CHINA GLASS HOLDINGS LIMITED
中 國 玻 璃 控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)
(Stock Code: 3300)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board of directors (the "**Directors**" and the "**Board**", respectively) of China Glass Holdings Limited (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023 together with the comparative figures for the corresponding year in 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2023
*(Expressed in Renminbi ("**RMB**"))*

	Note	**2023** *RMB'000*	2022 *RMB'000*
Revenue	5	**5,307,924**	4,327,196
Cost of sales		**(5,008,413)**	(3,689,007)
Gross profit	5	**299,511**	638,189
Other income	6	**188,604**	170,638
Distribution costs		**(114,049)**	(101,166)
Administrative expenses		**(394,344)**	(330,717)
Impairment losses on receivables and contract assets		**(953)**	(23,853)
Other operating expenses	7(c)	**(141,875)**	–
(Loss)/profit from operations		**(163,106)**	353,091
Finance costs	7(a)	**(389,964)**	(267,713)
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 losses of joint ventures		**(31,280)**	(60)
(Loss)/profit before taxation	7	**(550,624)**	85,318
Income tax	8	**63,216**	16,457
(Loss)/profit for the year		**(487,408)**	101,775
Attributable to:			
Equity shareholders of the Company		**(409,756)**	116,168
Non-controlling interests		**(77,652)**	(14,393)
(Loss)/profit for the year		**(487,408)**	101,775
(Loss)/earnings per share (RMB cent)			
Basic	9(a)	**(24.3292)**	6.9029
Diluted	9(b)	**(24.3292)**	6.9022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

(Expressed in RMB)

	2023 *RMB'000*	2022 *RMB'000*
(Loss)/profit for the year	**(487,408)**	101,775
Other comprehensive income for the year (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)	**(948)**	(75)
Item that may be reclassified subsequently to profit or loss:		
– exchange differences on translation	**(628,475)**	(112,687)
Total comprehensive income for the year	**(1,116,831)**	(10,987)
Attributable to:		
Equity shareholders of the Company	**(1,039,121)**	3,411
Non-controlling interests	**(77,710)**	(14,398)
Total comprehensive income for the year	**(1,116,831)**	(10,987)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

(Expressed in RMB)

	Note	**2023** *RMB'000*	2022 *RMB'000*
Non-current assets			
Property, plant and equipment		**9,935,816**	8,517,228
Investment property		**33,944**	36,808
Right-of-use assets		**616,615**	510,028
Intangible assets		**203,668**	52,500
Other non-current assets		**151,936**	131,640
Goodwill		**305,679**	129,755
Interests in joint ventures		**51,718**	6,161
Equity securities designated at FVOCI		**247**	1,510
Deferred tax assets		**323,068**	233,201
		11,622,691	9,618,831
Current assets			
Inventories		**982,623**	1,078,882
Contract assets		**26,428**	27,697
Trade and bills receivables	10	**416,257**	527,452
Other receivables		**499,537**	416,009
Prepayments		**197,739**	262,616
Prepaid income tax		**4,122**	4,020
Cash on hand and at bank		**1,210,846**	1,349,796
		3,337,552	3,666,472

	Note	**2023**	2022
		RMB'000	*RMB'000*
Current liabilities			
Trade and bills payables	11	**622,186**	435,896
Accrued charges and other payables		**2,034,611**	1,026,266
Contract liabilities		**321,221**	284,627
Bank loans and other borrowings		**6,311,498**	4,599,755
Lease liabilities		**13,356**	10,397
Income tax payable		**130,927**	132,076
		9,433,799	6,489,017
Net current liabilities		**(6,096,247)**	(2,822,545)
Total assets less current liabilities		**5,526,444**	6,796,286
Non-current liabilities			
Bank loans and other borrowings		**3,111,152**	3,338,673
Lease liabilities		**73,090**	65,354
Deferred tax liabilities		**107,335**	92,647
Other non-current liabilities		**10,263**	8,713
		3,301,840	3,505,387
NET ASSETS		**2,224,604**	3,290,899
CAPITAL AND RESERVES			
Share capital		**85,951**	85,951
Reserves		**1,432,375**	2,499,427
Total equity attributable to equity shareholders of the Company		**1,518,326**	2,585,378
Non-controlling interests		**706,278**	705,521
TOTAL EQUITY		**2,224,604**	3,290,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

(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 consolidated financial statements of the Company for the year ended 31 December 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 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis except for equity securities which are stated at their fair value.

For the year ended 31 December 2023, the Group had net loss of RMB487,408,000 (2022: net profit of RMB101,775,000). As at 31 December 2023, the Group had net current liabilities of RMB6,096,247,000 (31 December 2022: RMB2,822,545,000).

Notwithstanding the above conditions, 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 31 December 2023, which has taken into account the following:

- Included in the current liabilities, there is an amount of RMB1,496.6 million which was a syndicated loan with the original contractual repayment dates beyond 31 December 2024 as the Group did not fulfill all of the financial covenants as required by the agreement of the syndicated loan as at 31 December 2023; as at the date of issue of these financial statements, the Group has successfully obtained waiver from the lenders with amount of RMB1,218.9 million to waive the requirement from compliance with the relevant financial covenant for the year ended 31 December 2023, based on the agreement of the syndicated loan, the directors of the Company consider that the waiver for the entire syndicated loan has been substantially obtained and will reclassify these amounts to the non-current liabilities after the date of issue of these financial statements.

- the Group has unutilised bank facilities of RMB568.5 million as at 31 December 2023;

- the Group has newly financed and refinanced bank loans and other borrowings and facilities of RMB840.0 million after 31 December 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 RMB873.4 million, and the directors of the Company are of the opinion that renewal bank loans or facilities is likely to be obtained during the twelve months ending 31 December 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 RMB1,298.6 million as at 31 December 2023, and has the amounts due to Triumph Group and its related parties of RMB1,216.7 million as at 31 December 2023. The directors of the Company are of the opinion that such assistance will continue to be available and the amounts due to Triumph Group and its related parties will not be requested to be repaid on demand upon the Group's demand 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 preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 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:

- HKFRS 17, *Insurance contracts*

- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*

- 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*

Except for Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*, 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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the production, marketing and distribution of glass and glass products, the development of glass production technology, the service related to designing and installation of glass production lines. Further details regarding the Group's principal activities are disclosed in Note 5(b).

(i) Disaggregation of revenue

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

	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	**4,950,767**	3,963,952
– Revenue from service contracts	**292,377**	326,686
– Sales of spare parts	**64,780**	36,558
	5,307,924	4,327,196

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 5(b)(i) and 5(b)(ii) respectively.

