CHINA GLASS HOLDINGS LIMITED

中國玻璃控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 3300)

2024 ANNUAL REPORT

* For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Lyu Guo *(Chief Executive Officer)*

Non-executive Directors

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

Independent Non-executive Directors

Mr. Zhang Baiheng
Mr. Wang Yuzhong *(resigned on 31 December 2024)*
Mr. Chen Huachen
Ms. Lan Haiqing *(appointed on 31 December 2024)*

AUDIT COMMITTEE

Mr. Chen Huachen *(Chairman of audit committee)*
Mr. Peng Shou
Mr. Zhang Baiheng
Mr. Wang Yuzhong *(resigned on 31 December 2024)*
Ms. Lan Haiqing *(appointed on 31 December 2024)*

REMUNERATION COMMITTEE

Mr. Wang Yuzhong *(Chairman of remuneration committee) (resigned on 31 December 2024)*
Ms. Lan Haiqing *(Chairman of remuneration committee) (appointed on 31 December 2024)*
Mr. Peng Shou
Mr. Zhang Baiheng

NOMINATION COMMITTEE

Mr. Zhang Baiheng *(Chairman of nomination committee)*
Mr. Peng Shou
Mr. Wang Yuzhong *(resigned on 31 December 2024)*
Ms. Lan Haiqing *(appointed on 31 December 2024)*

STRATEGY COMMITTEE

Mr. Peng Shou *(Chairman of strategy committee)*
Mr. Zhao John Huan
Mr. Lyu Guo

SENIOR MANAGEMENT

Mr. Ye Zhihui
Mr. Cai Guo
Mr. Zhang Guan
Ms. Kuok Yew Lee *(resigned on 4 February 2025)*

COMPANY SECRETARY

Ms. Kuok Yew Lee *(resigned on 4 February 2025)*

AUTHORISED REPRESENTATIVES

Mr. Lyu Guo
Ms. Kuok Yew Lee *(resigned on 4 February 2025)*

REGISTERED OFFICE

Canon's Court
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Hamilton, HM 12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

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the PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Ltd
Canon's Court
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
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Hong Kong

LEGAL ADVISORS

As to Hong Kong Law
Norton Rose Fulbright Hong Kong

As to the PRC Law
Commerce & Finance Law Offices

As to Bermuda Law
Appleby

PRINCIPAL BANKERS

Shanghai Pudong Development Bank
China Construction Bank
Bank of Communications
China CITIC Bank
Ping An Bank
Hua Xia Bank
Standard Chartered Bank
Agriculture Development Bank of China
China Everbright Bank
China Bohai Bank

AUDITORS

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

INVESTOR RELATIONS CONSULTANT

Wonderful Sky Financial Group Holdings Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited: 3300

WEBSITE

www.chinaglassholdings.com

Financial Highlights

The summary of the results and the assets and liabilities of China Glass Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for each of the five years ended 31 December 2024 are extracted from the audited financial statements of this report and the Company's 2020, 2021, 2022 and 2023 annual reports.

RESULTS (EXPRESSED IN RENMINBI ("RMB"))

	The Group Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**5,737,612**	5,307,924	4,327,196	5,065,048	3,158,567
Cost of sales	**(5,426,667)**	(5,008,413)	(3,689,007)	(3,331,345)	(2,419,843)
Gross profit	**310,945**	299,511	638,189	1,733,703	738,724
Other income	**132,764**	188,604	170,638	3,140	30,413
Distribution costs	**(128,231)**	(114,049)	(101,166)	(83,213)	(77,515)
Administrative expenses	**(389,012)**	(394,344)	(330,717)	(337,572)	(287,656)
Impairment losses recognised on receivables and contract assets	**(17,503)**	(953)	(23,853)	(566)	(122,739)
Other operating expenses	**(436,995)**	(141,875)	–	(13,440)	(11,673)
(Loss)/profit from operations	**(528,032)**	(163,106)	353,091	1,302,052	269,554
Finance costs	**(473,737)**	(389,964)	(267,713)	(232,802)	(263,674)
Net gain on acquisition of interests in a joint venture	**–**	33,628	–	–	–
Net (loss)/gain on disposal of interests in a joint venture	**(238)**	98	–	–	–
Share of profit less losses of joint ventures	**(3,935)**	(31,280)	(60)	(56)	(725)
(Loss)/profit before taxation	**(1,005,942)**	(550,624)	85,318	1,069,194	5,155
Income tax	**41,966**	63,216	16,457	(267,247)	(103,633)
(Loss)/profit for the year	**(963,976)**	(487,408)	101,775	801,947	(98,478)

ASSETS AND LIABILITIES

	The Group As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**14,222,765**	14,960,243	13,285,303	10,380,534	7,201,243
Total liabilities	**(13,338,739)**	(12,735,639)	(9,994,404)	(7,002,511)	(5,033,247)
Net assets	**884,026**	2,224,604	3,290,899	3,378,023	2,167,996

Chairman's Statement

To shareholders,

In 2024, the global economy continued its weak recovery, with significant growth disparities among regions and countries. The Chinese economy maintained steady progress, with a GDP growth rate of 5% year-on-year, ranking among the top of the world's major economies. Facing the dual challenges of a complex external environment and domestic supply-side structural reforms, the domestic glass industry operated under weak conditions. However, driven by continuous technological innovation and industrial structure optimization and upgrading, the supply-demand dynamics of the glass industry are expected to improve, presenting more development opportunities.

Over the past year, the Company has adhered to technological innovation, empowering the transformation and upgrading of traditional industries with new productive forces, and driving the improvement of total factor productivity through intelligent and digital transformation. Guided by this philosophy, the Company successfully achieved mass production of self-developed "all-oxygen combustion technology" photothermal ultra-white glass, breaking through critical "bottleneck" technologies. As the only domestic enterprise to integrate the entire supply chain of photothermal glass and reflector processing, the Company has created favorable conditions for advancing its industrial upgrading and transformation, as well as the development of China's photothermal power generation industry. The Company actively built a digital and intelligent operation management platform, promoting data interconnectivity, business synergy, and efficient management integration. Throughout the entire lifecycle of production and manufacturing, the platform has invigorated product research and design, enhancing production efficiency and controllability. Additionally, the Company consistently implemented its "going global" development strategy. The operating performances of its subsidiaries in Nigeria and Italy were remarkable, while the new energy project in Egypt officially commenced construction, further accelerating and solidifying the Company's global strategic layout.

Looking ahead to 2025, uncertainties in global economic growth are expected to increase, with low-speed growth potentially becoming the norm. China will maintain its steady progress approach, solidly advancing high-quality economic development and implementing more proactive macroeconomic policies to ensure the successful completion of the goals outlined in the 14th Five-Year Plan. The Company will fully grasp the development trends of domestic and international industries, steadily promote industrial transformation and upgrading, and focus on cost reduction and efficiency improvement. The Company will adhere to innovation-driven development, cultivate new productive forces, and gradually forge a new industrialization path characterized by high-end, intelligent, and green development, striving to achieve breakthroughs in both strategic emerging industries and traditional industries. At the same time, the Company will continue to embrace an international mindset, accelerate the pace of its "going global" strategy, and strive for greater breakthroughs.

On behalf of the board of directors, I would like to express my sincere gratitude to our shareholders and investors for their support and concern and to our staff for their contributions to the development of the Company.

