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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 2023

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 2023 together with the comparative figures for the corresponding period in 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023 – unaudited

*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2023	2022
	Note	***RMB'000***	*RMB'000*
Revenue	4	**2,107,111**	2,061,978
Cost of sales		**(2,000,747)**	(1,635,531)
Gross profit	4	**106,364**	426,447
Other income	5	**75,441**	49,598
Distribution costs		**(54,271)**	(48,578)
Administrative expenses		**(165,770)**	(158,350)
Impairment losses on receivables and contract assets		**(6,341)**	(169)
(Loss)/profit from operations		**(44,577)**	268,948
Finance costs	6(a)	**(167,231)**	(128,787)
Net gain on acquisition of interests in a joint venture		**33,628**	–
Net gain on disposal of interests in a joint venture		**98**	–
Share of loss of a joint venture		**(7,951)**	–
(Loss)/profit before taxation	6	**(186,033)**	140,161
Income tax	7	**47,391**	(19,012)
(Loss)/profit for the period		**(138,642)**	121,149
Attributable to:			
Equity shareholders of the Company		**(103,276)**	115,708
Non-controlling interests		**(35,366)**	5,441
(Loss)/profit for the period		**(138,642)**	121,149
(Loss)/earnings per share (RMB cent)	8		
Basic		**(6.132)**	6.881
Diluted		**(6.132)**	6.880

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023 – unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(138,642)**	121,149
Other comprehensive income for the period (after tax and reclassification adjustments):		
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)	**(193)**	65
Item that may be reclassified subsequently to profit or loss:		
– exchange differences on translation	**(514,516)**	(37,910)
Total comprehensive income for the period	**(653,351)**	83,304
Attributable to:		
Equity shareholders of the Company	**(617,973)**	77,859
Non-controlling interests	**(35,378)**	5,445
Total comprehensive income for the period	**(653,351)**	83,304

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023
(Expressed in RMB)

	Note	**(unaudited) At 30 June 2023 *RMB'000***	(audited) At 31 December 2022 *RMB'000*
Non-current assets			
Property, plant and equipment		**8,501,394**	8,517,228
Investment property		**35,381**	36,808
Right-of-use assets		**580,679**	510,028
Intangible assets		**49,601**	52,500
Other non-current assets		**127,293**	131,640
Goodwill		**135,435**	129,755
Interests in joint ventures		**65,225**	6,161
Equity securities designated at FVOCI		**1,253**	1,510
Deferred tax assets		**283,486**	233,201
		9,779,747	9,618,831
Current assets			
Inventories		**1,297,122**	1,078,882
Contract assets		**26,428**	27,697
Trade and bills receivables	9	**380,796**	527,452
Other receivables	10	**412,413**	416,009
Prepayments		**187,929**	262,616
Prepaid income tax		**12,507**	4,020
Cash on hand and at bank		**1,169,859**	1,349,796
		3,487,054	3,666,472
Current liabilities			
Trade and bills payables	11	**563,753**	435,896
Accrued charges and other payables	12	**867,228**	1,026,266
Contract liabilities		**269,473**	284,627
Bank loans and other borrowings		**4,933,111**	4,599,755
Leases liabilities		**11,579**	10,397
Income tax payable		**113,834**	132,076
		6,758,978	6,489,017
Net current liabilities		**(3,271,924)**	(2,822,545)
Total assets less current liabilities		**6,507,823**	6,796,286

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2023
(Expressed in RMB)

	Note	**(unaudited) At 30 June 2023** *RMB'000*	(audited) At 31 December 2022 *RMB'000*
Non-current liabilities			
Bank loans and other borrowings		**3,758,785**	3,338,673
Lease liabilities		**68,304**	65,354
Deferred tax liabilities		**89,769**	92,647
Other non-current liabilities		**9,321**	8,713
		3,926,179	3,505,387
NET ASSETS		**2,581,644**	3,290,899
CAPITAL AND RESERVES	13		
Share capital		**85,951**	85,951
Reserves		**1,881,454**	2,499,427
Total equity attributable to equity shareholders of the Company		**1,967,405**	2,585,378
Non-controlling interests		**614,239**	705,521
TOTAL EQUITY		**2,581,644**	3,290,899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023 – 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 2023 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 30 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 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 2022 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 2022 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 2023.