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2023 (2022: Nil).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is EUR54.6 million (2022: EUR61.3 million). This amount represents revenue expected to be recognised in the future from designing and installation service contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 24 months.

(b) 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 reportable 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 service: this segment provides design, purchasing parts and installation services of pharmaceutical glass production lines and upgrading and transformation services of glass production process.

(i) 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 intersegment sales have occurred for the years ended 31 December 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 years ended 31 December 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 service		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	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	**2,819,703**	2,002,711	**604,071**	567,142	**823,632**	1,130,858	**703,361**	263,241	**64,780**	56,888	**5,015,547**	4,020,840
– Over time	**–**	–	**–**	–	**–**	–	**–**	–	**292,377**	306,356	**292,377**	306,356
Revenue from external customers and reportable segment revenue	**2,819,703**	2,002,711	**604,071**	567,142	**823,632**	1,130,858	**703,361**	263,241	**357,157**	363,244	**5,307,924**	4,327,196
Reportable segment gross profit	**4,988**	25,382	**51,847**	109,948	**154,973**	382,656	**4,116**	22,132	**83,587**	98,071	**299,511**	638,189

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment property, right-of-use assets, intangible assets, other non-current assets, goodwill and interest in joint ventures (together as the "specified non-current assets"). The geographical location of customers is determined based on the location at which the goods and services were delivered. The geographical location of the specified non-current assets is determined based on the physical location of the assets, in the case of property, plant and equipment, investment property, right-of-use assets and other non-current assets, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interest in joint ventures.

	Revenue from external customers		**Specified non-current assets**	
	2023	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The Mainland China and Hong Kong (place of domicile)	**3,940,790**	2,940,876	**9,709,574**	7,511,458
Nigeria	**402,420**	561,813	**303,768**	628,554
Middle East	**181,336**	250,551	**–**	–
Italy	**–**	–	**184,688**	187,190
Kazakhstan	**92,585**	6,489	**1,101,346**	1,050,757
Other countries	**690,793**	567,467	**–**	6,161
	1,367,134	1,386,320	**1,589,802**	1,872,662
	5,307,924	4,327,196	**11,299,376**	9,384,120

6 OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Government grants	**91,147**	75,433
Insurance claims income (Note)	**58,935**	-
Interest income	**25,192**	17,306
Net gain from sale of raw and scrap materials	**4,555**	11,423
Net gain on disposal of property, plant and equipment	**3,147**	3,558
Rental income from investment property	**1,956**	825
Compensation income	**–**	54,678
Others	**3,672**	7,415
	188,604	170,638

Note: Insurance claims income represents the compensation for the losses on the destroyed warehouse by snow in 2023 of a subsidiary of the Group. The related losses on the property, equipment and inventories has been charged into respective cost or expenses.

7 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2023	2022
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**317,025**	232,751
Interest on lease liabilities	**5,357**	5,769
Bank charges and other finance costs	**88,787**	82,170
Total borrowing costs	**411,169**	320,690
Less: amounts capitalised into property, plant and equipment*	**(23,941)**	(42,670)
Net borrowing costs	**387,228**	278,020
Net foreign exchange loss/(gain)	**2,736**	(10,307)
	389,964	267,713

* The borrowing costs have been capitalised at 4.13% per annum for the year ended 31 December 2023 (2022: 4.73% per annum).

(b) Staff costs:

	2023	2022
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**525,980**	441,410
Contributions to defined contribution retirement plans	**45,026**	35,558
	571,006	476,968

(c) Other operating expenses

	2023	2022
	RMB'000	*RMB'000*
Impairment losses on property, plant and equipment	**141,875**	–

(d) Other items:

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories #	**4,941,447**	3,660,645
Auditors' remuneration	**9,220**	9,132
Depreciation and amortisation charge #		
– property, plant and equipment and intangible assets	**469,176**	363,700
– investment property	**2,864**	1,314
– right-of-use assets	**26,354**	24,878
Research and development costs (other than capitalised costs and related amortisation)	**30,476**	48,819

\# Cost of inventories includes RMB769.1 million (2022: RMB623.6 million) for the year ended 31 December 2023, relating to staff costs, research and development costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2023	2022
	RMB'000	*RMB'000*
Current taxation		
– Provision for the year	**33,360**	58,499
– PRC Withholding Tax	**–**	15,566
– (Over)/under-provision in respect of prior years	**(490)**	322
	32,870	74,387
Deferred taxation		
– Origination and reversal of temporary differences	**(96,086)**	(90,844)
	(63,216)	(16,457)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2023	2022
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(550,624)**	85,318
Expected tax on (loss)/profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii), (iii), (iv), (v), (vii) and (viii))	**(93,005)**	48,358
Tax effect of non-deductible expenses	**38,616**	17,731
Tax effect of non-taxable income	**(10,963)**	–
Tax effect of unused tax losses and temporary differences not recognised	**14,500**	7,903
Derecognition of tax losses previously recognised	**23,201**	19,743
Tax concessions (Notes (vi), (viii) and (ix))	**(44,958)**	(127,815)
Tax effect on change of tax rate	**9,883**	1,735
Tax effect of PRC Withholding Tax	**–**	15,566
(Over)/under-provision in respect of prior years	**(490)**	322
Income tax	**(63,216)**	(16,457)

Notes:

(i) The Company and subsidiaries of the Group incorporated in Hong Kong are subject to the Hong Kong Profits Tax rate of 16.5% (2022: 16.5%).

(ii) The subsidiaries of the Group incorporated in the 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.

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% (2022: 25%).

(iv) Two subsidiaries 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 and 2023 respectively in which the approval is obtained.

(v) The subsidiaries of the Group established in Nigeria are subject to Nigeria Corporate Income Tax rate of 30% (2022: 30%).

(vi) 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.

(vii) A subsidiary of the Group established in Italy is subject to Italy Corporate Income Tax rate of 27.9% (2022: 27.9%).

(viii) 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.

(ix) 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 year ended 31 December 2023 (2022: two subsidiaries of the Group with an additional tax deductible allowance amounted to 100% of the qualified research and development costs).

