CNG中玻

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 2024

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 2024 together with the comparative figures for the corresponding period in 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 – unaudited
*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Revenue	4	**2,683,496**	2,107,111
Cost of sales		**(2,413,143)**	(2,000,747)
Gross profit	4	**270,353**	106,364
Other income	5	**72,118**	75,441
Distribution costs		**(50,464)**	(54,271)
Administrative expenses		**(177,787)**	(165,770)
Impairment losses on receivables and contract assets		**(16,718)**	(6,341)
Other operating expenses		**(19,438)**	–
Profit/(loss) from operations		**78,064**	(44,577)
Finance costs	6(a)	**(229,773)**	(167,231)
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 profits less losses of joint ventures		**1,837**	(7,951)
Loss before taxation	6	**(149,872)**	(186,033)
Income tax	7	**12,984**	47,391
Loss for the period		**(136,888)**	(138,642)
Attributable to:			
Equity shareholders of the Company		**(119,006)**	(103,276)
Non-controlling interests		**(17,882)**	(35,366)
Loss for the period		**(136,888)**	(138,642)
Loss per share (RMB cent)	8		
Basic and diluted		**(7.07)**	(6.13)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Loss for the period	**(136,888)**	(138,642)
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)	**326**	(193)
Item that may be reclassified subsequently to profit or loss:		
– exchange differences on translation of financial statements into presentation currency	**(313,859)**	(514,516)
Total comprehensive income for the period	**(450,421)**	(653,351)
Attributable to:		
Equity shareholders of the Company	**(432,559)**	(617,973)
Non-controlling interests	**(17,862)**	(35,378)
Total comprehensive income for the period	**(450,421)**	(653,351)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024
(Expressed in RMB)

	Note	**(unaudited) At 30 June 2024** ***RMB'000***	(audited) At 31 December 2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**9,552,401**	9,935,816
Investment property		**32,561**	33,944
Right-of-use assets		**602,264**	616,615
Intangible assets		**205,189**	203,668
Other non-current assets		**217,250**	151,936
Goodwill		**303,210**	305,679
Interests in joint ventures		**53,555**	51,718
Equity securities designated at FVOCI		**684**	247
Deferred tax assets		**346,451**	323,068
		11,313,565	11,622,691
Current assets			
Inventories		**1,328,337**	982,623
Contract assets		**37,063**	26,428
Trade and bills receivables	9	**415,134**	416,257
Other receivables	10	**512,139**	499,537
Prepayments		**179,353**	197,739
Prepaid income tax		**4,103**	4,122
Cash at bank and in hand		**1,728,550**	1,210,846
		4,204,679	3,337,552

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2024

(Expressed in RMB)

	Note	**(unaudited) At 30 June 2024** ***RMB'000***	(audited) At 31 December 2023 *RMB'000*
Current liabilities			
Trade and bills payables	11	**1,044,779**	622,186
Accrued charges and other payables	12	**1,618,663**	2,034,611
Contract liabilities		**324,655**	321,221
Bank loans and other borrowings		**5,953,961**	6,311,498
Leases liabilities		**12,846**	13,356
Income tax payable		**144,666**	130,927
		9,099,570	9,433,799
Net current liabilities		**(4,894,891)**	(6,096,247)
Total assets less current liabilities		**6,418,674**	5,526,444
Non-current liabilities			
Bank loans and other borrowings		**4,466,302**	3,111,152
Lease liabilities		**69,368**	73,090
Other non-current liabilities		**5,226**	10,263
Deferred tax liabilities		**103,657**	107,335
		4,644,553	3,301,840
NET ASSETS		**1,774,121**	2,224,604
CAPITAL AND RESERVES	13		
Share capital		**85,951**	85,951
Reserves		**999,816**	1,432,375
Total equity attributable to equity shareholders of the Company		**1,085,767**	1,518,326
Non-controlling interests		**688,354**	706,278
TOTAL EQUITY		**1,774,121**	2,224,604

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024 – 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 Main Board of 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 2024 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 glass production lines, and the development of glass production technology.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information set out below is derived from the unaudited interim financial report, which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). It was authorised for issue on 29 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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.

The 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 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a 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.