As at 30 June 2023, the Group had net current liabilities of RMB3,271,924,000 (31 December 2022: RMB2,822,545,000). Notwithstanding the net current liabilities as at 30 June 2023, 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. Management of the Group had prepared a cash flow forecast of the Group for at least the next twelve months from 30 June 2023, which has taken into account:

- the Group has unutilised bank facilities of RMB372.4 million;

- the Group has newly financed and refinanced bank loans and other borrowings and facilities of RMB430.0 million after 30 June 2023;

- 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 short-term bank loans or facilities with secured assets and/or guarantee amounting to RMB883.0 million, and the directors of the Company are of the opinion that renewal of bank loans or facilities is likely to be obtained during the twelve months ending 30 June 2024; and

- the Group has obtained financial assistance from its 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, of RMB2,226.1 million as at 30 June 2023, and the directors of the Company are of the opinion that such assistance will continue to be available based on the discussion with the Triumph Group.

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 a new HKFRS, HKFRS 17, *Insurance contracts*, and a number of amendments to HKASs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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 is 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 related services: this segment provides design, purchasing parts and installation services of pharmaceutical glass production lines and upgrading and transformation services of glass production process.

(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:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– sales of glass products	**1,937,963**	1,922,756
– revenue from service contracts	**143,938**	122,762
– sales of spare parts	**25,210**	16,460
	2,107,111	2,061,978
Disaggregated by geographical location of customers		
– The Mainland China and Hong Kong (place of domicile)	**1,483,987**	1,400,117
– Nigeria	**189,741**	226,815
– Middle East	**88,371**	128,812
– Other countries	**345,012**	306,234
	623,124	661,861
	2,107,111	2,061,978

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. No inter-segment sales have occurred for the six months ended 30 June 2023 and 2022. 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 2023 and 2022 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation related services		Total	
	Six months ended 30 June 2023	Six months ended 30 June 2022	**Six months ended 30 June 2023**	Six months ended 30 June 2022	**Six months ended 30 June 2023**	Six months ended 30 June 2022	**Six months ended 30 June 2023**	Six months ended 30 June 2022	**Six months ended 30 June 2023**	Six months ended 30 June 2022	**Six months ended 30 June 2023**	Six months ended 30 June 2022
	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	**1,029,291**	1,037,403	**215,697**	247,167	**435,562**	507,591	**257,413**	130,595	**25,210**	16,460	**1,963,173**	1,939,216
– over time	**–**	–	**–**	–	**–**	–	**–**	–	**143,938**	122,762	**143,938**	122,762
Revenue from external customers and reportable segment revenue	**1,029,291**	1,037,403	**215,697**	247,167	**435,562**	507,591	**257,413**	130,595	**169,148**	139,222	**2,107,111**	2,061,978
Reportable segment gross (loss)/profit	**(9,224)**	75,851	**10,651**	79,190	**111,601**	212,007	**(42,868)**	25,164	**36,204**	34,235	**106,364**	426,447

5 OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Government grants	**54,650**	31,516
Interest income	**12,925**	3,690
Net gain from sale of raw and scrap materials	**7,008**	11,682
Rental income from investment property	**2,187**	545
Net gain on disposals of property, plant and equipment	**109**	67
Others	**(1,438)**	2,098
	75,441	49,598

6 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**160,021**	107,908
Interest on lease liabilities	**2,743**	3,164
Bank charges and other finance costs	**43,941**	34,257
Total borrowing costs	**206,705**	145,329
Less: amounts capitalised into property, plant and equipment (Note)	**(23,487)**	(20,784)
Net borrowing costs	**183,218**	124,545
Net foreign exchange (gain)/loss	**(15,987)**	4,242
	167,231	128,787

Note: The borrowing costs have been capitalised at 4.39% per annum for the six months ended 30 June 2023 (5.68% per annum for the six months ended 30 June 2022).

(b) Other items

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Cost of inventories	**1,967,722**	1,635,531
Depreciation and amortisation charge		
– property, plant and equipment and intangible assets	**184,245**	170,547
– investment property	**1,427**	657
– right-of-use assets	**13,022**	11,938
Research and development costs (other than capitalised costs and related amortisation)	**15,940**	601

7 INCOME TAX

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Current taxation:		
– provision for Corporate Income Tax on the estimated taxable profits for the period	**6,544**	24,715
– PRC Withholding Tax	**–**	11,033
– over-provision of Corporate Income Tax in respect of prior years	**(490)**	–
	6,054	35,748
Deferred taxation	**(53,445)**	(16,736)
	(47,391)	19,012

The Hong Kong Profits Tax rate for the six months ended 30 June 2023 is 16.5% (six months ended 30 June 2022: 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 2023 (six months ended 30 June 2022: 25%).