9 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share for the year ended 31 December 2023 is based on the loss attributable to ordinary equity shareholders of the Company of RMB409,756,000 (2022: the profit attributable to ordinary equity shareholders of RMB116,168,000) and the weighted average of 1,684,218,000 ordinary shares (2022: 1,682,896,000 ordinary shares) in issue during the year ended 31 December 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	**–**	4,608
Weighted average number of ordinary shares at 31 December	**1,684,218**	1,682,896

(b) Diluted (loss)/earnings per share

There are no dilutive potential shares outstanding during the year ended 31 December 2023. Hence, the diluted loss per share is the same as basic loss per share for the year ended 31 December 2023. The calculation of diluted earnings per share for the year ended 31 December 2022 is based on the profit attributable to ordinary equity shareholders of the Company (diluted) of RMB116,168,000 and the weighted average number of ordinary shares (diluted) of 1,683,060,000.

10 TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables from:		
– third parties	**380,572**	423,193
– Triumph Group's related parties	**6,188**	9,497
	386,760	432,690
Less: loss allowance	**(131,805)**	(131,126)
Financial assets measured at amortised cost	**254,955**	301,564
Bills receivable	**161,302**	225,888
	416,257	527,452

All of the trade receivables are expected to be recovered within one year.

(a) Ageing analysis

Trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**198,517**	254,457
More than 1 month but less than 3 months	**143,008**	151,703
More than 3 months but less than 6 months	**43,869**	91,406
More than 6 months but less than 1 year	**5,688**	26,488
Over 1 year	**25,175**	3,398
	416,257	527,452

11 TRADE AND BILLS PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables to:		
– third parties	**361,360**	306,951
– Triumph Group's related parties	**112,650**	2,370
Bills payable	**148,176**	126,575
	622,186	435,896

Trade and bills payables with the following ageing analysis (based on the maturity date) as of the end of the reporting period:

	2023	2022
	RMB'000	*RMB'000*
Due within 1 month or on demand	**476,808**	309,321
Due after 1 month but within 6 months	**144,878**	25,575
Due after 6 months	**500**	101,000
	622,186	435,896

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

12 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share option scheme

The Company has a share option scheme (the "Share Option Scheme") which was adopted on 30 May 2005 whereby the directors of the Company are authorised, at their discretion, to invite (i) any executive director or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity"); (ii) any non-executive directors (including independent non-executive directors) of the Company, any member of the Group or any Invested Entity; (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity, to take up share options at HK$1.00 as consideration to subscribe for shares in the Company.

The Share Option Scheme was expired on 22 June 2015, and a new share option scheme (the "New Share Option Scheme") has been approved by a special general meeting of shareholders of the Company on 19 February 2016 which will be expired on 19 February 2026. No share options were granted to the directors or employees of the Group under the New Share Option Scheme during the year ended 31 December 2023 and 2022.

(b) Share award scheme

On 12 December 2011 (the "Adoption Date"), the directors of 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 with the Group. A trust (the "Trust") has been set up for the purpose of administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the trust may purchase shares of the Company from the Stock Exchange with cash contributed by the Group, and to hold such shares until they are vested.

The directors of the Company may, from time to time, at its discretion select any employee of the Group for participation in the Share Award Scheme and grant such number of awarded shares to any selected employee of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued service within the Group after the award) with respect to the vesting of the awarded shares. In addition, the selected employee shall not transfer or dispose of more than 50% of the awarded shares during the period of one year after the date of vesting of such awarded shares.

On 8 December 2021, the directors of the Company extend the term of the Share Award Scheme (the "Extension").

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the twentieth anniversary date of the Adoption Date (the tenth anniversary date of the Adoption Date before the Extension); and (ii) such date of early termination as determined by the directors of the Company.

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 31 December 2023	152,000

No ordinary shares were purchased for the Share Award Scheme during years 2022 and 2023. No shares have been awarded to any selected employee as at the date of these financial statements.

13 CAPITAL AND DIVIDENDS/DISTRIBUTIONS

(a) Dividends/distributions

(i) Dividends payable to equity shareholders of the Company attributable to the year

The Directors of the Company do not propose final dividends after 31 December 2023 (2022: HK$Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023 ***RMB'000***	2022 *RMB'000*
No final dividends in respect of the previous financial year has been approved during the year (2022: HK$0.05 per ordinary share)	**–**	78,517

(iii) Distributions approved and paid during the year

	2023	2022
	RMB'000	*RMB'000*
Interim distributions approved and paid of HK$0.018 per ordinary share (2022: HK$Nil per ordinary share)	**30,408**	–

(b) Share capital

Authorised and issued share capital

	2023		2022	
	No. of shares	***HK$'000***	*No. of shares*	*HK$'000*
Authorised:				
At 1 January and 31 December, at HK$0.05 each	**3,600,000,000**	**180,000**	3,600,000,000	180,000

	2023		2022	
	No. of shares	***RMB'000***	*No. of shares*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**1,836,218,258**	**85,951**	1,830,288,258	85,703
Shares issued under share option scheme	**–**	**–**	5,930,000	248
At 31 December	**1,836,218,258**	**85,951**	1,836,218,258	85,951

14 Acquisition of subsidiaries

On 27 October 2023, China Glass Investment Limited* ("中玻投資有限公司", the "Purchaser"), a PRC subsidiary of the Group, entered into an equity transfer agreement with Huzhou Haosheng Industry Investment L.P* ("湖州浩昇實業投資合夥企業(有限合夥)", "Huzhou Haosheng", the "Seller") and Zhejiang Kaigao Solar Energy Technology Co., Ltd.* ("浙江凱高光能科技有限公司", "Zhejiang Kaigao"), both are independent third parties, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell approximately 51.4706% equity interests in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* ("甘肅凱盛大明光能科技有限公司") ("Gansu Daming") and its subsidiaries (collectively referred to as the "Gansu Daming Group") with a total consideration of RMB313.0 million in cash. The consideration shall be paid by the Purchaser after the Purchaser and Zhejiang Kaigao entering into an equity pledge agreement of the approximately 48.5294% equity interest in Gansu Daming Group held by Zhejiang Kaigao in favor of the Purchaser. Zhejiang Kaigao guarantees to the Purchaser that the aggregate net profit of the Gansu Daming Group for the three years ended 31 December 2026 (the "Guaranteed Period") shall be not less than RMB210.0 million (the "Guaranteed Amount"). If the aggregate net profit of the Gansu Daming Group for the Guarantee Period is less than the Guaranteed Amount, Zhejiang Kaigao shall compensate the shortfall to the Purchaser between the aggregate net profit of Gansu Daming Group and the Guaranteed Amount either by cash or its equity interest in Gansu Daming Group.

Gansu Daming was incorporated in the PRC on 23 January 2018 as a limited liability company under the laws of the PRC. Gansu Daming Group are principally engaged in the production, marketing and distribution of glass and glass products.