For the six months ended 30 June 2024, the Group had net loss of RMB136,888,000 (six months ended 30 June 2023: net loss of RMB138,642,000). As at 30 June 2024, the Group had net current liabilities of RMB4,894,891,000 (31 December 2023: RMB6,096,247,000). 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 30 June 2024, which has taken into account:

- the Group has unutilised banking facilities of RMB1,043,692,000 as at 30 June 2024;

- the Group has newly drawn-down and refinanced bank loans and other borrowings of RMB380,558,000 after 30 June 2024;

- the Group has secured and/or guaranteed short-term bank loans amounting to RMB1,031,163,000. Considering the long-term and strong business relationships with those banks, the directors of the Company are of the opinion that renewal of those bank loans is highly probable when they fall due during the next twelve months; 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.* ("**中國建材集團有限公司**"), which is a central state-owned enterprise, in the form of loans of RMB1,378,643,000 as at 30 June 2024, and in the form of trade and other payables due to Triumph Group and its related parties of RMB1,228,276,000 as at 30 June 2024. The directors of the Company are of the opinion that such assistance will continue to be available and those amounts will not be required the immediate repayment based on the discussion with those companies.

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 names is for identification purpose only and the official names of these entities are in Chinese.*

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRs that are first effective for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")*

- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*

- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7*, Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements* ("2020 and 2022 amendments", or collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. Since those disclosures are not required for any interim period presented within the annual reporting period in which the amendments are initially applied, the Group has not made additional disclosures in the interim financial report.

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 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 low-emission coated glass, solar reflector, photovoltaic glass and photovoltaic battery module products.

- Design and installation related services: this segment provides design, purchasing parts and installation services of 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	
	2024	2023
	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	**2,501,835**	1,937,963
– revenue from service contracts	**150,271**	143,938
– sales of spare parts	**31,390**	25,210
	2,683,496	2,107,111
Disaggregated by geographical location of customers		
– The Chinese Mainland and Hong Kong (place of domicile)	**1,921,999**	1,483,987
– Nigeria	**163,219**	189,741
– Middle East	**145,902**	88,371
– Other countries	**452,376**	345,012
	761,497	623,124
	2,683,496	2,107,111

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/(loss). No inter-segment sales have occurred for the six months ended 30 June 2024 and 2023. 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.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as 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 2024 and 2023 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 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
	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	**1,153,320**	1,029,291	**374,406**	215,697	**430,069**	435,562	**544,013**	257,413	**31,390**	25,210	**2,533,225**	1,963,173
– over time	**–**	–	**–**	–	**–**	–	**–**	–	**150,271**	143,938	**150,271**	143,938
Revenue from external customers and reportable segment revenue	**1,153,320**	1,029,291	**374,406**	215,697	**430,096**	435,562	**544,013**	257,413	**181,661**	169,148	**2,683,496**	2,107,111
Reportable segment gross (loss)/profit	**(11,315)**	(9,224)	**67,548**	10,651	**129,602**	111,601	**42,779**	(42,868)	**41,739**	36,204	**270,353**	106,364

5 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**23,475**	54,650
Insurance claims income	**7,243**	–
Interest income	**19,635**	12,925
Net gain from sale of raw and scrap materials	**21,313**	7,008
Rental income from investment property	**855**	2,187
Net (loss)/gain on disposals of property, plant and equipment	**(2,019)**	109
Others	**1,616**	(1,438)
	72,188	75,441

6 LOSS BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**203,682**	160,021
Interest on lease liabilities	**2,699**	2,743
Bank charges and other finance costs	**33,552**	43,941
Total borrowing costs	**239,933**	206,705
Less: amounts capitalised into property, plant and equipment (Note)	**(5,574)**	(23,487)
Net borrowing costs	**234,359**	183,218
Net foreign exchange gain	**(4,586)**	(15,987)
	229,773	167,231

Note: The borrowing costs have been capitalised at 5.87% per annum for the six months ended 30 June 2024 (six months ended 30 June 2023: 4.39% per annum).

(b) Other items

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Cost of inventories	**2,413,143**	1,967,722
Depreciation and amortisation charge		
– property, plant and equipment and intangible assets	**312,045**	184,245
– investment property	**1,383**	1,427
– right-of-use assets	**13,715**	13,022
Impairment losses on property, plant and equipment	**12,864**	–
Inventory write-down and losses net of reversals	**–**	33,025
Research and development costs (other than capitalised costs and related amortisation)	**11,621**	15,940

7 INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current taxation:		
– provision for corporate income tax on the estimated taxable profits for the period	**14,238**	6,544
– over-provision of corporate income tax in respect of prior years	**(118)**	(490)
	14,120	6,054
Deferred taxation	**(27,104)**	(53,445)
	(12,984)	(47,391)

The Hong Kong Profits Tax rate for the six months ended 30 June 2024 is 16.5% (six months ended 30 June 2023: 16.5%).