A subsidiary of the Group established in the PRC obtained approval from the tax bureau to be taxed as enterprises with advanced and new technologies, and therefore enjoy a preferential PRC Corporate Income Tax rate of 15% for a period of three years, from 2022 in which the approval is obtained.

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 2023 (six months ended 30 June 2022: 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 the Republic of Kazakhstan is subject to Kazakhstan Corporate Income Tax rate of 20%. And an investment preference was granted by Kazakhstan's government to the subsidiary of exempting its corporate income tax until 31 December 2024.

A subsidiary of the Group established in Italy is subject to Italy Corporate Income Tax rate of 27.9% (six months ended 30 June 2022: 27.9%).

Three subsidiaries of the Group established in the PRC entitles an additional tax deductible allowance amounted to 100% of the qualified research and development costs incurred in the PRC by these subsidiaries for the six months ended 30 June 2023 (six months ended 30 June 2022: two subsidiaries of the Group with an additional tax deductible allowance amounted to 100% of the qualified research and development costs).

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share for the six months ended 30 June 2023 is based on the loss attributable to ordinary equity shareholders of the Company of RMB103,276,000 (six months ended 30 June 2022: profit attributable to ordinary equity shareholders of the Company of RMB115,708,000) and the weighted average of 1,684,218,000 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 2022: 1,681,551,000 shares) in issue during the six months ended 30 June 2023, calculated as follows:

Weighted average number of ordinary shares

	2023	2022
	'000	*'000*
Issued ordinary shares at 1 January	**1,684,218**	1,678,288
Effect of share options exercised	**–**	3,263
Weighted average number of ordinary shares at 30 June	**1,684,218**	1,681,551

(b) Diluted (loss)/earnings per share

There are no dilutive potential shares outstanding during the six months ended 30 June 2023. Hence, the diluted loss per share is the same as basic loss per share for the six months ended 30 June 2023. 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 of RMB115,708,000 and the weighted average number of ordinary shares (diluted) of 1,681,746,000 shares, calculated as follow:

Weighted average number of ordinary shares (diluted)

	2023	2022
	'000	*'000*
Weighted average number of ordinary shares at 1 January	**1,684,218**	1,681,551
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**–**	195
Weighted average number of ordinary shares (diluted) at 30 June	**1,684,218**	1,681,746

9 TRADE AND BILLS RECEIVABLES

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Trade receivables from:		
– third parties	**376,454**	423,193
– Triumph Group's related parties	**1,698**	9,497
	378,152	432,690
Less: loss allowance	**(131,955)**	(131,126)
Financial assets measured at amortised cost	**246,197**	301,564
Bills receivable	**134,599**	225,888
	380,796	527,452

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 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Within 1 month	**165,235**	254,457
More than 1 month but less than 3 months	**128,593**	151,703
More than 3 months but less than 6 months	**25,234**	91,406
More than 6 months but less than 1 year	**41,308**	26,488
Over 1 year	**20,426**	3,398
	380,796	527,452

10 OTHER RECEIVABLES

	At 30 June 2023	At 31 December 2022
	RMB'000	*RMB'000*
Amounts due from related companies:		
– an equity shareholder of the Company (Note (i))	**14**	13
– non-controlling equity owners of subsidiaries (Note (ii))	**113,766**	112,754
	113,780	112,767
Deposits and other debtors (Note (iii))	**349,843**	372,908
Less: loss allowance	**(189,692)**	(184,073)
	160,151	188,835
Financial assets measured at amortised cost	**273,931**	301,602
Value added tax refundable	**138,482**	114,407
	412,413	416,009

Notes:

(i) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(ii) As at 30 June 2023, the amounts are mainly from a non-controlling equity owner of a subsidiary of the Group related to the compensation receivable and advance payment, which are secured by its owned equity interests in this subsidiary.

(iii) As at 30 June 2023, the amounts of RMB87.0 million (31 December 2022: 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 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Trade payables to:		
– third parties	**397,516**	306,951
– Triumph Group's related parties	**194**	2,370
Bills payable	**166,043**	126,575
	563,753	435,896

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 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Due within 1 month or on demand	**497,710**	309,321
Due after 1 month but within 6 months	**66,043**	25,575
Due after 6 months but within 1 year	**–**	101,000
	563,753	435,896

12 ACCRUED CHARGES AND OTHER PAYABLES

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Amounts due to related parties:		
– Triumph Group and its related parties (Note)	**348,115**	468,245
– a related party of a director of the Company	**38,202**	–
– a non-controlling equity owner of a subsidiary	**56,428**	486
	442,745	468,731
Accrued charges and other payables	**396,005**	491,577
Financial liabilities measured at amortised cost	**838,750**	960,308
Payables for miscellaneous taxes	**21,750**	58,604
Provision for legal claims	**6,728**	7,354
	867,228	1,026,266

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 2023 (six months ended 30 June 2022: RMBNil).