Upon completion of the above acquisition on 31 December 2023, the Group recorded a goodwill of RMB170.5 million, which is calculated as below:

	RMB'000
Fair value of identifiable net assets acquired (Note (i))	276,885
Less: non-controlling interests, based on their proportionate interest of 48.5294% in the recognised amounts of the identifiable assets acquired and liabilities assumed	134,371
	142,514
Satisfied by:	
Cash consideration (Note (ii))	312,982
Goodwill (Note (vi))	170,468

* *The English translation of the names are for reference only and the official names of these entities are in Chinese.*

Notes:

(i) Fair value of identifiable assets acquired and liabilities assumed at 31 December 2023:

	RMB'000
Property, plant and equipment	1,718,894
Right-of-use assets	30,518
Intangible assets	160,834
Deferred tax assets	366
Interests in joint ventures	9,822
Other non-current assets	12,598
Trade receivables	58,416
Prepayments	36,969
Other receivables	70,199
Inventories	92,716
Cash on hand and at bank	20,730
Trade payables	(71,560)
Accrued charges and other payables	(816,085)
Bank loans and other borrowings	(998,713)
Contract liabilities	(19,555)
Lease liabilities	(7,944)
Deferred tax liabilities	(21,320)
	276,885

Pre-acquisition carrying amounts of the acquirees' assets and liabilities were determined based on applicable HKFRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values. In determining the fair values of identifiable assets and liabilities, the directors of the Company have referenced the fair value adjustments base on income method and market method to valuation report issued by an independent professional valuer.

(ii) As at 31 December 2023, RMB30.0 million cash consideration has been paid to the Seller. Up to the date of issue of this annual results announcement, the remaining consideration has been paid up.

(iii) Since the acquisition date is 31 December 2023, the above acquisition did not contribute revenue and net profit to the Group for the year ended 31 December 2023. Had the above acquisition been completed on 1 January 2023, the directors of the Company estimated the contributed revenue and net loss for the year ended 31 December 2023 would have been RMB469.9 million and RMB242.6 million, respectively.

(iv) Net cash outflow arising on acquisition

	RMB'000
Cash consideration	312,982
Less: cash consideration that had not been paid to the seller as at 31 December 2023	282,982
cash on hand and at bank acquired	20,730
Total net cash outflow	9,270

(v) Acquisition-related cost

The Group incurred acquisition-related costs of RMB1.12 million relating to external legal fees, due diligence costs, valuation and audit costs. These costs have been included in "Administrative expenses" in the consolidated statements of profit or loss during the year ended 31 December 2023.

(vi) Goodwill

The goodwill is attributable mainly to the synergies expected to be realised to the Group as part of the Group's strategic expansion plan, and the potential growth and prospects of the markets of photothermal glass, photovoltaic glass, energy-saving and new energy glass in the northwestern region of the PRC. None of the goodwill recognised is expected to be deductible for tax purposes.

15 Acquisition of non-controlling interests ("NCI") of a subsidiary

During the year ended 31 December 2023, the Group entered into an equity transfer agreement with a non-controlling equity owner of a subsidiary, pursuant to which the Group agreed to acquire 5% equity interests for the same cash consideration as the fair value of the equity interests as at the completion date. The acquisition has been completed on 23 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2023, influenced by factors such as geopolitical conflicts, persistent inflation and monetary tightening in major economies, the growth momentum of the world economy continued to decline, and the developed economies and emerging economies were recovering at different pace. In the face of the severe and complex international situation, China's economy steadily improved, with the increased efforts by the government in macro-control to promote high-quality development of the economy solidly.

In 2023, the price of float glass recovered slowly due to the lingering pressure on the real estate industry in China, coupled with the impact of relatively high prices of raw and fuel materials, resulted in limited profitability of the glass industry. With the continuous deepening of supply-side structural reform and the nation's efforts in macro-control to promote the establishment of a long-term mechanism for the real estate industry, gradual improvement is expected in the supply and the demand of float glass.

In 2023, the photovoltaic power generation industry of China experienced strong growth, with a newly added installed capacity of approximately 217GW, representing a year-on-year increase of 148%; the cumulative output of photovoltaic glass was approximately 24.78 million tonnes, representing a year-on-year increase of 54%. In 2023, the growth rate of photovoltaic glass output was lower than that of photovoltaic installed capacity, but it still subject to oversupply pressure in stages, and the price of photovoltaic glass was at a low level throughout the year. With the continuous restraint from the early warning system for the production capacity of photovoltaic glass, a boom is expected to be seen in both of the supply and demand of photovoltaic glass in the future, and the pricing may increase.

BUSINESS REVIEW

Overview

The Group currently has 16 float glass production lines, with a daily melting capacity of 8,600 tonnes. As at 31 December 2023, the Group had 13 float glass production lines in actual operation, and the unoperated production lines included a high-quality float glass production line under construction and 2 float glass production lines in the stage of cold repair technical modification. The main products of the Group's float glass production lines are clear glass, painted glass, coated glass, energy saving and new energy glass applied in the fields of construction, automotive, solar power generation, home renovation and home appliances.

The Group currently has 2 photovoltaic rolled glass production lines, the main products of which are photovoltaic glass; 3 offline low-emission ("**Low-E**") coated glass production lines, the main products of which are energy-saving architectural glass; 3 solar reflector production lines, mainly for concentrating reflectors; and a company specialized in engineering equipment and technical services for neutral pharmaceutical glass production lines, providing equipment, designing and installation consultation services for the production lines of downstream enterprises.

In 2023, the Group acquired the controlling equity interest in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (甘肅凱盛大明光能科技有限公司), which owns a photothermal ultra-clear float glass production line with a melting capacity of 600 tonnes per day with its ancillary solar reflector production line, an offline Low-E coated glass production line, and a photovoltaic rolled glass production line with its ancillary deep processing line under construction located in Yumen City, Gansu Province. The main products of such company are photothermal glass, photovoltaic glass, energy-saving and new energy glass. The acquisition will further expand the Group's strategic layout in the northwestern region of the PRC, which will help the Company to expand its production capacity scale, optimize the product structure, fully utilize the resource cost advantage and geographical market advantage in the northwestern region of the PRC, seize the growth opportunity for the new energy industry in the region, and further enhance the profitability and industry position of the Company.

In 2023, the Group continued to keep an eye on the development opportunities in overseas emerging markets, and its overseas subsidiaries achieved remarkable profitability and steady development.