Peng Shou
Chairman

MARKET REVIEW

In 2024, the global economy navigated through multiple risks and challenges with twists and turns, experiencing a slow recovery process. Regional conflict risks escalated, trade fragmentation deepened, global industrial chains and supply chains underwent significant adjustments, and there was a noticeable differentiation in economic growth among different regions and countries. Faced with the increasingly complex and severe situation of mounting external pressures and growing internal difficulties, China's economy maintained overall stability with steady progress. The Chinese government placed importance on and intensified macroeconomic regulation efforts, solidly promoting high-quality economic development.

In 2024, the overall situation of the glass industry in China was characterized by "struggling against headwinds". In terms of float glass, the Chinese real estate industry continued to face pressure, with limited demand for architectural glass leading to a decline in float glass prices. Although demand for automotive glass, household appliance glass, and other sectors continued to grow steadily with stable prices and profit margins, the sluggishness in the construction sector dragged down the overall float glass market. In terms of new energy glass, the rapid development of the photovoltaic power generation industry in recent years led to a sharp increase in production capacity. However, the market demand growth rate did not match the pace of supply expansion, resulting in a temporary mismatch between supply and demand, which squeezed the profit margins of the entire photovoltaic power generation industry chain. Benefiting from national energy storage policies, the solar photothermal power generation industry exhibited broad market development prospects, and photothermal glass faced technical barriers, maintaining a favorable market condition throughout the year.

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 2024, the Group had 12 float glass production lines in actual operation, and the unoperated production lines included a high-quality float glass production line under construction and 3 float glass production lines in the stage of cold repair technical modification or relocation. 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; 5 solar reflector production lines, mainly for concentrating reflectors; and a glass equipment and technology supplier, providing equipment, designing and installation consultation services for the production lines of downstream enterprises.

The Group actively implemented the "going global" strategy, followed the path of international development, explored the economic growth potential in overseas markets, and successively established glass manufacturing and equipment supply industries in Nigeria, Kazakhstan and Italy. In 2024, in response to the "Belt and Road" initiative, the Group initiated the construction of a float glass production line in Egypt, further deepening the implementation of the Group's global industrial layout.

Production, sales and selling price

In 2024, the Group produced an aggregate amount of 68.42 million weight cases of various types of glass, representing an increase of approximately 29% as compared with the same period last year, and its sales volume was 59.24 million weight cases, representing an increase of approximately 14% as compared with the same period last year. In 2024, the consolidated average selling price was RMB91 per weight case, representing a decrease of approximately 5% as compared with the same period last year.

Prices of raw and fuel materials, and production costs

In terms of raw materials, in 2024, China's soda ash production capacity increased while downstream demand from the glass industry remained weak, leading to a continuous accumulation of soda ash inventory and an overall trend of "fluctuating decline" in market prices. In terms of mineral raw materials, due to the impact of domestic government control measures such as environmental protection and safety, the price of placer fluctuated at high levels overall, but there was some differentiation in market prices for placer based on different qualities and specific segments.

In terms of fuel, in 2024, China's clean energy supply capacity continued to be optimized and improved, and the domestic gas price was generally stable. The Chinese petroleum coke market was impacted by increased domestic production and weak downstream demand, resulting in price fluctuations trending downwards in the first three quarters. In the fourth quarter, factors such as policy restrictions and reduced imports caused a rebound in petroleum coke prices.

MAJOR WORKS IN 2024

Affected by both domestic and international economic conditions, the demand for glass in the domestic market is under pressure, and industry competition has intensified. The Group remains committed to technological innovation, empowering the transformation and upgrading of traditional industries through new quality productivity, and driving improvements in the efficiency of all production factors with intelligent and digital transformation. At the same time, The Group continues to implement its three medium-to-long-term development strategies: "organic growth, acquisition growth, and going global", to diversify and enhance profitability. The Group is primarily focused on the following areas of work:

1. Sticking to technological innovation and leveraging new quality productivity to empower the transformation and upgrading of traditional industries

The Group is committed to technological innovation and places a high priority on product technology research and development. By cultivating new quality productivity, it facilitates the transformation and upgrading of industries, and enhances profitability through high value-added products. In 2024, the Group's Yumen base successfully achieved mass production of solar thermal ultra clear float glass using its self-developed "full oxygen combustion process," marking a breakthrough in overcoming critical technological challenges. The 4mm glass product, tested by China Building Material Test & Certification Group (CTC), achieved a transmittance rate of 90.91% and a reflector reflectivity of 94.70%. This accomplishment has positioned the Group as the only domestic manufacturer to integrate the solar thermal glass and reflector production chains, thereby improving the supply landscape of solar thermal glass both domestically and internationally. This breakthrough creates favorable conditions for the sustainable development of China's solar thermal power industry and the Group's industrial transformation and upgrading.

The Group's Dongtai base utilizes a complete set of independently developed intellectual property to produce Transparent Conductive Oxides ("TCO") glass for perovskite solar cells. This glass meets the dual requirements of high conductivity and high light transmittance, while also achieving uniform color through microstructural control, catering to architectural aesthetics. It is primarily used in perovskite thin-film solar cells and the BIPV (Building Integrated Photovoltaics) sector. Additionally, the Group has developed a range of new energy-efficient glass products, including online Low-E Ford Blue and online Low-E CNG Gray, which combine sun shading and low-emissivity functions with decorative aesthetic appeal. The Group has also introduced black glass products, which feature ultra-low visible light transmittance, effectively block ultraviolet rays, and provide privacy protection functionalities.

2. Implementing an "internationalization" route and deepening the "going global" development strategy

The Group adheres to the "going global" development strategy, actively exploring growth opportunities in overseas markets. It has successfully established a presence in the glass manufacturing and equipment supply industries in Nigeria, Kazakhstan, and Italy. In 2024, the Group actively responded to the Belt and Road Initiative, forming strategic partnerships with the Suez Canal Economic Zone Authority of Egypt and the investor of China-Africa TEDA Investment. The Group initiated the construction of a float glass production line within the China-Egypt TEDA Suez Economic and Trade Cooperation Zone. In November of the same year, a grand groundbreaking ceremony was held in the China-Egypt TEDA Suez Economic and Trade Cooperation Zone, marking the official commencement of the project's construction phase.

In 2024, the Group's Nigeria base continued to deliver impressive operational performance, achieving a gross profit margin of approximately 40%, significantly surpassing the profitability levels of domestic peers. The Kazakhstan base strictly adhered to the strategic goal of "high quality and differentiation". The first offline Low-E processing production line in Central Asia, constructed by the base, officially commenced operations in the second half of the year, substantially enhancing the company's profitability.

3. Proactively responding to market changes and effectively optimizing corporate management

The Group continues to tap into internal potential, vigorously implementing the strategies of "cost reduction and efficiency enhancement" and "differentiated operation" to actively respond to market changes. It further strengthens the "five-in-one" management, intensifies performance evaluations, fully leverages the motivating role of performance incentives, optimizes personnel structure, and reduces operational costs. The Group also continues to advance compliance management to standardize corporate operations and promotes corporate culture management to enhance employee cohesion and unity.