(ii) Dividends/distributions payable to equity shareholders of the Company attributable to the previous financial year.

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
No final dividend in respect of the previous financial year has been approved during the interim period (six months ended 30 June 2022: HK$0.05 per ordinary share)	**–**	78,517

The Directors of the Company do not recommend the payment of dividend during the six months ended 30 June 2023 (six months ended 30 June 2022: HK$0.05 per ordinary share).

On 28 June 2023, the Directors of the Company proposed an interim distribution of HK$0.018 per share (six months ended 30 June 2022: HK$Nil) or approximately RMB30.5 million, based on the existing 1,836,218,258 ordinary shares in issue as at 30 June 2023, which is subject to the approval of shareholders of the Company at the special general meeting. 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 distribution has not been recognised as a liability at the end of the reporting period.

(b) Equity-settled share-based transactions

(i) Share option scheme

The Company has a share option scheme (the "**Share Option Scheme 2016**") which 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 2023 (six months ended 30 June 2022: Nil).

The Company also has a share option scheme (the "**Share Option Scheme**") which was adopted on 30 May 2005 and expired on 22 June 2015. During the six months ended 30 June 2022, 5,930,000 share options granted under the Share Option Scheme were exercised. All share options granted under the Share Option Scheme have been exercised, forfeited or lapsed by 13 May 2022.

(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:

	No. of shares held
	'000
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	152,000

During the six months ended 30 June 2023, no ordinary share was purchased for the Share Award Scheme (six months ended 30 June 2022: Nil). No shares have been awarded to any selected employee as at the date of this interim results announcement.

14 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The interim distribution proposed by the directors of the Company as set out in Note 13(a)(ii) was approved by the shareholders of the Company at special general meeting of the Company held on 31 July 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2023, the world economy continued its downward trend since last year, geopolitical conflicts intensified, global inflation sustained, and the complex and ever-changing international situation undermined China's economic recovery.

In the first half of 2023, due to the continued influence of the national supply-side structural reform, the carbon neutrality and peak carbon dioxide emissions ("**double carbon (雙碳)**") initiative and environmental protection policies, the supply side of the flat glass industry remained stable, while the demand side saw a slow marginal recovery under the impact of the downturn in real estate market which hampered the price rally of glass. Coupled with the sustained high costs of major raw and fuel materials, profitability of the flat glass industry was squeezed.

BUSINESS REVIEW

Overview

The Group currently has 15 float glass production lines, with a daily melting capacity of 8,000 tonnes. As at 30 June 2023, the Group had 12 float glass production lines in actual operation. The unoperated production lines included one float glass production line under construction in China and two other float glass production lines undergoing cold repair technical renovation. In addition, the Group also had one photovoltaic rolled glass production line with a daily melting capacity of 1,000 tonnes, two offline low-emission ("**Low-E**") glass production lines, and a company specialized in engineering equipment and technical services for neutral pharmaceutical glass production lines.

In the first half of 2023, revenue derived from the Group's clear glass, painted glass and coated glass segments decreased as compared to the same period last year, mainly attributable to a combination of higher sales volume and significantly lower unit prices of the products in these segments. The decline in unit prices of products in these segments was mainly due to the continued downturn in China's real estate sector, which is the core downstream applications of such products. However, the Group believes that the downstream demands for products in these segments are still resilient, and has taken proactive measures to improve the quality of such products and the proportion of deep-processed products, and to actively exploit their applications in diversified fields such as automobile, household furniture and electronic appliances. Meanwhile, the Group focuses on the development of overseas markets in order to increase its share in overseas markets.

In the first half of 2023, revenue derived from the Group's energy-saving and new energy glass segment increased significantly as compared to the same period last year, mainly due to the contribution from a photovoltaic glass production line of the Group put into operation in the first half of the year. The rapid growth of China's photovoltaic industry drove the continuous increase in demand for new energy glass. The Group is actively monitoring development opportunities in the new energy industry and accelerating the optimization and upgrading of the Group's industrial structure.

