peak carbon dioxide emissions and carbon neutrality (“**double carbon (雙碳)**”) initiative and environmental protection policies, the production capacity of the domestic flat glass industry was stable. Affected by the combined effect of factors including the sluggish real estate industry, the recurrent outbreaks of the COVID-19, the rising cost of raw and fuel materials, etc., the domestic flat glass industry ran weakly as a whole.

### BUSINESS REVIEW

#### Overview

The Group currently has 14 float glass production lines, with a daily melting capacity of 7,400 tonnes. As at 30 June 2022, the Group had 10 float glass production lines in operation. The unoperated production lines included a float glass production line in Kazakhstan in the preparation stage before production and 3 other float glass production lines which were in the cold repair stage. In addition, the Group also had 1 offline low-emission coated (“**Low-E**”) glass production line, a company specialized in engineering equipment and technical services for neutral pharmaceutical glass production lines and 1 photovoltaic glass production line in the preparation stage before production.

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

In the first half of 2022, the Group produced approximately 21.17 million and sold 16.52 million weight cases of various types of glass products, representing an increase of 20% and a decrease of 3%, respectively, compared with the same period of last year, with a consolidated average selling price of approximately RMB116.4 per weight case, representing an increase of 1% 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 2022, the overall demand in the domestic soda ash market remained resilient, the rate of operation of soda ash enterprises fluctuated within a narrow range, and the market price continued to rise. In terms of mineral raw materials, due to the continued national environmental protection and safety supervision, rectification works and the high cost and standard of raw ore mining, the domestic mineral resources market was in short supply and the price of quartz sand remained at a high level, showing an overall trend of rising before falling.

In terms of fuel, in the first half of 2022, the energy prices of international fuel oil, natural gas, petcoke etc. fluctuated upward under the effect of a combination of factors such as energy crisis caused by geopolitical conflicts, global mismatches between supply and demand and global weather anomalies and so on.

### **MAJOR WORKS IN THE FIRST HALF OF 2022**

In the first half of 2022, in the face of the complex and ever-changing external environment, with the aim of improving its operating performance, the Group focused on the float glass business and deepened the implementation of its mid- and long-term development strategy integrating “organic growth, M&A growth and going global” (“**three major strategies**”). While conscientiously proceeding with the work of “cost reduction and efficiency enhancement”, the Group proactively promoted the construction progress of new glass, new materials and new energy projects (“**three new projects**”) and deepened the unified system management covering “production, marketing, procurement, finance and investment” (“**five-in-one**”). The efforts were mainly exerted in the following aspects:

**1. Seizing market opportunities and adjusting procurement and marketing strategies in a timely manner**

In terms of procurement management, we paid close attention to the economic environment and fluctuations in market conditions. Taking into account of the situation, we deeply explored strategic cooperation with high-quality suppliers through centralized purchasing, off-peak purchasing, opportunistic purchasing, advance purchasing, etc., to effectively reduce the purchasing costs of raw and fuel materials. Meanwhile, we ensured the stability of raw and fuel materials supply and production safety through overall planning, field survey, intelligent monitoring, dynamic management, etc.

In respect of marketing management, we focused on strengthening management and control of the price and grasped the pace of market changes, to quickly adjust marketing strategies; we strengthened research and judgment to adjust product structure in a timely manner, to increase sales of high value-added specialty products and to fully meet market demand. Meanwhile, we balanced and coordinated customer channel relationships and promoted the improvement of customer resource quality through improving the dynamic customer contract management system, strengthening sales channel development, customer satisfaction surveys, and other measures.

**2. Proactively responding to market changes, tapping potential internally, and vigorously carrying out “cost reduction and efficiency enhancement”**

Every base of the Group proactively promoted the work of “cost reduction and efficiency enhancement” according to local conditions. In terms of production technology, we practically strengthened the management and control of the whole production process and reasonably adjusted the structure of raw and fuel materials on the basis of ensuring product quality and safe production, to effectively reduce the heat consumption of furnaces and comprehensive energy consumption; in respect of finance, in coordination with the headquarters and bases, we strengthened comprehensive budget management to effectively control costs. At the same time, we proactively sought for low-cost and diversified financing channels to match high-quality capital resources for the rapid expansion of the Group’s businesses.