4. Accelerating the process of intelligent and digital transformation

The Group has engaged professional teams to, based on its own actual production and operation, rely on advanced industrial internet technologies to build a digital intelligent operation control platform. This platform successfully optimizes and integrates data resources both inside and outside the Group, effectively achieving data interconnectivity, business synergy, and management integration. Throughout the entire lifecycle of production and manufacturing, the platform not only stimulates innovation in product research and design but also further enhances production efficiency and controllability, effectively reducing manual intervention in the production process, laying a solid foundation for building an energy-efficient intelligent factory. Meanwhile, in the full-process management of operational decision-making, the platform provides comprehensive and detailed data coordination and analysis support for the five major systems of procurement, production, sales, finance, and investment, offering strong evidence for scientific decision-making by management and business personnel.

MARKET OUTLOOK

In 2025, global inflation is expected to slow down, trade protectionism prevails, and geopolitical conflicts continue, increasing uncertainties in global economic growth. China continues to adhere to the general principle of "seeking progress while maintaining stability," implementing more proactive macroeconomic policies, expanding domestic demand, promoting the integration of technological and industrial innovation, ensuring the stability of the property and stock markets, and solidly advancing high-quality economic development.

In 2025, the domestic real estate industry is expected to undergo continuous deep adjustments, with weak demand for ordinary architectural glass, driving the downstream float glass industry to gradually alleviate supply-demand contradictions through capacity control, structural adjustments, and going global. The demand for high-end glass products in fields such as new energy vehicles, smart furniture, and energy-saving building renovations continues to rise, pushing the glass industry towards "intelligent, green, and high-end" development. Additionally, the booming development of emerging industries such as clean energy power generation and energy storage brings opportunities for explosive demand in photovoltaic, solar thermal, and conductive coated glass.

Forecast of raw and fuel material prices and production costs

In terms of raw materials, in 2025, the Chinese soda ash market is expected to continue in a situation of "strong supply and weak demand", with soda ash prices generally weak, and the market prices of mineral raw materials such as quartz sand expected to be stable with a weak trend. In terms of fuel, in 2025, the increase in China's natural gas supply is expected to slow down, and the government may continue to promote the large-scale integration of urban pipeline gas to improve the industry's competitive landscape and maintain low market price fluctuations. Affected by crude oil price fluctuations, geopolitical conflicts, and demand recovery, the market price of Chinese petroleum coke may experience slight fluctuations and upward trends.

WORK PLANS FOR 2025

1. **To prioritize performance growth, grasp the industry development trends and enhance the market competitiveness of the products**

   The Group will dynamically study and determine changes in internal and external environments, closely keep on track with market trends and accurately apply for favorable policies. By focusing on the principal business of float glass segment, and capitalizing on the geographical, resource and production advantages of each manufacturing base, the Group will earnestly implement the "One Policy for One Line" approach to promote the upgrading of product structure towards specialization, construct differentiated competition barriers and enhance the market competitiveness of the products.

2. **To deepen the implementation of the "going global" long-term development strategy and expand the contribution from overseas performance**

   Under the premise of ensuring the safety of overseas investments, the Group will continue to seek high-quality international capacity cooperation opportunities, adhering to our "internationalization" development path. In 2025, we will expedite the construction of the Egypt New Energy Glass Project, ensuring effective on-site management for its successful operation. the Group's bases in Nigeria, Kazakhstan, and Italy will focus on stable operations, transitioning from "going global" to "integrating locally." the Group will uphold the principles of mutual benefit, emphasize local talent development, and integrates its culture, attitude and concept for symbiotic growth with host countries and partners. By integrating local resources and participating in the "Belt and Road" initiative, the Group aims to share in the benefits of global economic growth.

3. 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, and continue to promote the upgrading of product structure towards high added value. In 2025, the Group will focus on four core areas, such as energy-efficient architectural deep processing, automotive coated glass, solar thermal reflectors and TCO coatings, and strengthen its technological research to accurately apply for market demand, firmly supporting the Group's future development.

4. To continue strengthening internal management and enhancing overall management proficiency

The Group will continue to reinforce crisis awareness, vigorously pursue cost reduction and efficiency enhancement, explore internal potential, and enhance organizational resilience and management efficiency. We will continue to strengthen the "five-in-one" management approach, capitalize on system-wide synergies, and drive breakthroughs in operational efficiency through management innovation. By maintaining a performance-oriented culture, we will bolster talent development, closely link performance evaluations with compensation, and fully leverage performance incentives. Additionally, we will advance the construction of corporate culture system to reinforce organizational cohesion and strategic synergy through the dual-track approach of value leadership and employee development, accelerate the process of digital and intelligent transformations, and establish a decision-making hub driven by data and an agile operation ecosystem capable of rapid response, comprehensively solidifying the foundation of sustainable development.

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 actively leverage 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 8% from RMB5.308 billion for the year ended 31 December 2023 to RMB5.738 billion for the year ended 31 December 2024. The increase in revenue was mainly attributable to the combined effect of a decrease of 5% in the annual average sales price compared to last year, and an increase of sales volume of 14% compared to last year.

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

	2024		2023		Change
	RMB'000	***Proportion %***	*RMB'000*	*Proportion %*	*%*
Clear glass	**2,218,851**	**38.7**	2,819,703	53.1	-21.3
Painted glass	**971,296**	**16.9**	604,071	11.4	60.8
Coated glass	**1,014,842**	**17.7**	823,632	15.5	23.2
Energy saving and new energy glass	**1,160,620**	**20.2**	703,361	13.3	65.0
Designing and installation related services	**372,003**	**6.5**	357,157	6.7	4.2
	5,737,612	**100**	5,307,924	100	8.1

In 2024, amid intensifying competition in the domestic flat glass market and complex geopolitical and economic conditions overseas, the Group achieved tangible results through its strategic initiatives of "industrial structure upgrading", "cost reduction and efficiency enhancement", and "product differentiation", as outlined below:

The Group's clear glass products are primarily used in the construction sector. To address the prolonged downturn in China's real estate industry, the Group accelerated its "industrial structure upgrading", yielding significant progress. For the full year of 2024, the Group's revenue from other business segments, excluding revenue from clear glass, accounted for 61.3% of total revenue (2023: 46.9%), marking a year-on-year increase of 14.4 percentage points.

The Group's glass product sales volume increased by approximately 14% compared to the previous year, driven by: (a) enhanced production efficiency at the Suqian photovoltaic glass production line and the Dongtai offline Low-E coated glass production line, coupled with increased sales of photothermal ultra-clear glass and solar reflector glass products from Gansu Daming, resulting in a 50% rise in sales of energy saving and new energy glass; (b) leveraging proprietary intellectual property in float-process online coated glass technology, the Group shifted partial production capacity to higher-margin coated glass products, leading to a 30% increase in coated glass sales; (c) proactive adjustments to product mix, including higher proportions of painted glass tailored to local market demand, alongside expanded sales channels, which boosted sales of distinctive "CNG" branded painted glass by 79%; and (d) The Kazakhstan base's aggressive expansion of sales channels, driving a 42% increase in clear glass sales.

The average unit selling price (ASP) of the Group's glass products decreased by approximately 5% year-on-year, mainly attributable to the combined effect of the following factors: (a) higher ASPs for energy-saving and new energy glass products (e.g., photothermal ultra-clear glass and solar reflectors), whose increased sales proportion partially offset the overall ASP decline; (b) a 15% drop in domestic ASPs for clear glass due to persistent weakness in China's real estate sector; and (c) despite the temporary depreciation of the Nigerian Naira, overseas ASPs denominated in RMB remained stable. Excluding currency effects, ASPs for the Nigerian subsidiary in Naira terms surged by 78% year-on-year.