The subsidiaries of the Group incorporated in the Cayman Islands and the 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 Chinese Mainland are subject to PRC corporate income tax rate of 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 25%).

Three subsidiaries of the Group established in the Chinese Mainland 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. The approvals were obtained in 2022 for one subsidiary and in 2023 for the other two subsidiaries. Three subsidiaries are also entitled to an additional tax deductible allowance amounting to 100% of the qualified research and development costs incurred for the six months ended 30 June 2024 and 2023.

Subsidiaries of the Group incorporated in Nigeria are subject to Nigeria corporate income tax rate of 30% for the six months ended 30 June 2024 (six months ended 30 June 2023: 30%). One of the Nigerian subsidiaries of the Group is established in the Nigerian Export Processing Zone and is exempted from all federal, state and local government's corporate income taxes.

A subsidiary of the Group incorporated in the Republic of Kazakhstan is subject to Kazakhstan corporate income tax rate of 20% and is granted by Kazakhstan's government of exempting its corporate income tax for the period from 2016 to 2032 as a preferential tax rate for foreign investments.

A subsidiary of the Group incorporated in Italy is subject to Italy corporate income tax rate of 27.9% (six months ended 30 June 2023: 27.9%).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the six months ended 30 June 2024 is based on the loss attributable to ordinary equity shareholders of the Company of RMB119,006,000 (six months ended 30 June 2023: loss attributable to ordinary equity shareholders of the Company of RMB103,276,000) and the weighted average of 1,684,218,000 ordinary shares (six months ended 30 June 2023: 1,684,218,000 shares) in issue during the six months ended 30 June 2024.

(b) Diluted loss per share

There are no dilutive potential shares outstanding during the six months ended 30 June 2024 and 2023. Hence, the diluted loss per share is the same as the basic loss per share for the six months ended 30 June 2024 and 2023 respectively.

9 TRADE AND BILLS RECEIVABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
Trade receivables from:		
– third parties	**479,041**	380,572
– Triumph Group's related parties	**4,887**	6,188
	483,928	386,760
Less: loss allowance	**(138,924)**	(131,805)
Financial assets measured at amortised cost	**345,004**	254,955
Bills receivables	**70,130**	161,302
	415,134	416,257

Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to certain customers with good credit rating, 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) as of the end of the reporting period is as follows:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
Within 1 month	**165,588**	198,517
More than 1 month but less than 3 months	**122,940**	143,008
More than 3 months but less than 6 months	**44,806**	43,869
More than 6 months but less than 1 year	**65,817**	5,688
Over 1 year	**15,983**	25,175
	415,134	416,257

10 OTHER RECEIVABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
Amounts due from related parties:		
– an equity shareholder of the Company (Note (i))	**14**	14
– a non-controlling equity owner of a subsidiary (Note (ii))	**113,528**	113,493
– a joint venture	**8,538**	6,850
	122,080	120,357
Deposits and other debtors	**389,776**	417,325
Less: loss allowance	**(195,527)**	(186,031)
	194,249	231,294
Financial assets measured at amortised cost	**316,329**	351,651
Value added tax refundable/deductible	**195,810**	147,886
	512,139	499,537

Notes:

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

(ii) As at 30 June 2024, the amounts are due from a non-controlling equity owner of a subsidiary of the Group, which are secured by its owned equity interests in this subsidiary.

11 TRADE AND BILLS PAYABLES

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Trade payables to:		
– third parties	**568,138**	361,360
– Triumph Group's related parties	**165,257**	112,650
Bills payables	**311,384**	148,176
	1,044,779	622,186

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

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Due within 1 month or on demand	**711,187**	476,808
Due after 1 month but within 6 months	**331,592**	144,878
Due after 6 months but within 1 year	**2,000**	500
	1,044,779	622,186