In the first half of 2023, revenue derived from the Group's design and installation related services segment recorded a modest increase as compared to the same period last year, mainly because a wholly-owned subsidiary of the Group in Italy, Olivotto Glass Technologies S.p.A., which provides engineering and equipment services for production lines of glass and glass products globally, contributed to the Group's performance stably by riding on its technological and research and development strengths.

Production, sales and selling price

In the first half of 2023, the Group produced an aggregate amount of approximately 24.03 million weight cases of various types of glass products, representing an increase of 14% as compared to the same period of last year; and sold an aggregate amount of 20.77 million weight cases of various types of glass products, representing an increase of 26% as compared to the same period of last year. The consolidated average selling price was approximately RMB93 per weight case, representing a decrease of 20% as compared to the same period of last year.

Prices of raw and fuel materials, and production costs

In the first half of 2023, in terms of raw materials, the high price trend of soda ash in the domestic market prolonged from the end of last year, since the second quarter, prices were generally dragged down due to the impact of the weakening downstream demand. Prices of mineral raw materials including quartz sand fluctuated slightly downward mainly due to changes in downstream demand; in terms of fuels, market prices of natural gas, petroleum coke and other bulk fuels fluctuated downwards due to the downswing of prices in the international crude oil market. Despite the downward trend in prices of certain raw and fuel materials in the first half of the year, the overall purchase prices remained at a high level.

MAJOR WORKS IN THE FIRST HALF OF 2023

In the first half of 2023, in the face of the complex and ever-changing external environment, the Group sticked to its mid- and long-term development strategy integrating "organic growth, M&A growth and going global" ("**three major strategies**"). The Group fully grasped the development trend of the industry, actively explored the "new glass, new materials and new energy" ("**three new**") industrial fields, extended industrial chain, achieved the upgrade of industrial structure, and reinforced the implementation of the work of "cost reduction and efficiency enhancement". In the first half of the year, the Group achieved stable operation and mainly proceeded with the following tasks:

1. **Accelerating the implementation of the "three new" projects and continuing to expand the "three new" industrial fields**

   The Group seized the development opportunities in the "three new" industrial fields, with the photovoltaic rolled glass production line in Suqian smoothly ignited and commenced production; the online TCO coated technology of Dongtai achieved breakthroughs, with the online TCO coated glass production line realizing low-cost and stable production; an offline Low-E coated glass production line of Dongtai was put into operation successfully, with its products of stable quality and good performance.

2. **Strengthening market research and judgment to adjust production, procurement and marketing strategies promptly**

   In terms of production technology, we practically strengthened the management and control of the whole production process and optimized the production process and reasonably adjusted the structure of raw and fuel materials on the basis of ensuring product quality and production safety, to effectively reduce the comprehensive energy consumption.

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

In respect of marketing, we particularly focused on the development change trends of the real estate market and grasped the pace of market changes, to adjust marketing strategies rapidly; we optimized data analysis and processing capabilities to adjust product structure promptly and gave full play to the advantages of the Company's high value-added specialty products including traditional painted glass and coated glass and so on to meet market demands flexibly; we stepped up efforts in expanding our new customers and broadened our customer base to further improve the customer structure. Meanwhile, we balanced and coordinated customer channel relationships and promoted the improvement of customer resource quality through improving the dynamic customer contract management system, customer satisfaction surveys, and other measures.

3. The "going global" strategy has achieved remarkable results and effectively enhanced the ability of risk-resistance

Overseas companies continued to maintain good operating postures in the face of numerous impacts brought about by the intensifying geopolitical conflicts: the company in Nigeria maintained stable operational performance and achieved outstanding operating results, with a profitability significantly ahead of the level of domestic peers; the company in Kazakhstan stabilized its operations and achieved success in its early stage of market exploitation, and at the same time, it has built its own mineral raw materials processing plant and other ancillary facilities, which have been put into operation successively, effectively reducing production costs; the company in Italy achieved steady growth of results.

4. Deepening the implementation of the work of "cost reduction and efficiency enhancement"

The Group has been consistently implementing the philosophy of "technological innovation supporting differentiated operations". Leveraging both internal and external technology research and development platforms, the Group has fully utilized the leading advantages in a complete set of coated glass production technology with independent intellectual property rights to further enhance the Company's core competitiveness. The "one line, one policy" management approach has been seriously implemented in each base, and production volume and quality have been further improved through quantitative analysis and comparison.