Revenue from the Group's design and installation related services grew by 4% year-on-year, primarily contributed by the engineering equipment and technical services business of its Italian subsidiary. By capitalizing on its leading expertise in automated glassware production and tubing technologies, the subsidiary achieved higher sales revenue and improved gross margins compared to the prior year.

Cost of sales

The Group's cost of sales increased by approximately 8% from RMB5.008 billion for the year ended 31 December 2023 to RMB5.427 billion for the year ended 31 December 2024, which was mainly attributable to the effect of the significant increase in amount of the glass products sold, while the Group adopted a series of procurement measures to strictly control costs, resulting in a decrease by approximately 7% in the unit cost of the Group's glass products.

Gross profit

The Group's gross profit increased from RMB300 million for the year ended 31 December 2023 to RMB311 million for the year ended 31 December 2024. Gross profit margin decreased from 5.6% in 2023 to 5.4% in 2024, mainly attributable to the effect of a decrease in the average selling price of glass products.

Other income

The Group's other income decreased from RMB189 million for the year ended 31 December 2023 to RMB133 million for the year ended 31 December 2024, which was mainly due to a decrease in government grants and insurance claims income.

Administrative expenses

For the year ended 31 December 2024, the administrative expenses of the Group decreased by 1% to RMB389 million as compared to RMB394 million for the year ended 31 December 2023, which was mainly due to the fact that the Group streamlined cost structures, enhance operational efficiency, and optimize management processes.

Impairment losses on the receivables and contract assets

For the year ended 31 December 2024, the impairment losses on the receivables and contract assets of the Group increased to approximately RMB18 million as compared to RMB1.0 million for the year ended 31 December 2023, which was mainly due to the increase in the ageing of certain other receivables, resulting in an increase in the provision for impairment.

Finance costs

For the year ended 31 December 2024, the finance costs of the Group increased by 21% to RMB474 million as compared to RMB390 million for the year ended 31 December 2023, mainly due to the increase in the scale of borrowings, despite the decrease in the weighted average interest rate of bank loans.

Other operating expenses

Other operating expenses incurred by the Group for the year ended 31 December 2024 amounted to approximately RMB437 million, increased significantly as compared to approximately RMB142 million for the year ended 31 December 2023, mainly due to the significant increase in 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 2024, the Group recorded a loss of approximately RMB964 million, compared to the net loss of approximately RMB487 million for the year ended 31 December 2023, with the scale of losses further expanding. Such loss was mainly attributable to the combined effect of the following factors: (1) the prolonged downturn in China's real estate sector and the acute supply-demand imbalance in the short-term photovoltaic (PV) and renewable energy industries have collectively kept market prices for architectural glass and PV glass at persistently low levels; (2) geopolitical instability, escalating trade protectionism, and heightened currency exchange rate volatility have diminished the contribution of overseas production bases' strong annual performance to the Group's net profit; and (3) following a comprehensive assessment of production line conditions, impairment provisions were recognized for certain production lines.

Current assets

The Group's current assets increased by approximately 13% from RMB3.338 billion as at 31 December 2023 to RMB3.761 billion as at 31 December 2024, which was mainly due to the increase in inventories, assets held for sale and cash on hand and at bank.

Current liabilities

The Group's current liabilities increased by approximately 12% from RMB9.434 billion as at 31 December 2023 to RMB10.561 billion as at 31 December 2024, which was mainly due to the increase in trade and bills payables, and short-term bank loans.

Non-current liabilities

The Group's non-current liabilities decreased by approximately 16% from RMB3.302 billion as at 31 December 2023 to RMB2.778 billion as at 31 December 2024, which was mainly due to the decrease in the long-term bank loans and other borrowings.

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

As at 31 December 2024, the Group's cash on hand and at bank were RMB1.302 billion (31 December 2023: RMB1.211 billion), of which 61% (31 December 2023: 53%) were denominated in RMB, 9% (31 December 2023: 6%) were denominated in United States Dollars ("USD"), 8% (31 December 2023: 14%) were denominated in Euro ("EUR"), 20% (31 December 2023: 26%) were denominated in Nigerian Naira, 2% (31 December 2023: 1%) were denominated in Hong Kong dollars ("HKD"). Outstanding bank loans and other borrowings were RMB9.917 billion (31 December 2023: RMB9.423 billion), of which 89.1% (31 December 2023: 80.6%) were denominated in RMB, 10.5% (31 December 2023: 18.9%) were denominated in USD, and 0.4% (31 December 2023: 0.5%) were denominated in EUR. As at 31 December 2024, 62% (31 December 2023: 57%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 38% (31 December 2023: approximately 43%) bear interest at variable rates.

As at 31 December 2024, the gearing ratio (total interest-bearing debts divided by total assets) was 0.70 (31 December 2023: 0.64). As at 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was 0.36 (31 December 2023: 0.35). The Group recorded net current liabilities amounting to RMB6.800 billion as at 31 December 2024 (31 December 2023: RMB6.096 billion). The assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.94 as at 31 December 2024 (31 December 2023: 0.85).

CHARGED ASSETS

As at 31 December 2024, certain properties, plants and equipment and construction in progress and inventories and land use rights of the Group with a carrying amount of approximately RMB3.000 billion (31 December 2023: approximately RMB2.004 billion), and certain trade and bills receivables of the Group with a carrying amount of approximately RMB627 million (31 December 2023: approximately RMB489 million) were pledged against certain bank loans with a total amount of approximately RMB2.972 billion (2023: approximately RMB2.890 billion).

CONTINGENT LIABILITIES

In June 2024, an overseas subsidiary of the Group, Orda Glass Ltd LLP ("**Orda Glass**"), received a notice from the Department of Ecology of the Kyzylorda Region in Kazakhstan (the "**Regional DOE**") claiming that the pollutant emissions arose from the production of Orda Glass in 2023 were higher than the 2023 emission limit approved by the Regional DOE, and accordingly imposed a fine to this alleged non-compliance. Upon receipt of the above notice, Orda Glass and the management of the Group revisited the emission reports, which were performed and carried out by independent consultants, previously submitted to the Regional DOE in relation to the 2023 production, and concluded that Orda Glass's pollutant emissions in 2023 were within the approved 2023 emission limit. Based on these reports, Orda Glass and the management of the Group consider the alleged non-compliance stipulated in the notice was without reasonable grounds, and continue to deny the alleged non-compliance and hence the imposed fine. Orda Glass, with the support of management of the Group, has undertaken actions through various channels, including administrative submissions to various government agencies in appealing the notice and application of injunctions against the imposed fine, initiated lawsuit against the notice issued by the Regional DOE in a court of law, and in the process of continuous discussions with various regional, state and national government authorities of Kazakhstan in resolution of the matter. Based on discussion with the lawyer of Orda Glass and various government agencies, management of the Group consider the outcome of the matter is highly uncertain, and the final imposed fine or settlement, if any, cannot be reliably estimated as of the date of issue of these financial statements. No provision has therefore been made in these financial statements with respect to this matter.