12 ACCRUED CHARGES AND OTHER PAYABLES

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Amounts due to related parties:		
– Triumph Group and its related parties (Note)	**1,063,019**	1,216,721
– a non-controlling equity owner of a subsidiary	**56,654**	56,428
	1,119,673	1,273,149
Accrued charges and other payables:		
– payables for construction and purchase of property, plant and equipment, land use rights and other non-current assets	**201,608**	219,934
– payables for staff related costs	**66,902**	73,096
– payables for acquisition considerations and dividends to non-controlling interests in subsidiaries	**4,821**	292,168
– payables for transportation expenses	**8,275**	6,979
– deposits	**68,320**	54,783
– others	**105,872**	57,293
	455,798	704,253
Financial liabilities measured at amortised cost	**1,575,471**	1,977,402
Payables for miscellaneous taxes	**40,761**	54,812
Provision for legal claims	**2,431**	2,397
	1,618,663	2,034,611

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

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends 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 dividend for the six months ended 30 June 2024. For the six months ended 30 June 2023, an interim distribution of HK$0.018 per ordinary share or approximately RMB30,408,000 in total was approved and paid subsequent to 30 June 2023.

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

No final dividend in respect of the previous financial year has been approved and paid during the interim period (six months ended 30 June 2023: Nil).

(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 or exercised under the Share Option Scheme 2016 during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

(ii) Share award scheme

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

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

	No. of shares held *'000*
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	152,000

During the six months ended 30 June 2024, no ordinary share was purchased for the Share Award Scheme (six months ended 30 June 2023: Nil). No shares have been awarded to any selected employee as at the date of this interim results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2024, under the pressures of escalation of regional conflicts and global inflation, the world economic growth slowed down.

In the first half of 2024, the real estate industry in China was in the profound adjustment stage, with the growth of the completed real estate area slowing down, the growth momentum of float glass demand was periodically insufficient. The float glass market structure has been adjusted, where the demand for glass of automobiles, home decorations and household appliances has increased. On the supply side, the national supply side structural reform, the "carbon neutrality and peak carbon dioxide emissions" initiative and the continuation of environmental protection policies have limited the addition of new production capacity of float glass. The external environment, economic situation and policy orientation lead to fierce competition among float glass manufacturers, at the same time driving the high-quality development of the industry.

In the first half of 2024, benefiting from the national policy guidance to drive ecological civilization construction and green and low carbon development, the solar power generation industry developed rapidly. In the first half of the year, domestic photovoltaic glass enterprises significantly expanded their production, resulting in the growth rate of photovoltaic glass supply was higher than that of the capacity of downstream component manufacturers, and the photovoltaic glass industry is still facing periodic oversupply pressure in the short term. The solar thermal power generation industry is one of the renewable energy industries promoted by the nation in recent years, with broad market prospects. In order to achieve efficient photothermal conversion efficiency, there is a certain technical threshold for the production of photothermal glass. In the first half of the year, the market trend of photothermal glass industry has shown positive development.

BUSINESS REVIEW

Overview

The Group currently has 16 float glass production lines, with a daily melting capacity of 8,600 tonnes. As at 30 June 2024, the Group had 14 float glass production lines in actual operation, and the non-operational production lines included one high-quality float glass production line under construction and one float glass production line in cold repair and technical transformation stage. The main products of the Group's float glass production line are clear glass, painted glass, coated glass, energy saving and new energy glass applied in the fields of construction, automobiles, solar power generation, home decorations and household appliances.

The Group currently owns two photovoltaic rolled glass production lines, the main products of which are photovoltaic glass; three offline low-emission ("**Low-E**") coated glass production lines, the main products of which are energy-saving architectural glass; certain deep-processing production lines, the main products of which are photovoltaic backplane, photovoltaic panel and solar reflector; and a glass equipment and technology supplier, which provides production line equipment and design and installation consulting services for downstream enterprises.

Production, sales and selling prices

In the first half of 2024, the Group produced an aggregate amount of 30.72 million weight cases of various types of glass, representing an increase of approximately 28% as compared with the same period last year, and its sales volume was 25.25 million weight cases, representing an increase of approximately 22% as compared with the same period last year. The consolidated average selling price was RMB99.0 per weight case, representing an increase of approximately 6% as compared with the same period last year.

Prices of raw and fuel materials, and production costs

In terms of raw materials, in the first half of 2024, due to periodic supply fluctuations of soda ash enterprises and weak downstream demand, the market price of soda ash showed a trend of "first falling and then rising, overall downward", and the average market purchase price was lower than that of the same period last year. In terms of mineral raw materials, due to the impact of domestic government control measures such as environmental protection and safety, the supply of some placer resources has been tightened and the market price has stabilized at a high level.