Production, sales and selling price

In 2023, the Group produced an aggregate amount of 53.16 million weight cases of various types of glass, representing an increase of 29% as compared to last year; whereas the sales volume was 51.75 million weight cases, representing an increase of 41% as compared to last year. The average selling price of the Group's various types of glass products was RMB96 per weight case in 2023, representing a decrease of 11% as compared to last year.

Prices of raw and fuel materials, and production costs

In terms of raw materials, soda ash and quartz sand are the main raw materials for glass production. In 2023, some domestic soda ash factories were forced to suspend production due to environmental protection issues, the supply and demand of glass products was mismatched temporarily, and the market price of soda ash fluctuated within a high-level prices range. With the expansion of rolled glass's production capacity, the demand for quartz sand was increasing, while the supply was relatively tight and the price of quartz sand fluctuated at a high price range.

In terms of fuel, in 2023, geopolitical conflicts led to the restructuring of the global natural gas trade landscape. In China, with the implementation of the policy of "increasing production and ensuring supply", the supply channels of natural gas were diversified, the demand for natural gas increased steadily by virtue of its advantages of high efficiency, cleanliness and low carbon, and the domestic and international natural gas prices continuously remained at high level.

MAJOR WORKS IN 2023

In the face of the market downturn, the complex and ever-changing internal and external environments, the Group consistently adhered to the three mid-term and long-term development strategies of "organic growth, M&A growth and going global", followed the development concept of "low carbon, green, energy saving and environmental protection", adjusted the product structure as appropriate, and fully realized industrial upgrading, to facilitate the achievement of the objective of "peak carbon dioxide emissions and carbon neutrality" of the country. The Group's efforts were mainly exerted in the following aspects:

1. **Breakthroughs were achieved in exploring new glass, new materials and new energy ("three new") industrial fields**

   The Group seized the development opportunity posed by "three new" industries fields, actively promoted the layout of photovoltaic capacity in Central China, Southern China, Northwestern China and other regions to accelerate the transformation and upgrading of industrial structure.

   The Group completed the construction of the first photovoltaic rolled glass production line in Suqian, Jiangsu Province, of which the successful operation was a "zero" breakthrough for the photovoltaic glass business segment of the Group, laying a solid foundation for Suqian CNG's Energy Materials Industrial Park* (宿遷中玻新能源材料產業園) of the Group. During the year, the Group successfully acquired the controlling equity interest in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (甘肅凱盛大明光能科技有限公司), and through the acquisition, the Group formally entered the field of solar thermal power generation, and further expanded the production capacity of the photovoltaic new energy in the meantime. The Group is actively advancing the preliminary construction work of photovoltaic cell encapsulating materials for solar equipment with its supporting projects in Tongliao City, Inner Mongolia.

   The technical research and development team of the Group has been engaged in the research and application of float on-line coated glass technology for an extended period of time and is able to fully utilized the advantages of the complete technical system of its proprietary intellectual property. In 2023, the Group successfully commenced the production of a new offline Low-E glass production line in Dongtai, Jiangsu Province. At the same time, the Group also achieved mass production of online Transparent Conductive Oxide ("**TCO**") glass, which is mainly applied to the front electrodes of the window layer of new thin-film solar batteries such as Cadmium Telluride ("**CdTe**") and Calcium Titanium Ore ("**CTO**"), and possesses the advantages of leading technology, low cost and large-scale production, which will provide opportunities for the extension of the Group's industrial chain and to meet the explosive growth of the CdTe and CTO industries at any time in the near future.

2. **Overseas subsidiaries have developed under adverse circumstances, benefiting from the deepening implementation of the "going global" development strategy**

The production base in Nigeria overcame the challenges including international geopolitical conflict, the domestic political turmoil in Nigeria, the significant devaluation in Naira and severe social environment, actively cooperated with upstream and downstream enterprises and peers and jointly created a relatively stable environment for market operation. In 2023, the production and operation were stable, the gross profit margin level was ahead of the domestic leading enterprises.

Facing the adverse effects brought by the Russia-Ukraine war, the base in Kazakhstan deeply developed and opened up sales channels in Kazakhstan and its neighboring countries, striving to establish a sales network centering on Kazakhstan and radiating to the Middle Eastern and European countries, while extending its industrial chain upstream, with the mineral raw material processing factories and other ancillary facilities being put into operation, and expanding its deep processing business segment downstream, with commencing the relocation and upgrading of an offline Low-E production line in order to fill the local market demand gap.

The revenue from hollow glass and pharmaceutical-use packaging engineering equipment business segment of the Italian subsidiary was strong, the mineral cotton engineering business segment recorded a significant growth in performance, and the preliminary market development for the new photovoltaic glass business segment achieved effective progress.

In 2023, the Group continued to seek and explore new overseas cooperation opportunities and actively deployed in countries and regions along the "Belt & Road". During the year, on the occasion of the opening of the 10th anniversary ceremony of the "Belt & Road" initiative and the third "Belt & Road" Forum for International Cooperation, witnessed by Egyptian Prime Minister Mostafa Madbouly, the Group formally reached an investment strategic cooperation in relation to the construction of the China Glass – Egypt new energy glass project with the Suez Canal Economic Zone Authority in Egypt and the China-Africa TEDA investor and such project will be constructed in China-Egypt TEDA Suez Economic and Trade Cooperation Zone.

3. **The policy of "cost reduction and efficiency enhancement" was implemented in depth in production technology, strategic procurement, marketing and human resources work**

Taking into account the market situation, the Group planned for the cold repair production and upgrading and renovation plans of each production base as a whole, and combined technical transformation with the measures of "cost reduction and efficiency enhancement" to effectively improve the comprehensive energy consumption indicators and capacity utilization efficiency of its production lines. The R&D team actively developed energy-saving glass products with characteristics of "CNG" and market competitiveness, such as "Online Low-E CNG Blue", and achieved stable mass production.

In terms of procurement, close attention was paid to the fluctuations on the economic environment and market conditions at home and abroad. Through methods such as centralized procurement, peak-shifting procurement, opportunity procurement and advance procurement, strengthened the procurement synergy of domestic and international businesses, stricIty implemented the evaluation system for qualified suppliers, and deeply explored the strategic cooperation with high-quality suppliers, the cost of raw and fuel material procurement was under effective control. At the same time, through methods such as overall planning, on-the-spot investigation, intelligent monitoring and dynamic management, procurement channels were optimized and procurement processes were refined to ensure stable supply of raw and fuel materials and production safety.