**3. Adhering to technological innovation and steadily advancing the “three new projects”, striving for new breakthroughs in business development**

In response to the national “double carbon” initiative and in accordance with the relevant national policies and measures for green and low-carbon development, we relied on internal and external technology development platforms to promote the unified and collaborative management of the Group's production technologies, to strengthen the technical differentiation of coated glass products and other featured products of CNG in the industry, to enhance the market competitiveness and promote the green development and sustainable development of the Company simultaneously.

The new Energy Business Department newly established at the headquarters of the Group coordinated and managed the “three new projects” of the Group. Looking at the national sustainable development policy and market conditions, it comprehensively developed new energy glass, meanwhile, effectively promoted the construction progress of projects under construction. A photovoltaic glass production line of the Group in Suqian Base was in the preparation stage before production, gradually forming the new energy industry layout in Suqian.

**4. The “going global” strategy has achieved remarkable results, boosted performance growth and enhanced the ability of overall risk-resistance of the Company**

The operating results of the overseas projects achieved outstanding performance. The profitability of the project in Nigeria was significantly ahead of standard of peers in mainland China; in the project in Italy, the business scale of borosilicate pharmaceutical glass and hollow glass equipment service segment grew strongly, and the new solar energy and its technology development segment developed gradually, which is expected to become a new economic growth driver in the future; the project in Kazakhstan will be ignited soon.

**5. Being people-oriented and giving full play to the effectiveness of the incentive mechanism**

We fully implemented the “people-oriented” humanistic concept. Through further improving the performance appraisal system, organizing skills training for employees, optimizing the configuration of the senior management team, and other measures, we continuously strengthened human resource management and gave full play to its positive and incentive role.



## **IMPACT OF COVID-19 PANDEMIC AND COUNTERMEASURES**

In the first half of 2022, it was difficult to effectively control the pandemic abroad, and the pandemic spread in many places in the PRC. According to the national general strategy of “prevention of input from abroad, prevention of resurgence domestically” and the general policy of “dynamic zero” for pandemic prevention and control, 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 and procurement strategies based on real-time tracking of the import and export channels and personnel entry and exit policies, optimization of supply chain transportation channels, coordinated domestic and overseas production and operation and safe working environment for employees to maximize the optimal allocation of resources and deal with emergencies caused by the pandemic.

## **MARKET OUTLOOK**

In the second half of 2022, in light of the increased downward pressure on the world economy, the International Monetary Fund lowered the value of economic growth forecast by 0.4% to 3.2%<sup>1</sup>. With the effective control of the domestic epidemic and the steady implementation of macro support policies, China’s economy is expected to reflect a steady recovery. In the second half of the year, the glass industry will enter the traditional peak season. Under the influence of the national “double carbon” initiative and relevant policies such as “guaranteeing the delivery of buildings and stabilizing people’s livelihood”, the market demand for construction and new energy glass is expected to rebound. In addition, as the supply-side cold repair is expected to reach the peak, the glass price may usher in a rebound. However, the frequent mutation of the COVID-19, the lack of fundamental relief of geopolitical conflicts, and the overall rise in commodity prices brought about by global inflation will still pose challenges to the development of the glass industry.

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

In terms of raw materials, in the second half of 2022, with the effective control of domestic epidemic and the picking up of the demand for downstream glass products, it is expected that the domestic price of soda ash will fluctuate upward; and that the prices of quartz sand and other mineral raw materials will stabilize at a high level due to the support of the mining cost.

<sup>1</sup> The statistical data is derived from the website of the International Monetary Fund – July 2022 World Economic Outlook

In terms of fuels, in the second half of 2022, affected by the international situation, the trend of demand for major bulk fuels will continue to grow. As affected by a combination of factors such as passive reduction in terminal demand and tight supply, natural gas prices are expected to remain at a high level, and the increase will be lower than that in the first half of the year. Coal tar, petroleum coke, etc. are expected to drop slightly from high levels due to the impacts of limited demand for international crude oil and the increasing pressure on inventories in the international market.