In terms of fuel, in the first half of 2024, with the continuous optimization and improvement of the national clean energy supply capacity, the supply of natural gas tended to be stable, and the domestic gas price continued to decline. The downstream demand for petroleum coke was weak while the supply was sufficient, the market price showed a steady downward trend, and the average market price was lower than that of the same period last year. Consequently, the average unit cost of domestic production was RMB86 per weight case, representing an decrease of approximately 5% as compared with the same period last year.

MAJOR WORKS IN THE FIRST HALF OF 2024

In the face of the complex and volatile external environment, the Group continued to adhere to the strategic guidance of its major shareholder and earnestly implemented the medium and long-term development strategy of "organic growth, M&A growth, and going global". At the same time, it continued to expand new glass, new materials and new energy ("**three new**") industries and made new breakthroughs. In the first half of the year, the companies' production, operation and management works were stable and orderly, mainly carrying out the following aspects of work:

1. **Implementing the strategy of "M&A growth", further expanding the three new industries, and accelerating the upgrading of the Group's industrial structure**

   The Group acquired the controlling 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**") in October 2023, completed the equity transfer by the end of 2023, and was quickly integrated into the unified management of the Group. Gansu Daming is a leading manufacturer of photothermal glass and solar reflector in China. The successful acquisition of Gansu Daming marked the Group's official entry into the field of solar thermal power generation, improved its industrial layout in Northwest China, further expanded the production capacity of energy saving and new energy glass, and promoted the optimization and adjustment of industrial structure.

   The Group's 800t/d photovoltaic glass production line of the Gansu Daming was ignited and put into production in the first half of the year, which is the first photovoltaic glass production line in Gansu Province with broad market space and is expected to contribute significantly to the Group's performance growth. The Group's first photovoltaic rolled glass production line in Suqian, Jiangsu was continuously optimized in terms of production indicators such as yield rate and comprehensive energy consumption, resulting in an increase in production efficiency. Furthermore its five ancillary deep processing lines all met production conditions in the first half of the year. At the same time, the Group is actively promoting the preliminary construction of photovoltaic cell packaging materials for solar equipment and its ancillary projects in Tongliao City, Inner Mongolia.

2. **Maintaining good operating situation and further consolidating the achievements of the "going global" strategy in overseas companies**

   Influenced by global inflation and intensified geopolitical conflicts, overseas enterprises are generally facing the pressure from rise in logistics costs and the risk of exchange rate fluctuations. The performance of the Group's overseas companies maintained steady growth:

   Despite the Nigerian Naira, the functional currency of Nigeria subsidiaries , had devalued by approximately 41% against RMB since 2024, the production and sales indicators of Nigeria subsidiary were further improved, and the comprehensive gross profit margin maintained the leading level in the industry, which continued to make outstanding contributions to the Group's efficiency. Facing the problem of market competition brought by the Russo-Ukrainian war, Kazakhstan subsidiary actively explored sales channels, freight channels and surrounding markets, and the sales volume increased significantly in the first half of the year. The product quality was widely recognized by local and surrounding customers, and the regional influence was gradually enhanced. At the same time, through its own sand and gravel processing production line, the production cost is reduced. Italian subsidiary maintained stable profitability in the first half of the year, while actively seeking opportunities to expand the European market in order to further consolidate its leading position in production technology in the field of glassware.

   The Group continued to seek and explore overseas development opportunities, actively laid out the international and regional locations along the "Belt and Road Initiative", and focused on promoting the preparatory work before the construction of the new energy project in Egypt, striving for the early implementation of the project.

3. **Achieving remarkable results in "cost reduction and efficiency enhancement" and "products differentiation"**

   Faced with the pressure of fierce domestic market competition, the Group strengthened the implementation of "cost reduction and efficiency enhancement" measures, strictly implemented the concept of "sales-based production", combined with the policy of "one line, one policy" to flexibly meet the needs of different regions and emerging markets. In the first half of the year, the proportion of sales of high value-added glass products used in specific areas such as automobiles, household appliances and mirror manufacturing increased. At the same time, in response to the market changes in the raw and fuel materials, the Group paid close attention to the changes in implementation of national and local energy and resources and environmental protection policies. Under the guidance of the national energy saving and carbon reduction policy, each base adjusted the energy structure and procurement strategy in a timely manner, optimized the production process, and established long-term cooperative relationships with high-quality suppliers to lock the quantity and price at the appropriate time, so as to reduce the production cost.