In terms of marketing, the market development trends of downstream industries such as real estate, automotive and new energy were closely monitored, marketing strategies were quickly adjusted to adapt to market changes. Data analysis and processing capabilities were optimized, product mix was adjusted in a timely manner and the advantages of the Company's traditional high value-added specialty products, such as painted glass, coated glass and energy-saving architectural glass were fully utilized to meet the market demands flexibly, and to penetrate the high-quality product markets gradually. Regional Coordination and information communication were strengthened to jointly safeguard the healthy development of the flat glass industry market.

By optimizing and improving the performance and incentive system, strengthening the performance appraisal, the Group safeguarded the physical interests for its employees, while encouraging the employees to take their personal initiative, to cultivate talents for comprehensive management and professional technical talents, contributing to the achievement of the international, sustainable and high-quality development of the Company.

4. **Accelerating the process of intelligent and digital transformation**

The Group engaged a professional team to design and establish the direction and plan of its intelligent and digital transformation in conjunction with its own practical production and operation, comprehensively applying to the industrial internet, big data, artificial intelligence and other technologies to build and refine its intelligent production lines, to accelerate the promotion of intelligent production method, and to improve the digital form of its 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.

5. **Building "CNG" brand and maintaining the stability of the market value**

Through the "five-in-one" unified management of five systems covering collaborative production technology, strategic procurement, marketing, financial management and investment management, the Group aimed to create the brand effect of "CNG", gathered resources and integrated advantages of its business segments at home and abroad, and utilize the platform and media resources of the listed company to establish and strengthen a trustworthy corporate image. At the same time, the Group attached great importance to maintaining the market value, actively expanded and deepened the dimension and depth of communication and interaction with the capital market, and promoted the Group to achieve high-quality development.

MARKET OUTLOOK

In 2024, global inflation is expected to slow down and economic growth is stabilizing, The Chinese government will strive for progress while exerting efforts to maintain stability and promoting stability through progress, so as to promote high-quality development. Meanwhile, the clear objective of the Chinese government to stabilize real estate and the economy, the expected increase in its efforts to implement policies and the gradual emerging of the effect of regulation will drive the real estate to be back to a new balance.

In 2024, in the flat glass industry of the PRC, the multiple pressures of "strictly restriction of additional capacity" and "increase of environmental protection policies" may produce opportunity for the supply side to shrink. On the demand side, as economic recovery will bring marginal improvements in real estate policies, coupled with the expected acceleration of the reconstruction of old residential areas and construction of green energy-saving buildings, the repair of the industrial chain will be drived to accelerate and the price of architectural glass is expected to be stable and rebound. Under the guidance of the national "double carbon" policy, solar photovoltaic power generation and solar photothermal power generation will be booming, and the growth potential of the market demand for photovoltaic glass, photothermal glass and other energy-saving new energy glass products of the Company will be enormous.

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

In terms of raw materials, in 2024, the domestic soda ash market is expected to be booming in both supply and demand, and soda ash manufacturers that suspended production are expected successively resume their production, the supply will increase, and the prices are expected to show a fluctuating downward trend. It is expected the prices of quartz sand and other mineral raw materials will remain at a high level due to the impact of the strict control by national environmental protection and safety policies.

In terms of fuel, in 2024, with the restructuring of global natural gas trade patterns, it is expected that international natural gas prices will remain at a high level. Benefiting from the China-Russia and China-Myanmar natural gas pipelines being put into operation, the price of domestic natural gas is expected to decline in the medium and long run. The expansion of international crude oil production capacity will be limited by capital input, and its price is expected to remain at a middle and high level, which will directly affect the market price trending of domestic fuel materials such as fuel oil and petroleum coke.

WORK PLANS FOR 2024

1. **To grasp the industry development trends, take into account of the situation, focus on performance growth and enhance the market competitiveness of the products**

   In line with the changes in the internal and external environment and the development situation of the industry, the Group will formulate the policy of "One Policy for One Line" for each of its production base, expand their own advantages in terms of geography, resources and production conditions, and enhance the differentiated and distinctive market competitiveness of its architectural glass products.

2. **To increase the efforts in expanding new energy and deep-processed glass segments and build new core competitiveness of the enterprise**

   Relying on its own R&D platform, the Group will optimize the production process of its new energy and deep-processed glass segments, improve the production efficiency and reduce production costs simultaneously. The Group will accelerate the promotion of the construction, ignition and commencement of production of its new energy projects in Gansu, Inner Mongolia and Egypt, as well as the construction of deep processing projects in Kazakhstan and Shaanxi. At the same time, the Group will keep an eye on capacity expansion and investment opportunities at home and abroad.

3. To promote the strategy of "going global" to achieve greater breakthroughs and expand the contribution from overseas performance

The Group will strive to guarantee the stable operation and high-level profitability of its companies in Nigeria and Kazakhstan, strengthen its market development and collaboration in those countries and neighboring regions, closely monitor the exchange rate fluctuations and avoid abnormal exchange rate fluctuation risks in advance. The R&D team of company in Italy will strive to improve and innovate products of the whole line, providing customers with engineering equipment and technical solutions with better production efficiency, lower energy consumption and more agile monitoring and control system, and at the same time select appropriate timing to also develop flat glass engineering business segment, so as to realize diversified development. The Group will proactively strive for greater breakthroughs in the "going global" strategy, strengthen international production capacity cooperation to make full use of national policy advantages, and seek high-quality investment opportunities in areas along the "Belt & Road" to expand the scale of its overseas business segments.

4. To improve the management ability in all respects and avoid and address business risks

The Group will continue to strengthen the "five-in-one" management, give full play to the advantages of collaborative management among systems, promote the upgrading and transformation of the Group's industrial structure, and contribute to the growth of its performance. At the same time, by promoting the digital and intelligent transformation of the Group, it will make full use of the advantages of digital systems in data programming, integration and visualization, to provide rigid support for the efficient and high-quality development of the Company.

5. To expand and deepen the dimension and depth of communication and interaction with the capital market to promote the healthy development of the market value of the Company

The Group will strengthen the Company's information transmission role in the capital market, actively build a diversified and effective information sharing and publicity platform, and promote the development of a long-term stable and benign interactive relationship between the Company and the investors.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 23% from RMB4.327 billion for the year ended 31 December 2022 to RMB5.308 billion for the year ended 31 December 2023. The increase in revenue was mainly attributable to the combined effect of a decrease of 11% in the annual average sales price compared to last year, and an increase of sales volume of 41% compared to last year.