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

During the year ended 31 December 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 had any significant investments. As at the date of this report, the Group has no plan to make any material investments or acquisitions of capital assets.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 31 December 2024, the Group employed a total of 4,589 employees within and outside the PRC (31 December 2023: 4,774 employees). Compared to 31 December 2023, the Group experienced a reduction in its workforce as of 31 December 2024, primarily due to the prudent decision by management to gradually phase out less profitable production lines in mainland China amid persistent pressures from the challenging industry landscape. The Company methodically planned and executed the workforce reduction process by formulating a detailed downsizing plan and compensation packages, providing training and reemployment resources, and tracking post-employment outcomes for affected employees, resolutely safeguarding employees' rights and interests throughout the transition.

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 6(b) to the full set of the consolidated financial statements.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

EXCHANGE RATE RISK AND RELATED HEDGING

The Group's transactions and monetary assets were primarily denominated in RMB, EUR, USD, Nigerian Naira and Kazakhstani Tenge. Operating expenses and domestic sales of the Group's PRC subsidiaries were primarily denominated in RMB, operating expenses and sales of subsidiaries incorporated in Nigeria and Kazakhstan were primarily denominated in Nigerian Naira and Kazakhstani Tenge, 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, Nigerian Naira and Kazakhstani Tenge. As at 31 December 2024, 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 13% of the Group's total sales for the year; and 26% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounted for 8% 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"), one of the Group's five largest suppliers for the year ended 31 December 2024, 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 2024, 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.

* *For identification purpose only*

The board of directors (the "Board" or the "Directors") of China Glass Holdings Limited (the "Company") presented its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024.

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

The principal place of business of the Company in the People's Republic of China (the "PRC") is at Room 201, Floor 2, Block 1, No. 66 Sibo Road, Songjiang District, Shanghai, the PRC.

PRINCIPAL ACTIVITIES

Details of the principal activities of the Group are set out in Note 15 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The loss of the Group for the year ended 31 December 2024 and the state of the Company's and of the Group's assets and liabilities as at that date are set out in the consolidated financial statements on pages 102 to 105 and page 195.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

GROUP'S FIVE YEARS FINANCIAL SUMMARY

Results, assets and liabilities of the Group for the last five years are summarised on page 4 of this Annual Report.

RESERVES

Details of the distributable reserves of the Company as at 31 December 2024 are set out in Note 32(e) to the consolidated financial statements.

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of the financial statements. Details of movements in the reserves of the Company during the year are set out in Note 32(a) to the consolidated financial statements.

DONATIONS

The charitable or other donations of the Group were approximately to RMB73,400 during the year ended 31 December 2024 (2023: RMB80,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2024 are set out in Note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2024 are set out in Note 32(c) to the consolidated financial statements.

As at 31 December 2024, the issued share capital of the Company was 1,836,218,258 ordinary shares of par value HK$0.05 each (the "Shares" and each a "Share"). During the year ended 31 December 2024, there were no changes to the total number of Shares or the share capital structure of the Company.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders under the bye-laws of the Company (the "Bye-Laws"), except if an ordinary resolution is passed by the shareholders of the Company (the "Shareholders" and each a "Shareholder") (before the issue of any new shares) to determine that such shares shall be offered to them in the first instance. As at the date hereof the Shareholders have not passed such a resolution.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Director

Mr. Lyu Guo *(Chief Executive Officer)*

Non-executive Directors

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

Independent Non-executive Directors

Mr. Zhang Baiheng
Mr. Chen Huachen
Mr. Wang Yuzhong *(resigned on 31 December 2024)*
Ms. Lan Haiqing *(appointed on 31 December 2024)*

In accordance with bye-law 99 of the Bye-Laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Directors determined in accordance with the above rule shall retire by rotation at the forthcoming annual general meeting (the "AGM") and being eligible, will offer themselves for re-election at the AGM. Their proposed re-election will be considered by separate resolutions.

The Company has received annual confirmation of independence from all Independent Non-executive Directors, and still considers them to be independent as at the date of this report in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") (the "Listing Rules").

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the year ended 31 December 2024, none of the Directors or any entity connected with the Directors had any material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries and fellow subsidiaries was a party.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save and except for the share option scheme and the share award scheme disclosed on pages 173 to 174 of this report and Note 30 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors, their respective spouse or minor children, to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or in any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year ended 31 December 2024.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in Note 8 to the consolidated financial statements.

The Board shall consider the recommendations made by the remuneration committee of the Board (the "Remuneration Committee"), review and determine the Directors' emoluments with reference to their respective duties, responsibilities and involvement in the Company's affairs, and skills, knowledge and performance, as well as the Company's performance and/or profitability, and prevailing market situation for similar appointment. None of the Directors is involved in deciding his own remuneration.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the Directors had an interest in any business which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

PERMITTED INDEMNITY PROVISION

During the year under review and up to the date of this report, the Bye-Laws provides that the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively. The Company has arranged for appropriate directors and officers liability insurance in respect of legal action against the Directors.

INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were (i) recorded in the register required to be kept by the Company under section 352 of the SFO; or (ii) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors	Company/Name of Associated Corporation	Capacity	Total Number of Ordinary Shares [1]	Approximate Percentage of Shareholding [3]
Mr. Lyu Guo	The Company	Beneficial owner	15,442,096 (L)	0.84%
Mr. Zhao John Huan	The Company	Interest of a controlled corporation [2]	272,926,000 (L)	14.86%

Notes:

(1) The letter "L" denotes the Director's long position in such securities.

(2) New Glory Fund L.P. is a wholly-owned subsidiary of New Glory Management Limited, which is owned as to 50% by United Strength Upward Limited. United Strength Upward Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is wholly-owned by Hony Group Management Limited. Hony Group Management Limited is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is wholly-owned by Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao John Huan. Mr. Zhao John Huan is taken to be interested in the 272,926,000 shares held by New Glory Fund L.P. by virtue of Part XV of the SFO.

(3) As at 31 December 2024, the total number of issued Shares is 1,836,218,258.

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (ii) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2024, the interests and/or short positions of the Shareholders, other than Directors and chief executive of the Company, in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Total Number of Ordinary Shares [1]	Approximate Percentage of Shareholding [9]
New Glory Fund L.P.	Beneficial owner	272,926,000 (L)	14.86%
New Glory Management Limited	Interest of a controlled corporation [2]	272,926,000 (L)	14.86%
蚌埠華金控股股份有限公司 (Bengbu Huajin Holdings Co., Ltd.*)	Interest of a controlled corporation [3]	272,926,000 (L)	14.86%
United Strength Upward Limited	Interest of a controlled corporation [3]	272,926,000 (L)	14.86%
Hony Capital Group Limited	Interest of a controlled corporation [4]	272,926,000 (L)	14.86%
Hony Group Management Limited	Interest of a controlled corporation [5]	272,926,000 (L)	14.86%
Hony Managing Partners Limited	Interest of a controlled corporation [5]	272,926,000 (L)	14.86%
Exponential Fortune Group Limited	Interest of a controlled corporation [5]	272,926,000 (L)	14.86%
China Triumph International Investment Company Limited	Beneficial owner	156,424,621(L)	8.52%
凱盛科技集團有限公司 (Triumph Science & Technology Group Co., Ltd.*)	Beneficial owner/Interest of a controlled corporation [6]	416,424,621(L)	22.68%
中國建材集團有限公司 (China National Building Material Group Co., Ltd.*)	Interest of a controlled corporation [6]	416,424,621(L)	22.68%
Bank of Communications Trustee Limited	Trustee [7]	152,000,000(L)	8.28%
Ms. Sze Tan Hung	Beneficial owner	146,710,000(L)	7.99%
Mr. Tung Ching Sai	Interest of spouse [8]	146,710,000(L)	7.99%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) New Glory Fund L.P. is a wholly-owned subsidiary of New Glory Management Limited. New Glory Management Limited is taken to be interested in these shares by virtue of Part XV of the SFO.