4. **Deepening "five-in-one" management and enhancing operation and management capabilities in an all-round way**

The Group brought into play the synergistic management effect among the five systems of "production technology, strategic procurement, marketing, financial management and investment management", and at the same time, the Group continued to optimize its intelligent transformation and digital transformation, providing multi-faceted support for the efficient and high-quality development of bases at home and abroad. In order to further optimize the management structure of the Group, in the first half of the year, the Group completed a comprehensive review of the production and operation, safety and environmental protection, governance structure, legal compliance and other aspects of the whole system in an orderly manner. In order to cope with potential operational risks, a continuous risk warning mechanism was established and internal control procedures were strengthened.

5. **Optimizing the information communication mechanism of capital market and maintaining the stability of market value**

The Company actively promoted a diversified news promotion and distribution platform, and timely and effectively communicated the achievements and progress of enterprise production and operation, innovative technology, market development and cultural construction to shareholders, potential investors and other stakeholders, so as to strengthen investors' understanding and recognition of the Company, promote the formation of a long-term, stable and positive interactive relationship between the Company and investors, and comprehensively improve the quality of information disclosure.

MARKET OUTLOOK

In the second half of 2024, geopolitical conflicts and uncertainties related to trade policies will intensify. The Chinese government continues to adhere to the general tone of seeking progress while maintaining stability, intensify macro-control efforts, and strive to promote the pace of high-quality and innovative development of China's economy.

In the second half of 2024, the domestic real estate industry is expected to maintain a critical period of in-depth adjustment and transformation development, driving the transformation and upgrading of the downstream float glass industry. The demand for high-end glass products such as automotive glass, energy-saving architectural glass, home decorations and household appliances is expected to continuously increase. Driven by the rapid development of new energy vehicles in the domestic automotive market, the demand for automotive glass is expected to show a steady growth trend. The vigorous development of emerging industries such as clean energy power generation and energy storage has brought opportunities for the explosive demand for photovoltaic, photothermal and conductive coated glass.

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

In terms of raw materials, in the second half of 2024, the domestic soda ash market will be relatively weak, the downstream production capacity will mainly maintain the replenishment of rigid demand, the price will show a downward trend, and the market of silica sand and other mineral raw materials is expected to be stable with some weakness. In terms of fuels, it is expected that the supply capacity of domestic LNG will increase, and that the market price of natural gas will continue its mid-year price range and fluctuate steadily under the condition of maintaining steady in demand. Petroleum coke refineries will start operations one after another in the second half of the year, and the upstream supply is expected to grow slightly, while the demand side has not released a clear signal, and the market price is expected to decline.

WORK PLANS FOR THE SECOND HALF OF 2024

1. **Grasping the development trends of the industry, taking into account of the situation, focusing on performance growth, and enhancing the products market competitiveness**

   In the second half of 2024, in order to cope with market changes, the Group will give full play to the advantages of each base, continue to optimize and adjust the variety structure of glass products, give full play to the technical advantages of the Group's full set of independent intellectual property rights, and effectively enhance the competitiveness of products; ploughing into the automotive glass market, consolidating the market share of thin sheet automotive glass, and accelerating the market development of medium and thick sheet automotive glass; exerting to the advantages of multi-variety color glass combination and expand the development of high-end market channels; striving to improve the output and quality of the Low-E glass and solar reflector processing lines, and enhancing the operating efficiency of the deep processing segment.

2. **Increasing the efforts in expansion of new energy and deep processing glass segments and building new core competitiveness of the enterprise**

   The Group will continue to optimize the construction and layout of market channels, and at the same time to explore the development of production technologies in the field of new glass materials such as high-strength glass, heat insulation glass and intelligent glass, so as to enhance the Group's sustainable development ability in the future. The Group will accelerate the construction and ignition and production commencement of proposed new energy projects in Inner Mongolia and Egypt. Meanwhile, the Group will pay close attention to domestic and foreign capacity expansion opportunities and investment opportunities.

3. **Promoting the "going global" strategy to achieve greater breakthroughs and expanding the contribution of overseas performance**

   The Group will make every effort to ensure the stable operation and high level of profitability of the Nigeria subsidiary and Kazakhstan subsidiary, strengthen the development and synergy of the local and surrounding regional markets, pay close attention to the fluctuation of exchange rates, and prevent the risk of exchange rate fluctuations in advance. Italian subsidiary will take the opportunity to coordinate the development of flat glass engineering business segment with a view to achieving diversified development.