5. **Accelerating intelligent transformation to promote the Group's digital transformation and upgrading**

   The Group engaged a professional team to design and establish the direction and plan of its intelligent transformation and digital transformation in conjunction with its own practical production and operation, comprehensively applying the industrial internet, big data, artificial intelligence and other technologies to build and refine intelligent production lines, to accelerate the promotion of the intelligence of production method, and to improve the digital form of industrial chain, thereby promoting the upgrading, value chain ascension and vitality enhancement of traditional industries and enhancing the production efficiency and product quality of the Group.

MARKET OUTLOOK

It is expected that the downward trend of the global economy will slow down and global inflation will decline gradually in the second half of 2023, while the divergent characteristic of economic recovery is becoming more and more prominent. The persistent effects of national macro-control policies are expected to result in improved domestic economic operation and strengenthened endogenous motivation.

In the second half of 2023, the glass industry will enter the traditional peak season. Under the background of marginal optimisation of China's real estate policy, as well as the consumer demand stimulation in the automotive and new energy industries, downstream glass market demand is expected to enhance, coupled with the improvement in main raw and fuel material production capacity in the second half and the cost reduction resulted from overseas shipping capacity release, the recovery of blooming market in the glass industry can be expected. However, the receding process of global inflation, trade disputes, domestic policy effects and the extent of market sentiment release will bring challenges to the development of the glass industry.

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

In the second half of 2023, there may be an increase in the supply side of soda ash domestically, and a rigid demand for replenishment in its downstream market as a whole, and the price of soda ash is expected to fluctuate on a downward trend. The supply of mineral raw materials is expected to be stable, and the price of mineral raw materials is expected to show a slight fluctuating upwards trend in the second half of the year mainly due to the strengthening of downstream demand. In terms of fuels, supply and demand for natural gas and petroleum coke etc. are both expected to increase in the second half of the year, and market prices are expected to fluctuate at low levels, which is in line with the development of the international crude oil market.

WORK PLANS FOR THE SECOND HALF OF 2023

1. Based on the expectation of the duly delivery in the completion stage of real estate, the betting on demand for glass may be intensified in the peak season in the second half of the year. In the second half of the year, the Group will continue to pay close attention to market dynamics, fully grasp the development trend of the industry, and proactively expand the "three new" fields after comprehensively considering factors such as market, cost and policy orientation and so on. Meanwhile, it will take the initiative in seeking upstream and downstream high-quality investment projects in order to achieve synergistic effects in the industrial chain. At the same time, the Group will continue to deepen the "five in one" management, to give full play to the advantages of collaborative management among systems, and proactively implement the management philosophies of "benchmarking management" and "differentiated operation" to cope with the complex and ever-changing market environment.

2. The Group will insist on the "going global" strategy and will continue to actively implement the national "Belt and Road" strategy. In the second half of the year, the Group will strengthen the safety production and market exploitation work of overseas companies, complete the integration of market channels and enhance the performance contribution of overseas companies.

3. The Group will grasp the industry's development situation and proceed with transforming and upgrading float glass featured by differentiation, specialization and intelligence. Through the technological innovation and the extensive application of a complete set of independent intellectual property technology system of the research and development team of the Company, the market competitiveness of the characteristic coated glass products of the Company will be further improved.

4. The Group will further improve the salary increment mechanism and performance appraisal system and promote the formulation and implementation of an equity-based incentive plan, to boost employees' happiness; it 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 lay a solid foundation for the long-term and stable development of the Company.

5. The Group will expand and deepen the dimension and depth of communication and interaction with the capital market to promote the healthy development of the Company's market value.

6. The Group will continue to promote intelligent transformation to facilitate the Group's digital transformation and upgrading, accelerate the advancement of intelligent production methods and intelligent management modes, improve the digital form of the industrial chain and enhance the efficiency of production and management of the Group.

FINANCIAL REVIEW

Revenue

For the first six months of 2023, the revenue of the Group from its principal business increased by approximately 2% to RMB2,107,111,000 as compared to RMB2,061,978,000 in the first six months of 2022. The increase in revenue was mainly attributable to the combined effects of the increase in sales volume and the decrease in average unit selling price.