(3) New Glory Management Limited is owned as to 50% by Bengbu Huajin Holdings Co., Ltd.* and 50% by United Strength Upward Limited. Bengbu Huajin Holdings Co., Ltd. and United Strength Upward Limited are taken to be interested in the shares held by New Glory Management Limited by virtue of Part XV of the SFO.

(4) United Strength Upward Limited is a wholly-owned subsidiary of Hony Capital Group Limited. Hony Capital Group Limited is taken to be interested in these shares by virtue of Part XV of the SFO.

(5) Hony Capital Group Limited is wholly-owned by Hony Group Management Limited. Hony Group Management Limited is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is wholly-owned by Exponential Fortune Group Limited. Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited are taken to be interested in the shares held by Hony Capital Group Limited by virtue of Part XV of the SFO.

(6) China Triumph International Investment Company Limited is a wholly-owned subsidiary of Triumph Science & Technology Group Co., Ltd.*, which is a wholly-owned subsidiary of China National Building Material Group Co., Ltd*. Triumph Science & Technology Group Co., Ltd.* is taken to be interested in the shares held by China Triumph International Investment Company Limited; and China National Building Material Group Co., Ltd* is taken to be interested in the shares held by China Triumph International Investment Company Limited and Triumph Science & Technology Group Co., Ltd.* by virtue of Part XV of the SFO.

(7) Bank of Communications Trustee Limited has been appointed as the Trustee (as defined herein below) of the Share Award Scheme (as defined herein below). Pursuant to the scheme rules and the trust deed entered into with the Trustee, existing Shares of the Company will be purchased by the Trustee on the market out of cash contributed by the Group and be held in trust for the employees of the Group until such Shares are vested with the relevant Selected Employee(s) (as defined herein below) in accordance with the scheme rules. The Trustee is taken to have a duty of disclosure in relation to such Shares by virtue of Part XV of the SFO.

(8) Mr. Tung Ching Sai is the spouse of Ms. Sze Tan Hung. Mr. Tung Ching Sai is taken to be interested in these shares by virtue of Part XV of the SFO.

(9) As at 31 December 2024, the total number of issued Shares is 1,836,218,258.

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any persons (other than a Director or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

* *For identification purpose only*

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") at its special general meeting held on 19 February 2016. 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. The following is a summary of the principal terms of the rules of the Share Option Scheme:

(a) Who may join

The Board may at its discretion grant options to: (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 (the "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 (collectively, the "Qualified Participants" and each, a "Qualified Participant").

(b) The purpose of the Share Option Scheme

The Share Option Scheme seeks to provide an incentive for the Qualified Participants to work with commitment towards enhancing the value of the Company and its Shares for the benefit of its Shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of the Group.

(c) Subscription price

The subscription price shall, subject to any adjustment, be a price determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is offered to a Qualified Participant (the "Offer Date"); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares.

(d) Grant of option

An offer of the grant of an option shall be made to a Qualified Participant by letter (the "Offer Letter") in such form as the Board may from time to time determine specifying the terms and subject to the conditions on which the option is to be granted. Subject to the terms of the Offer Letter, there shall be no general performance target to or minimum holding period for the vesting or exercise of options.

An option is deemed to have been accepted and to have taken effect when the duplicate Offer Letter comprising acceptance of the option duly signed by the option-holder together with a remittance in favour of the Company of HK$1 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance as set out in the Offer Letter.

(e) Maximum number of Shares and entitlement of each Qualified Participant

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as at 19 February 2016, the date of the special general meeting approving the Share Option Scheme, which is 181,014,705 Shares (representing 9.86% of the issued share capital as at the date of this report).

Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any Qualified Participant if the acceptance of those options would result in the total number of Shares issued and to be issued to that Qualified Participant upon the exercise of his options (including both exercised and outstanding options) during any 12-month period exceeding 1% of the total Shares then in issue.

(f) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme shall be a period of time to be notified by the Board to each option-holder, which the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years commencing on the Offer Date.

(g) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the date on which the Share Option Scheme is deemed to take effect in accordance with its terms, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of 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 (the "Adoption Date"). The Share Award Scheme would operate in parallel with the Share Option Scheme. The following is a summary of the principal terms of the rules of the Share Award Scheme:

(a) Who may join

Employee(s) are selected by the Board pursuant to the scheme rules for participation in the Share Award Scheme (the "Selected Employee(s)"). Selected Employees can be any employee of the Group or Directors of the Company. If any grant of awarded shares is proposed to be made to Director (including an independent non-executive Director) of the Company, such grant must first be approved by all the members of the remuneration committee of the Company (the "Remuneration Committee"), or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee. In addition, where any grant of awarded shares is proposed to be made to any Director or any other person who is a connected person within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

(b) The purpose of the Share Award Scheme

The purposes of the Share Award Scheme are to recognise the contributions made by Selected 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.

(c) Operation of the Share Award Scheme

Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme (the "Trustee"). Pursuant to the scheme rules and the trust deed entered into with the Trustee, existing Shares of the Company will be purchased by the Trustee on the market out of cash contributed by the Group and be held in trust for the employees of the Group until such Shares are vested with the relevant Selected Employees in accordance with the scheme rules.

(d) Life of the Share Award Scheme

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth (10) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board.

(e) Grant of Awarded Shares

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.

(f) Administration

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 Employee until such Shares are vested with the relevant Selected Employee in accordance with the provisions of the Share Award Scheme.

(g) Scheme Limit

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 2024 and the date of this report, 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 are 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 2024 and 31 December 2024, there were no outstanding unvested awards granted to any Selected Employees under the Share Award Scheme. During the year ended 31 December 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 set out in Note 30(b) to the consolidated financial statements.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Executive Director

Mr. Lyu Guo (呂國), aged 61, is the Executive Director, Chief Executive Officer and a Member of the Strategy Committee of the Company. Mr. Lyu is also the chairman, legal representative, director and general manager of certain subsidiaries of the Company. Mr. Lyu is a senior engineer at postgraduate level. He graduated in 1984 with a bachelor degree from Wuhan Institute of Building Materials Industry* (武漢建築材料工業學院) (now known as Wuhan University of Technology (武漢理工大學)), majoring in glass. Mr. Lyu joined the Group in August 1984. Mr. Lyu has worked as a vice president of the Company, head of branch factory of the Group's Jiangsu Glass Factory, deputy general manager of Jiangsu Glass Group Company Limited*(江蘇玻璃集團有限公司), general manager of Jiangsu SHD New Materials Company Limited* (江蘇蘇華達新材料有限公司)and Dongtai China Glass Special Glass Company Limited* (東台中玻特種玻璃有限公司), etc. Mr. Lyu is a bearer of National May 1 Labor Medal* (全國「五一」勞動獎章獲得者), a Representative Figure of Reform and Opening up of Building Materials Industry in Jiangsu Province* (江蘇省建材行業改革開放代表人物)and was awarded the title of 2018 Excellent Entrepreneur in National Building Materials Industry* (2018年度全國建材行業優秀企業家). He has over 30 years of extensive experience in corporate management in the glass industry. Mr. Lyu currently serves as a vice president of the China Building Materials Federation, vice president of the China Architectural and Industrial Glass Association, and president of the Glass Branch of the Jiangsu Provincial Building Materials Industry Association.