The Group's revenue by the segments of products and services is listed below:

	2023		2022		Change
	RMB'000	***Proportion %***	*RMB'000*	*Proportion %*	*%*
Clear glass	**2,819,703**	**53.1**	2,002,711	46.3	41%
Painted glass	**604,071**	**11.4**	567,142	13.1	7%
Coated glass	**823,632**	**15.5**	1,130,858	26.1	(27%)
Energy saving and new energy glass	**703,361**	**13.3**	263,241	6.1	167%
Designing and installation related services	**357,157**	**6.7**	363,244	8.4	(2%)
	5,307,924	**100**	4,327,196	100	23%

The decrease in selling prices per unit of the Group's glass products was mainly due to a 41% decrease in the Group's overseas selling prices per unit measured in Renminbi, which pulled down the average selling prices per unit of the Group's clear glass, painted glass and coated glass. Such decrease was mainly affected by the continued depreciation of the Nigerian Naira over a short period of time, notwithstanding that the selling price per unit of the Group's Nigerian base, if measured in Nigerian Naira, increased by 18% as compared to last year.

The market competition in the flat glass industry in the PRC was fierce and the market price of float glass was running at a low level. The Group actively explored both domestic and overseas sales markets and continued to increase the proportion of production and sales of glass products with functionality and high added value, which were applied in the automotive, home renovation, home appliances and electronic fields, resulting in a significant increase of 41% in the revenue from the sale of clear glass and a slight increase in the revenue from the sale of painted glass.

In 2023, a photovoltaic rolled glass production line with ancillary deep processing lines, and an offline Low-E of the Group were put into operation, resulting in a 167% year-on-year increase in the sales revenue of energy-saving and new energy glass of the Group, along with a significant increase in sales volume compared to last year.

Revenue from the Group's designing and installation related services segment remained stable as compared to the same period last year. The Group's Italian subsidiary had stable sales revenue and improved gross margin year-on-year, contributing to the stable performance of the Group, with its technology and research and development advantage.

Cost of sales

The Group's cost of sales increased by approximately 36% from RMB3.689 billion for the year ended 31 December 2022 to RMB5.008 billion for the year ended 31 December 2023, which was mainly attributable to the effect of the significant increase in amount of the glass products sold. While the market prices of raw and fuel materials were at a high level, the Group adopted a series of procurement measures to strictly control costs, resulting in a decrease in the unit cost of the Group's glass products.

Gross profit

The Group's gross profit decreased from RMB638 million for the year ended 31 December 2022 to RMB300 million for the year ended 31 December 2023. Gross profit margin decreased from 15% in 2022 to 6% in 2023, mainly attributable to the effect of a decrease in the average selling price of glass products.

Other income

The Group's other income increased from RMB171 million for the year ended 31 December 2022 to RMB189 million for the year ended 31 December 2023, which was mainly due to an increase in government grants, insurance claims income and interest income.

Administrative expenses

For the year ended 31 December 2023, the administrative expenses of the Group increased by 19% to RMB394 million as compared to RMB331 million for the year ended 31 December 2022, which was mainly due to the increase in the number of employees and average salary as a result of the operation of the Group's new production lines.

Impairment losses on the receivables and contract assets

For the year ended 31 December 2023, the impairment losses on the receivables and contract assets of the Group decreased significantly to approximately RMB1.0 million as compared to RMB23.9 million for the year ended 31 December 2022, which was mainly due to the decrease in the ageing of certain other receivables, resulting in a decrease in the provision for impairment.

Finance costs

For the year ended 31 December 2023, the finance costs of the Group increased by 46% to RMB390 million as compared to RMB268 million for the year ended 31 December 2022, mainly due to the increase in the scale of borrowings and the increase in the cost of the debts denominated in US dollars.

Other operating expenses

Other operating expenses incurred by the Group for the year ended 31 December 2023 amounted to approximately RMB142 million but were not incurred for the year ended 31 December 2022. Such expenses arised from the asset impairment provision made by the Group after comprehensive assessment of the status of the production line.

Loss for the year

For the year ended 31 December 2023, the Group recorded a loss of approximately RMB487 million, representing a significant decrease as compared to the profit of approximately RMB102 million for 2022. Such loss was mainly attributable to the combined effect of the following factors: (1) the lingering downturn in the real estate industry in the PRC, leading to a relatively low market price of float glass; (2) the fluctuating high-level market prices of major raw and fuel materials; (3) geopolitical conflicts, persistent global inflation and significant fluctuations in the exchange rates of currencies in certain countries and regions, leading to a drop in contribution to results from the overseas bases of the Group; (4) the continuous interest rates hikes by the Federal Reserve, resulting in an increase in the cost of the Group's debts denominated in US dollars; and (5) the corresponding impairment provision made for certain production lines after a comprehensive assessment on the status of such production lines.

Current assets

The Group's current assets decreased by approximately 9% from RMB3.666 billion as at 31 December 2022 to RMB3.338 billion as at 31 December 2023, which was mainly due to a decrease in inventories, trade receivables and cash on hand and at bank.

Current liabilities

The Group's current liabilities increased by approximately 45% from RMB6.489 billion as at 31 December 2022 to RMB9.434 billion as at 31 December 2023, which was mainly due to an increase in accrued charges and other payables, and short-term bank loans, and a reclassification of non-current portion of a Syndicated Loan of RMB1,496.6 million to current liabilities due to not fulfilling all of the financial covenants as at 31 December 2023.

Up to the date of this announcement, the directors of the Company consider that the waiver has been substantially obtained and will reclassify these amounts to the non-current liabilities.

Non-current liabilities

The Group's non-current liabilities decreased by approximately 6% from RMB3.505 billion as at 31 December 2022 to RMB3.302 billion as at 31 December 2023.

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

As at 31 December 2023, the Group's cash on hand and at bank were RMB1.211 billion (31 December 2022: RMB1.350 billion), of which 53% (31 December 2022: 46%) were denominated in RMB, 6% (31 December 2022: 13%) were denominated in United States Dollars ("**USD**"), 14% (31 December 2022: 15%) were denominated in Euro ("**EUR**"), 26% (31 December 2022: 24%) were denominated in Nigerian Naira, and 1% (31 December 2022: 2%) were denominated in Hong Kong dollars ("**HKD**"). Outstanding bank loans and other borrowings were RMB9.423 billion (31 December 2022: RMB7.938 billion), of which 80.6% (31 December 2022: 67.2%) were denominated in RMB, 18.9% (31 December 2022: 30.8%) were denominated in USD, Nil (31 December 2022: 1.3%) were denominated in HKD and 0.5% (31 December 2022: 0.7%) were denominated in EUR. As at 31 December 2023, 57% (31 December 2022: 55%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 43% (31 December 2022: approximately 45%) bear interest at variable rates.