## **WORK PLANS FOR THE SECOND HALF OF 2022**

Centering on improving performance of the Company, the Group will continue to focus on the principal float glass business, expand the fields of “three new projects”, extend the upstream and downstream industry chain to achieve new breakthroughs in the development of the Company; the Company will continue to adhere to the “three major strategies”, and rely on the advantages of shareholders to build a leading manufacturer of high-quality float and special glass in the industry:

Opportunities and challenges will coexist in the glass industry in the second half of the year. The Group will research and judge the industry and economic development situation, and proactively take countermeasures:

1. We will continue to strengthen the management functions of departments and deepen “five in one” system management, and give full play to the synergy between the five systems and bases. We will proactively implement the management philosophies of “benchmarking management”, “streamlining organization, management and operation” and “differentiated operation”, strengthen the awareness of crisis, and effectively promote the work of “cost reduction and efficiency enhancement”.
2. We will proactively seize on the construction progress of “three new projects” and cold repair technical renovation projects, and contribute to new benefit drivers; focus on the construction progress and operation situation of overseas projects to further improve the benefit contribution of overseas projects.

3. We will further improve the salary increment mechanism and performance appraisal system and promote the formulation and implementation of equity-based incentive plan, to boost employees' happiness; we will place importance on the construction of corporate culture, enhance the centripetal force and cohesion of employees; and intensify the introduction and training of talents to optimize the staff structure, and proceed to carry out the work of intelligent and digital transformation, to lay a solid foundation for the sustainable development and comprehensive transformation and development of the Company.
4. We will strength capital market management and promote the healthy development of the Company's market value.
5. We will emphasize supervision and management of compliance to prevent and defuse operational risks of the Company.

## **FINANCIAL REVIEW**

### **Revenue**

For the first six months of 2022, the revenue of the Group from its principal business increased by approximately 2% to RMB2,061,978,000 as compared to RMB2,025,214,000 in the first six months of 2021. The increase in revenue was mainly attributable to the combined effects of the increase in average unit selling price and the slight decrease in sales volume.

### **Cost of sales**

The Group's cost of sales increased by approximately 25% from RMB1,310,515,000 for the first six months of 2021 to RMB1,635,531,000 for the first six months of 2022. The increase in cost of sales was mainly attributable to the increase in unit cost of raw materials and fuels.

### **Gross profit**

The Group's gross profit decreased by approximately 40% from RMB714,699,000 for the first six months of 2021 to RMB426,447,000 for the first six months of 2022. The decrease in gross profit was mainly due to the combined effects of the slight increase in sales revenue and the significant increase in the cost of sales.

**Other income**

The Group's other income increased from RMB11,134,000 for the first six months of 2021 to RMB49,598,000 for the first six months of 2022. Other income was mainly from government grants and sale of raw and scrap materials.

**Administrative expenses**

For the first six months of 2022, the administrative expenses of the Group increased by approximately 22% to RMB158,350,000 as compared to RMB130,021,000 for the first six months of 2021. The increase in administrative expenses was mainly due to the acquisition of a new production line in 2021 and the inclusion of the period expenses incurred from the cold repair of the production lines in the period.

**Finance costs**

For the first six months of 2022, the finance costs of the Group decreased by approximately 9% to RMB128,787,000 as compared to RMB142,011,000 in the first six months of 2021. The substantial decrease in finance costs was benefited from the relatively lower average interest rates of the new borrowings of the Group.

**Income tax**

For the first six months of 2022, the Group's income tax decreased by approximately 83% to RMB19,012,000 as compared to RMB111,097,000 in the first six months of 2021. The decrease in income tax was mainly due to the decrease in profit before taxation and ratio of profit from certain subsidiaries legally entitled to preferential tax rates increased.

**Profit for the period**

For the first six months of 2022, the Group's profit decreased to RMB121,149,000 as compared to RMB302,148,000 for the first six months of 2021, which was mainly due to the combined effects of the decrease of gross profit and the increase in administrative expenses and other factors.

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

For the first six months of 2022, the Group's profit attributable to equity shareholders of the Company decreased to RMB115,708,000 as compared to RMB273,267,000 for the first six months of 2021.