Non-Executive Directors

Mr. Peng Shou (彭壽), aged 64, is the Chairman, a Non-executive Director, the Chairman of the Strategy Committee, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Peng joined the Group since 13 February 2015. Mr. Peng obtained the Bachelor's Degree in Engineering from Wuhan Institute of Building Materials Industry (now renamed as Wuhan University of Technology) in 1982 and obtained the Master's Degree in Management from Wuhan University of Technology in 2001.

Mr. Peng is a member of Chinese Academy of Engineering, senior engineer at professor level, doctoral supervisor, member of the National Manufacturing Strategy Advisory Committee, member of the National Industrial Foundation Expert Committee*(國家產業基礎專家委員會), strategic advisory expert for the national major special projects on new materials, a national engineering survey and design master, expert enjoying special allowance from the State Council, one of the first batch of national candidates for "New Century Hundred-Thousand and Ten-Thousand Talents Project", Deputy Supervisor of International Centre for Materials Technology Promotion of United Nations Industrial Development Organization, strategy scientist and adjunct professor of Wuhan University of Technology. He won the title of National Excellent Engineering Team, Science and Technology Innovation Award awarded by the Ho Leung Ho Lee Foundation, Guanghua Engineering Science and Technology Prize, the Medal for Leadership in the Advancement of Ceramic Technology and the Innovation Leader Award of Silicate Technology awarded by The American Ceramic Society, Grishmanov Ivan Alexandrovich award of the Russian Academies of Engineering, the third "Central Enterprise Model", National Model Worker, National Excellent Science and Technology Worker, and bearer of National May 1 Labor Medal. Mr. Peng has led his research team to win one Second Prize of the National Technology Invention Award and three Second Prizes of the National Science and Technology Progress Award. Mr. Peng has accumulated nearly 40 years of business and management experiences in the building material industry. He is an expert in inorganic non-metallic material research and development as well as engineering design and strategical consultancy.

Mr. Peng is the Chief Scientist and Director of the Science & Technology Committee of China National Building Materials Group Co., Ltd.*(中國建材集團有限公司) (an associate of Triumph Science & Technology Group Co., Ltd.*(凱盛科技集團有限公司) ("Triumph Technology"), a substantial shareholder of the Company), the President of CNBM Glass New Materials Research Institute *(中建材玻璃新材料研究總院) (an associate of Triumph Technology) ("Research Institute"), the Chairman of the Advisory Committee of International Commission on Glass, the Director of the National Glass New Materials Innovation Center, the Director of the State Key Laboratory of Advanced Glass Materials, the Vice Chairman of the Board of the Chinese Ceramic Society, the Vice President of China Architectural and Industrial Glass Association and the Vice President of China Building Materials Federation, etc.

Mr. Peng was a Non-executive Director, the President, Chief Engineer and Chief Scientist of China National Building Material Company Limited* (中國建材股份有限公司) (an associate of Triumph Technology, also a listed company on the Hong Kong Stock Exchange), the Secretary of Party Committee, Chairman of the Board and Legal Representative of Triumph Technology, the Chairman of the Board, Legal Representative, Secretary of Party Committee and General Manager of Research Institute, the Chairman and the Legal Representative of the Board of China Triumph International Engineering Co., Ltd.*(中國建材國際工程集團有限公司) (an associate of Triumph Technology), the Standing Director of the Chinese Ceramic Society, and served as the Chairman of International Commission on Glass from June 2012 to September 2015 and won the Chairman Lifetime Achievement Award from International Commission on Glass in 2016.

Mr. Zhao John Huan (趙令歡), aged 62, is a Non-executive Director and a member of the Strategy Committee of the Company. Mr. Zhao joined the Group in January 2005. Mr. Zhao obtained a Bachelor's Degree in Physics from Nanjing University, dual Master's Degrees in Electrical Engineering and Physics from Northern Illinois University in United States, and a Master's Degree in Business Administration from the Kellogg School of Management of Northwestern University in United States.

Mr. Zhao is currently the Chairman of Hony Capital. Mr. Zhao also serves as a Non-executive Director of Legend Holdings Corporation (a company listed on the Stock Exchange), a Non-executive Director of Lenovo Group Limited (a company listed on the Stock Exchange), the Chairman of the board and an Executive Director of Best Food Holding Company Limited (a company listed on the Stock Exchange), and the Chairman of the board and an Executive Director of Goldstream Investment Limited (a company listed on the Stock Exchange).

Mr. Zhao acted as the Chairman of the board and a Non-executive Director of Hospital Corporation of China Limited, and a Non-executive Director of Shanghai Jin Jiang International Hotels Co., Ltd., ENN Natural Gas Co., Ltd., Eros Media World PLC (formerly known as Eros STX Global Corporation), Simcere Pharmaceutical Group Limited and Zoomlion Heavy Industry Science and Technology Co., Ltd.* (中聯重科股份有限公司). All the companies mentioned above are listed companies.

Mr. Zhao is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"). Mr. Zhao is also a director and controlling shareholder of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

Mr. Zhang Jinshu (張勁舒), aged 43, is a Non-executive Director of the Company. Mr. Zhang joined the Group on 28 August 2018. Mr. Zhang holds a master's degree in electromagnetic field and microwave technology as well as a bachelor's degree in electronic engineering from Shanghai Jiao Tong University. He also holds a master of science degree in applied science and technology from University of California, Berkeley. Mr. Zhang has worked as the vice president of China Triumph International Engineering Co., Ltd.*(中國建材國際工程集團有限公司) (an associate of Triumph Science & Technology Group Co., Ltd.*(凱盛科技集團有限公司)("Triumph Technology", a substantial shareholder of the Company)), the vice director of the development and investment department, the director of the securities department, and the deputy chief economist of Triumph Technology. Mr. Zhang is currently the deputy general manager of the strategic development department (international cooperation department) of China National Building Material Group Co., Ltd.*(中國建材集團有限公司) (an associate of Triumph Technology, which is a company listed on the Stock Exchange). Mr. Zhang also a director of Olivotto Glass Technologies S.p. A. and Phu My Ultra Clear Float Glass Company Limited. Mr. Zhang worked for Ultralife Corporation (Ultralife China) as an assistant general manager, director of sales and liaison officer from May 2012 to June 2016.

Independent Non-Executive Directors

Mr. Zhang Baiheng (張佰恒), aged 63, is an Independent Non-executive Director, the Chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Company. He joined the Group in January 2005. Mr. Zhang is a university graduate and a senior engineer. He was a pilot and district chief in the Sixth Flight of the People's Liberation Army Air Force Command College of China from 1979 to 1981. From 1981 to 1985, he was a member and district chief at the Staff Officer Faculty of the People's Liberation Army Air Force Command College of China. From 1985 to 1996, he was a staff officer at the Training Department of the People's Liberation Army Air Force Command College of China. Mr. Zhang has extensive experience in the building material industry. He was the deputy director of China Building Materials Federation and the Independent Director of Hainan Development Holdings Nanhai Co., Ltd. (a company listed on the Shenzhen Stock Exchange). Mr. Zhang currently serves as the Independent Director of Jiangsu Xiuqiang Glasswork Co., Ltd.* (江蘇秀強玻璃工藝股份有限公司) (a company listed on the Shenzhen Stock Exchange), the President of China Architectural and Industrial Glass Association, and Member of the Party Committee and Special Vice President of China Building Materials Federation.