	For the first six months of 2023		For the first six months of 2022		Change
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*%*
Clear glass	**1,029,291**	**49%**	1,037,403	50%	(1%)
Painted glass	**215,697**	**10%**	247,167	12%	(13%)
Coated glass	**435,562**	**21%**	507,591	25%	(14%)
Energy saving and new energy glass	**257,413**	**12%**	130,595	6%	97%
Design and installation related services	**169,148**	**8%**	139,222	7%	21%
	2,107,111	**100%**	2,061,978	100%	2%

Benefiting from the recovery of China's economy and the continuous improvement in completion status of real estate projects, stock demands concentratedly unleashed in the first half of the year, which promoted the increase in demands for flat glass. The glass products sales volume of each segment of the Group increased compared to the same period of last year. In particular, the commencement of a photovoltaic glass production line of the Group resulted in a significant increase in revenue from the energy saving and new energy glass segment. In the meantime, the Group possesses world-leading glass engineering equipment and technology services in Italy, and the revenue from the designing and installation related services segment increased steadily.

The flat glass industry is highly competitive in the PRC. The average market price of clear glass decreased by 9% as compared to the same period of last year. The Group improved the proportion of high-value-added functional glass products through active market exploitation; while the revenue from the clear glass segment merely decreased by 1%. The revenue from the painted and coated glass segments fluctuated greatly due to the decreased average unit price in the market.

Cost of sales

The Group's cost of sales increased by approximately 22% from RMB1,635,531,000 for the first six months of 2022 to RMB2,000,747,000 for the first six months of 2023. The increase in cost of sales was mainly due to the increase in amount of glass products sold.

The Group have conducted policies strictly to reduce the cost, of which the effectiveness would be shown in the second half of the year.

Gross profit

The Group's gross profit decreased by approximately 75% from RMB426,447,000 for the first six months of 2022 to RMB106,364,000 for the first six months of 2023. 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 RMB49,598,000 for the first six months of 2022 to RMB75,441,000 for the first six months of 2023. Other income was mainly from government grants, interest income and sale of raw and scrap materials.

Administrative expenses

For the first six months of 2023, the administrative expenses of the Group increased by approximately 5% to RMB165,770,000 as compared to RMB158,350,000 for the first six months of 2022. The increase in administrative expenses was mainly due to the cost increase for new lines into production in the first half of the year.

Finance costs

For the first six months of 2023, the finance costs of the Group increased by approximately 30% to RMB167,231,000 as compared to RMB128,787,000 in the first six months of 2022. The substantial increase in finance costs was mainly due to the increase of the average weighted balance of borrowings.

Income tax

Income tax credited was RMB47,391,000 for the six months ended 30 June 2023, compared with the income tax expenses of RMB19,012,000 for the six months ended 30 June 2022. The income tax credited was mainly due to the increase in the amount recognised for deferred tax assets.

Loss for the period

For the first six months of 2023, the Group recorded a loss of RMB138,642,000 as compared to a profit of RMB121,149,000 for the first six months of 2022, which was mainly due to the decrease of gross profit.

Loss attributable to equity shareholders for the current period

For the first six months of 2023, the Group recorded a loss attributable to equity shareholders of the Company of RMB103,276,000 as compared to a profit attributable to equity shareholders of the Company of RMB115,708,000 for the first six months of 2022.

Current assets

The Group's current assets decreased by approximately 5% from RMB3,666,472,000 as at 31 December 2022 to RMB3,487,054,000 as at 30 June 2023, which was mainly due to the combined effects of the decrease in cash, receivables and prepayments and increase in inventory.

Current liabilities

The Group's current liabilities increased by approximately 4% from RMB6,489,017,000 as at 31 December 2022 to RMB6,758,978,000 as at 30 June 2023, which was mainly attributable to the increase in current portion of long-term bank loans and other borrowings.

Non-current liabilities

The Group's non-current liabilities increased by approximately 12% from RMB3,505,387,000 as at 31 December 2022 to RMB3,926,179,000 as at 30 June 2023, 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 2023, the Group's cash on hand and at bank were RMB1.170 billion (31 December 2022: RMB1.350 billion), of which 54% (31 December 2022: 46%) were denominated in RMB, 7% (31 December 2022: 13%) were denominated in United States Dollars ("**USD**"), 23% (31 December 2022: 24%) were denominated in Nigerian Naira, 5% (31 December 2022: 2%) were denominated in Hong Kong dollars ("**HKD**"), and 11% (31 December 2022: 15%) were denominated in Euro ("**EUR**"). Outstanding bank loans and other borrowings were RMB8.692 billion (31 December 2022: RMB7.938 billion), of which 76.4% (31 December 2022: 67.2%) were denominated in RMB, 20.7% (31 December 2022: 30.8%) were denominated in USD, 2.2% (31 December 2022: 1.3%) were denominated in HKD and 0.7% (31 December 2022: 0.7%) were denominated in EUR.