   The Group will proactively strive to achieve greater breakthroughs in "going global" strategy, strengthen international production capacity cooperation to make full use of the advantages of national policies, seek high-quality investment opportunities in regions along the "Belt and Road Initiative", and enhance the scale of overseas business sectors.

4. **Comprehensively enhancing operation and management capabilities and preventing and resolving operational risks**

   The Group will continue to strengthen the "five-in-one" management, give full play to the advantages of collaborative management effect among systems, and refine and implement the "cost reduction and efficiency enhancement" measures and the "one line, one policy" policy. Based on the comprehensive and systematic review results of the Group in the first half of the year, a continuous risk early warning mechanism will be optimized and internal control procedures will be strengthened for potential operational risks; the digitalisation and intelligentization construction and transformation of the Group will be accelerated, to build an intelligent ecosystem, improve production and management efficiency and reduce manpower costs.

5. **Expanding and deepening the width and depth of communication with the capital market and promoting the healthy development of the Company's market value**

The Group will continue to strengthen the information transmission role of the platform of the listed company in the capital market, actively build diversified and effective information communication and media platforms, and promote the formation of a long-term, stable and positive interactive relationship between the Company and investors.

FINANCIAL REVIEW

Revenue

For the first six months of 2024, the revenue of the Group from its principal business increased by approximately 27% to RMB2,683,496,000 as compared to RMB2,107,111,000 in the first six months of 2023. The increase in revenue was mainly attributable to the combined effects of both increase in sales volume and average unit selling price.

	For the first six months of 2024		For the first six months of 2023		Change
	RMB'000	***Proportion***	*RMB'000*	*Proportion*	*%*
Clear glass	**1,153,320**	**43%**	1,029,291	49%	12%
Painted glass	**374,406**	**14%**	215,697	10%	74%
Coated glass	**430,096**	**16%**	435,562	21%	(1%)
Energy saving and new energy glass	**544,013**	**20%**	257,413	12%	111%
Design and installation related services	**181,661**	**7%**	169,148	8%	7%
	2,683,496	**100%**	2,107,111	100%	27%

In the first half of 2024, facing competitive pressures in the domestic flat glass market and complex and changing political and economic situations abroad, the Group's related measures such as "industrial structure upgrading", "cost reduction and efficiency improvement" and "product differentiation" have achieved the following practical results:

The Group's glass product sales volume increased significantly by approximately 22% compared to the same period last year, mainly due to the following reasons: (a) the Group's acquisition of Gansu Daming at the end of last year, which produces and sells high-quality float glass, led to an increase in the Group's clear glass sales volume; (b) the improved production efficiency of the Suqian photovoltaic glass production line and the Dongtai offline Low-E coated glass production line, along with the solar reflectors produced and sold by Gansu Daming, significantly boosted the Group's energy-saving and new energy glass sales volume; and (c) the Group timely adjusted its product structure according to local market demand, increased the proportion of painted glass products, and actively expanded market channels, leading to an increase in the sales volume of painted glass with the distinctive "CNG" characteristics.

The average selling prices per unit of the Group's glass products increased by approximately 6% compared to the same period last year, primarily due to the following comprehensive factors: (a) the energy-saving and new energy glass products such as photovoltaic glass and solar reflectors have higher selling prices per unit compared to the overall selling prices per unit of glass products, leading to an increased proportion of their sales volume and thus raising the overall selling prices per unit; (b) the selling prices per unit of the high value-added and high-quality clear glass increased year-on-year and was higher as compared with that of ordinary clear glass; and (c) the overseas selling prices per unit denominated in RMB decreased by 13%, such decrease was mainly due to the continuous depreciation of the Nigerian Naira in the short term. However, the selling prices per unit denominated in Nigerian Naira by the Nigerian subsidiary increased by 78% compared to the same period last year.

The revenue of the Group's design and installation related services division increased by 7% compared to the same period last year. This division's revenue mainly came from the engineering equipment and technical services business of the Group's Italian subsidiary. Leveraging its leading technological advantages in areas such as automatic production of glassware and the tubing of pharmaceutical packaging materials, both sales revenue and gross profit margin increased year on year.