As at 31 December 2023, the gearing ratio (total interest-bearing debts divided by total assets) was 0.64 (31 December 2022: 0.60). As at 31 December 2023, the Group's current ratio (current assets divided by current liabilities) was 0.35 (31 December 2022: 0.57). The Group recorded net current liabilities amounting to RMB6.096 billion as at 31 December 2023 (31 December 2022: RMB2.823 billion). The assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.85 as at 31 December 2023 (31 December 2022: 0.75).

CHARGED ASSETS

As at 31 December 2023, certain properties, plants and equipment and construction in progress and inventories and land use rights of the Group with a carrying amount of approximately RMB2.004 billion (31 December 2022: approximately RMB687 million), and certain trade and bills receivables of the Group with a carrying amount of approximately RMB489 million (31 December 2022: approximately RMB213 million) were pledged against certain bank loans with a total amount of approximately RMB2.890 billion (2022: approximately RMB1.349 billion).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities.

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

On 27 October 2023, China Glass Investment Limited* (中玻投資有限公司) (as purchaser and an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement to conditionally acquire an approximately 51.4706% equity interest in Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (甘肅凱盛大明光能科技有限公司) ("**Gansu Daming**") for a consideration of RMB312,982,380. Gansu Daming is principally engaged in the production and distribution of float glass and photovoltaic glass products. Following the completion on 31 December 2023, Gansu Daming became a non wholly-owned subsidiary of the Company.

Save as disclosed, the Group did not have any material investments or acquisitions of capital assets, or material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2023, or had any significant investments as of 31 December 2023.

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

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 31 December 2023, the Group employed a total of approximately 4,774 employees within and outside the PRC (31 December 2022: approximately 4,162 employees). The increase in the number of employees of the Group as at 31 December 2023 as compared to 31 December 2022 was due to the natural result of M&A growth and increased business.

The Group ensures that the remuneration 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 employees of the companies in the Group which were established in the PRC and overseas participate in benefit schemes in line with local labor laws and regulations, respectively. Details of staff costs and pension schemes are set out in Note 7(b) to the financial statements.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (31 December 2022: Nil).

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.

EXCHANGE RATE RISK AND RELATED HEDGING

The Group's transactions and monetary assets were primarily denominated in RMB, EUR, USD and Nigerian 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 Nigerian Naira, and certain borrowings of the Group were denominated in RMB and USD. The Group was of the opinion that the future fluctuation of monetary assets would be closely associated with the development of the local economy. The Group's net assets, profits and dividends may be affected by the fluctuation of the exchange rate of RMB, USD, EUR and Nigerian Naira. As at 31 December 2023, the Group has not used any financial instrument for hedging.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's revenue from sales of goods or rendering of services attributable to the Group's five largest customers accounted for 11% of the Group's total sales for the year; and 39% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 21% of the Group's total purchases for the year.

CNBM Triumph Mineral Resources Group Co. Ltd.* (中建材凱盛礦產資源集團有限公司) ("**Triumph Mineral**"), the Group's largest supplier for the year ended 31 December 2023, is a direct wholly-owned subsidiary of Triumph Science & Technology Group Co., Ltd.* (凱盛科技集團有限公司), which is a substantial shareholder of the Company. Apart from Triumph Mineral, for the year ended 31 December 2023, none of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares in the share capital of the Company) has any interest in the Group's five largest suppliers.

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 31 December 2023 and the date of this announcement, 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 as at such dates 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.

As at 1 January 2023 and 31 December 2023, there were no outstanding unvested awards granted to any selected employees under the Share Award Scheme. During the year ended 31 December 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 set out in Note 12(b) to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SHARE CAPITAL

As at 31 December 2023, the issued share capital of the Company was 1,836,218,258 ordinary shares of par value HK$0.05 each. During the year ended 31 December 2023, there were no changes to the total number of Shares or the share capital structure of the Company.

Details of the movements in share capital of the Company during the year ended 31 December 2023 are set out in Note 13(b) to the consolidated financial statements.

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 year and up to the latest practicable date prior to the issue of this announcement.

AUDIT COMMITTEE

The audit committee of the Board, 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 auditing (including audit matters of the Group and reviewed their findings, recommendations and representations), operational, risk management and internal control, and financial reporting matters and systems of the Group, including the review of the annual results of the Group for the year ended 31 December 2023.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the annual results announcement of the Group for the year ended 31 December 2023 (the "**Annual Results Announcement**") have been agreed by the external auditors of the Company, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the Annual Results Announcement.

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

For the year ended 31 December 2023, the Company applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules, except for the deviation set out in the CG Code C.2.7.

CG Code provision C.2.7 requires the chairman of the Board (the "**Chairman**") to at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year 2023, all major decisions of the Company were made by the entire Board, and there were no special circumstances requiring independent discussions with the independent non-executive Directors in the absence of other Directors as the entire Board demonstrates a diversity of skills, expertise, experience and qualifications for the requirements of the Company's business which necessary to enhance the effectiveness of the Board and the quality of its performance, and to maintain high standards of corporate governance. Therefore, no such meeting with the independent non-executive Directors was held. Notwithstanding that, the Company has internal policies and arrangements to allow all Directors (including the non-executive Directors) to express their views and raise their concerns in relation to the business and corporate governance of the Company with the Chairman; and the company secretary of the Company plays an important role in supporting the independent non-executive Directors by ensuring good information flow between the independent non-executive Directors and the Chairman.

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 C3 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 financial year ended 31 December 2023.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**2024 AGM**") will be held on Wednesday, 19 June 2024 and the notice of 2024 AGM will be published and issued to the shareholders of the Company (the "**Shareholders**") in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 14 June 2024 to Wednesday, 19 June 2024, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2024 AGM which is scheduled on Wednesday, 19 June 2024. In order to be eligible to attend and vote at the 2024 AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 13 June 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Annual Results Announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinaglassholdings.com). The annual report of the Company for the year ended 31 December 2023 containing all the information required by the Listing Rules will be issued 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, 26 March 2024

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

Executive Director:
Mr. Lyu Guo

Non-executive Directors:
Mr. Peng Shou *(Chairman)*; Mr. Zhao John Huan; and Mr. Zhang Jinshu

Independent Non-executive Directors:
Mr. Zhang Baiheng; Mr. Wang Yuzhong; and Mr. Chen Huachen

* *For identification purpose only*