As at 30 June 2023, the gearing ratio (total interest-bearing debts divided by total assets) was 0.66 (31 December 2022: 0.60). As at 30 June 2023, the Group's current ratio (current assets divided by current liabilities) was 0.52 (31 December 2022: 0.57). The Group recorded net current liabilities amounted to RMB3.272 billion as at 30 June 2023 (31 December 2022: RMB2.823 billion). As at 30 June 2023, assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.81 (31 December 2022: 0.75). As at 30 June 2023, 66% (31 December 2022: 55%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 34% (31 December 2022: approximately 45%) bear interest at variable rates. As at 30 June 2023, 57% (31 December 2022: 58%) of the outstanding bank loans and other borrowings will mature within one year while 43% (31 December 2022: 42%) will mature after one year.

EXCHANGE RATE FLUCTUATION RISK AND RELATED HEDGING

The Group's transactions and monetary assets were primarily denominated in RMB, Naira, USD and EUR. 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 or loss and dividends may be affected by the fluctuation of the exchange rate between RMB and Nigerian Naira, USD, HKD and EUR. During the six months ended 30 June 2023, 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 2023, 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.

The Group will continue to explore potential quality projects to achieve growth and diversified development which is in line with the strategic development goals of the Company.

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 2023, the Group employed a total of approximately 4,346 employees within and outside the PRC (31 December 2022: about 4,162 employees). The increase in staff number of the Group as at 30 June 2023 as compared to 31 December 2022 was mainly attributable to the new lines into production and the strengthening in recruitment and cultivation of young talents.

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 2023.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

DISTRIBUTION

As announced by the Company in an announcement dated 28 June 2023, the Board resolved to propose a distribution of HK$0.018 per ordinary share in the issued share capital of the Company out of the contributed surplus account of the Company after the 2023 interim period (the "**Distribution**") (six months ended 30 June 2022: Nil). The Distribution had been, inter alia, (i) approved by the shareholders of the Company (the "**Shareholders**") at special general meeting held on 31 July 2023; and (ii) compliance with the relevant requirements under the Companies Act 1981 of Bermuda and the bye-laws of the Company. The Distribution had been paid to the Shareholders on 16 August 2023.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") at its special general meeting held on 19 February 2016 in order to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares (being the ordinary shares of par value HK$0.05 each in the issued share capital of the Company, the "**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. Since the date of adoption of the Share Option Scheme, no share options have been granted, exercised, cancelled or lapsed under the 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 Share Option Scheme.

Subject to the provisions of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (including any employee (including without limitation any executive director) of any member of the Group, but other than any excluded employee pursuant to the Share Award Scheme) for participation in the Share Award Scheme as a selected employee, and grant such number of awarded Shares to any selected employee at no consideration on and subject to such terms and conditions as it may in its absolute discretion determine. The Board is entitled to impose any conditions (including a period of continued service within the Group after the award), as it deems appropriate in its absolute discretion with respect to the vesting of the awarded Shares on the selected employee. In addition to such vesting conditions as may be imposed by the Board, it is also a condition for the grant of awarded Shares that any selected employee shall not transfer or dispose of more than 50 per cent. of the awarded Shares during the period of one (1) year after the date of vesting of such awarded Shares.

In connection with the implementation of the Share Award Scheme, the trustee of the Share Award Scheme will purchase the existing Shares on the market out of cash contributed by the Group and be held in trust for the selected employees until such Shares are vested with the relevant selected employees in accordance with the provisions of the Share Award Scheme.

Pursuant to the Share Award Scheme, the Board shall not make any further award of awarded Shares which will result in the aggregate nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding ten (10) per cent. of the issued share capital of the Company at the time of such award. As at (i) 30 June 2023 and (ii) 30 March 2023, being the date of the annual report of the Company for the year ended 31 December 2022, the total number of issued Shares is 1,836,218,258, therefore, the limit on the grant of awarded Shares under the Share Award Scheme at those times were 183,621,825 Shares. The maximum aggregate nominal value of awarded Shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed two (2) per cent. of the issued share capital of the Company at the time of such award.

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 ten (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. Save as the aforesaid, all other material terms of the Share Award Scheme remain unchanged and valid.

During the six months ended 30 June 2023, 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 2023, 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 2023 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 2023.

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 2023, 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 2023.

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) and the Company (www.chinaglassholdings.com). The interim report of the Company for the six months ended 30 June 2023 containing all the information required by the Listing Rules will be despatched to the Shareholders 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, 30 August 2023

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*