Cost of sales

The Group's cost of sales increased by approximately 21% from RMB2,000,747,000 for the first six months of 2023 to RMB2,413,143,000 for the first six months of 2024. The increase in cost of sales was mainly due to the increase in amount of glass products sold.

Gross profit

The Group's gross profit increased significantly by approximately 154% from RMB106,364,000 for the first six months of 2023 to RMB270,353,000 for the first six months of 2024. The increase in gross profit was mainly due to both increase in sales volume and gross margin.

Administrative expenses

For the first six months of 2024, the administrative expenses of the Group increased by approximately 7% to RMB177,787,000 as compared to RMB165,770,000 for the first six months of 2023. The increase in administrative expenses was mainly attributable to the newly consolidated subsidiaries.

Finance costs

For the first six months of 2024, the finance costs of the Group increased by approximately 37% to RMB229,773,000 as compared to RMB167,231,000 in the first six months of 2023. The substantial increase in finance costs was mainly due to the increase of the average weighted balance of borrowings as a result of the increase in borrowings of the newly consolidated subsidiaries.

Income tax

Income tax credited was RMB12,984,000 for the six months ended 30 June 2024, compared with the income tax credited of RMB47,391,000 for the six months ended 30 June 2023. The income tax credited was mainly due to the increase in the amount of the provision for corporate income tax on the estimated taxable profits for the period, whereas the decrease in the amount of recognised deferred tax assets.

Loss for the period

For the first six months of 2024, the Group recorded a loss of RMB136,888,000, which was largely in line with the recorded loss of RMB138,642,000 for the first six months of 2023.

Current assets

The Group's current assets increased by approximately 26% from RMB3,337,552,000 as at 31 December 2023 to RMB4,204,679,000 as at 30 June 2024, which was mainly due to the increase in cash and inventory.

Non-current liabilities

The Group's non-current liabilities increased by approximately 41% from RMB3,301,840,000 as at 31 December 2023 to RMB4,644,553,000 as at 30 June 2024, 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 2024, the Group's cash on hand and at bank were RMB1,728,550,000 (31 December 2023: RMB1,210,846,000), of which 72% (31 December 2023: 53%) were denominated in RMB, 15% (31 December 2023: 26%) were denominated in Nigerian Naira, 6% (31 December 2023: 6%) were denominated in United States Dollars ("**USD**"), and 6% (31 December 2023: 14%) were denominated in Euro ("**EUR**") and 1% (31 December 2023: 1%) were denominated in Hong Kong dollars ("**HKD**").

Outstanding bank loans and other borrowings were RMB10,420,263,000 (31 December 2023: RMB9,422,650,000), of which 83.2% (31 December 2023: 80.6%) were denominated in RMB, 16.4% (31 December 2023: 18.9%) were denominated in USD, and 0.4% (31 December 2023: 0.5%) were denominated in EUR. As at 30 June 2024, 57% (31 December 2023: 57%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 43% (31 December 2023: approximately 43%) bear interest at variable rates. As at 30 June 2024, 57% (31 December 2023: 67%) of the outstanding bank loans and other borrowings will mature within one year while 43% (31 December 2023: 33%) will mature after one year.

As at 30 June 2024, the gearing ratio (total interest-bearing debts divided by total assets) was 0.68 (31 December 2023: 0.64). As at 30 June 2024, the Group's current ratio (current assets divided by current liabilities) was 0.46 (31 December 2023: 0.35). The Group recorded net current liabilities amounted to RMB4,894,891,000 as at 30 June 2024 (31 December 2023: RMB6,096,247,000). As at 30 June 2024, assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.89 (31 December 2023: 0.85).

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 2024, 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 2024, 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 2024, the Group employed a total of approximately 4,960 employees within and outside the PRC (31 December 2023: about 4,774 employees). The increase in staff number of the Group as at 30 June 2024 as compared to 31 December 2023 was mainly attributable to a new photovoltaic glass line of Gansu Daming into production.

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 the benefit schemes in line with local labour laws and regulations, respectively.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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 2024 and (ii) 26 March 2024, being the date of the annual report of the Company for the year ended 31 December 2023, 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 2024, 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 interim financial statements.

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

During the six months ended 30 June 2024, 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 2024 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 2024.

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 2024, the Company applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 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 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 six months ended 30 June 2024.

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 2024 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, 29 August 2024

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*