**Current assets**

The Group's current assets increased by approximately 23% from RMB2,477,825,000 as at 31 December 2021 to RMB3,048,431,000 as at 30 June 2022, which was mainly attributable to the increase in cash, inventories and contract assets.

**Current liabilities**

The Group's current liabilities increased by approximately 6% from RMB5,765,716,000 as at 31 December 2021 to RMB6,101,556,000 as at 30 June 2022, which was mainly attributable to the increase in short-term bank loans and other borrowings.

**Non-current liabilities**

The Group's non-current liabilities increased by approximately 63% from RMB1,236,795,000 as at 31 December 2021 to RMB2,015,736,000 as at 30 June 2022, which was mainly attributable to the increase in long-term bank loans and other borrowings.

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

As at 30 June 2022, the Group's cash on hand and at bank were RMB1,019,665,000 (31 December 2021: RMB692,935,000), of which 45% (31 December 2021: 37%) were denominated in RMB, 8% (31 December 2021: 9%) were denominated in United States Dollars ("USD"), 27% (31 December 2021: 27%) were denominated in Nigerian Naira, 1% (31 December 2021: 1%) were denominated in Hong Kong dollars ("HKD"), 1% (31 December 2021: 2%) were denominated in Kazakhstan Tenge, and 18% (31 December 2021: 24%) were denominated in Euro ("EUR"). Outstanding bank loans and other borrowings were RMB5,935,625,000 (31 December 2021: RMB4,842,558,000), of which 73.3% (31 December 2021: 68.7%) were denominated in RMB, 21.9% (31 December 2021: 26.4%) were denominated in USD, 3.8% (31 December 2021: 4.5%) were denominated in HKD and 1% (31 December 2021: 0.4%) were denominated in EUR.

As at 30 June 2022, the gearing ratio (total interest-bearing debts divided by total assets) was 0.52 (31 December 2021: 0.48). As at 30 June 2022, the Group's current ratio (current assets divided by current liabilities) was 0.5 (31 December 2021: 0.43). The Group recorded net current liabilities amounted to RMB3,053,125,000 as at 30 June 2022 (31 December 2021: RMB3,287,891,000). As at 30 June 2022, assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.71 (31 December 2021: 0.67). As at 30 June 2022, 70% (31 December 2021: 80%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 30% (31 December 2021: 20%) bear interest at variable rates. As at 30 June 2022, 70% (31 December 2021: 79%) of the outstanding bank loans and other borrowings will mature within one year while 30% (31 December 2021: 21%) will mature after one year.

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

The Group's transactions and monetary assets were primarily denominated in RMB, 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, the operating expenses and sales of an engineering equipment and technical service company in Italy were primarily denominated in EUR 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 Nigerian Naira. During the six months ended 30 June 2022, 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**

During the six months ended 30 June 2022, 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.

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**

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 2022, the Group employed a total of approximately 3,788 employees within and outside the PRC (31 December 2021: about 3,822 employees). The slight decrease in staff number of the Group as at 30 June 2022 as compared to 31 December 2021 was mainly attributable to the Group's enhancement of employment efficiency and the suspension of production and cold repair of the production lines of individual production bases.

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 2022.

## **INTERIM DIVIDEND**

The Board has resolved not to declare interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## 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 13(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 2022, save for a total of 2,668,800 share options that have lapsed (including 2,650,000 unexercised share options lapsed at the expiry of the validity period of the share options on 12 May 2022) and 5,930,000 share options have been exercised 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. The Share Award Scheme was originally set to expire on 12 December 2021.

On 8 December 2021, the Board resolved to extend the term of the Share Award Scheme for another 10 years expiring on 12 December 2031, subject to any early termination as may be determined by the Board by a resolution of the Board (the “**Extension**”). Save as the aforesaid, all other material terms of the Share Award Scheme remain unchanged and valid. The Share Award Scheme (as extended under the Extension) does not constitute a share option scheme pursuant to Chapter 17 of 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 2022, 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 13(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 2022, 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 Listing Rules during the six months ended 30 June 2022 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 2022.

## **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 2022, 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 2022.

## **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 2022 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, 29 August 2022

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*