Mr. Chen Huachen (陳華晨), aged 46, is an Independent Non-executive Director and the Chairman of the Audit Committee of the Company. Mr. Chen joined the Group on 27 December 2012. Mr. Chen is a Chartered Financial Analyst. Mr. Chen graduated from the Capital University of Economics and Business in 2001 with a bachelor's degree in Accounting, and graduated from the Faculty of Business of the Hong Kong Polytechnic University in 2006 with a master's degree in Accounting. Mr. Chen also holds an MBA degree awarded by Columbia Business School in 2009. Mr. Chen was a senior staff member at the Department of Public Offering Supervision of the China Securities Regulatory Commission from 2003 to 2007. After graduating from Columbia University, Mr. Chen returned to China and worked for UBS Securities Co. Limited as a director in the Greater China Investment Banking Division from 2009 to 2011. Mr. Chen worked for Qiming Ventures Partners as a partner from 2011 to 2012. Mr. Chen has ample experience in the capital market and financial related matters.

Ms. Lan Haiqing (藍海青), aged 58, is an Independent Non-executive Director, the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee of the Company. She joined the Group on 31 December 2024. Ms. Lan graduated from Ocean University of China in 1988 and obtained a master's degree in 2000 from the Hotel Management Institute of Switzerland. Ms. Lan has over 30 years of experience in real-estate, hotel management, property management and education industries, and has accumulated extensive experience in corporate operation and strategic management. In February 2024, Ms. Lan was appointed as the chairman of the board of directors of the Hemsley Fraser Group and appointed deputy chairman of Brest Business School in June 2024. Ms. Lan was the senior vice president and chairman of the investment committee of China Jinmao Holding Group from 2011 to 2018. Ms. Lan was the general manager and chairman of Wangfujing Hotel Management Company Limited between 2002 to 2010 and concurrently the chairman of Sinochem International Property & Hotel Management Company Limited. Ms. Lan previously served a non-executive director of Jinmao (China) Hotel Investments Management Company Limited (a company listed on the Stock Exchange before privatisation and delisting (stock code: 6139)) between April 2016 and June 2018. Ms. Lan also served as an independent non-executive director of China Carbon Neutral Development Group Limited (a company listed on the Stock Exchange (stock code: 1372)) from February 2024 to December 2024.

* *For identification purpose only*

Senior Management

Mr. Ye Zhihui (葉誌會), aged 54, is the Vice President of the Company and also the director of certain subsidiaries of the Company. Mr. Ye is a senior engineer. He graduated from Qiqihar Institute of Engineering in 1994 with a bachelor's degree in silicates. Mr. Ye joined the Weihai Glass Factory of the Group in July 1994, who has served as the general manager of certain subsidiaries of the Group and has over 20 years of extensive experience in corporate management in the glass industry. In 2008, Mr. Ye participated in the development of complete set of technology and equipment for float on-line low-emission and TiO2 series of composite film glass, which was awarded the first prize in the advancement category of the Building Materials Science and Technology Award and was awarded the second prize of the National Building Materials Industry Technological Innovation Award in 2017. Mr. Ye is the 2013 National Model Worker in the building materials industry and the 2019 National Outstanding Entrepreneur in the building materials industry.

Mr. Cai Guo (蔡國), aged 52, is the Vice President of the Company. He also serves as the senior director of the Company's Overseas Business Department and the general manager of China Glass (Nigeria) FZE. Mr. Cai graduated with a bachelor's degree. Mr. Cai joined the Jiangsu Glass Factory of the Group in 1995 and has more than 20 years of working experience and more than 10 years of experience working abroad. He has been responsible for the Group's international trade and overseas operation management for a long time and possesses a profound understanding of and extensive experience in international market development and overseas project operation and management.

Mr. Zhang Guan (章貫), aged 41, is the Chief Financial Officer of the Company. Mr. Zhang joined the Group on 1 January 2024. He is a Senior Accountant and a Certified Tax Agent. He graduated from Wuhan University of Technology* (武漢理工大學)with a double bachelor's degree in financial management and computer science and technology. Mr. Zhang was the deputy general manager and chief financial officer of certain subsidiaries of Triumph Science & Technology Group Co., Ltd.* (凱盛科技集團有限公司) (a substantial shareholder of the Company) and has over 10 years of extensive experience in financial management in the glass industry.

* *For identification purpose only*

CONNECTED TRANSACTIONS

During the financial year ended 31 December 2024, the Group did not enter into any connected transaction which is subject to disclosure requirement pursuant to Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the financial year ended 31 December 2024, the Group had the following non-exempt continuing connected transactions under the Listing Rules which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules:

(1) Raw and Fuel Materials Procurement framework agreement

As announced by the Company on 21 October 2022 (the "**2022 Announcement**"), China Glass Investment Limited*(中玻投資有限公司)("**China Glass Investment**", as the purchaser and an indirect wholly-owned subsidiary of the Company) entered into a procurement framework agreement (the "**Raw and Fuel Materials Procurement Framework Agreement**") with CNBM Triumph Mineral Resources Group Co. Ltd.*(中建材凱盛礦產資源集團有限公司)("**Triumph Resources**", as the supplier), pursuant to which China Glass Investment engaged Triumph Resources to procure various types of raw and fuel materials which are commonly used and essential for the production of glass products, including but not limited to silica sand and soda ash (the "**Raw and Fuel Materials**") for the manufacturing of glass products carried out by the Group.

The service is for a term of three years, starting from 1 January 2023 to 31 December 2025. The Raw and Fuel Materials Procurement Framework Agreement provides the pricing principles, procurement and payment mechanism and terms and conditions for China Glass Investment's purchase of Raw and Fuel Materials from Triumph Resources. Individual purchase orders will be entered into between China Glass Investment and Triumph Resources for each individual purchase. Triumph Resources will procure Raw and Fuel Materials through tender and sell the Raw and Fuel Materials to China Glass Investment at cost price.

Triumph Resources will provide China Glass Investment the tender results including but not limited to the tender price and quality of products for consideration. Accordingly, China Glass Investment can decide whether or not to procure the relevant products at the relevant prices after assessing and comparing the overall procurement costs (including interest) of procuring from Triumph Resources with the cost of procuring from independent third parties.

The aggregate prices (including related fees and taxes) of the transactions contemplated under the Raw and Fuel Materials Procurement Framework Agreement are subject to the annual caps of RMB1,240 million, RMB1,200 million and RMB1,200 million for the year ended 31 December 2023, and for the year ending 31 December 2024 and 31 December 2025, respectively. During the year ended 31 December 2024, the Group purchased Raw and Fuel Materials amounting to approximately RMB180.42 million (including taxes) from Triumph Resources for the Procurement Transactions (the "**2024 Raw and Fuel Material Procurement Transactions**").

Raw and Fuel Materials are essential for the Group's production of glass products, and Triumph Resources also procures Raw and Fuel Materials in large scale. Whilst the Group has been able to lower its purchase prices due to large-scale procurement, by combining the procurement demand for Raw and Fuel Materials of the Group and Triumph Resources, the suppliers may potentially offer even more competitive prices than those offered to the Group when the Group is purchasing alone. The Group has been continuously reviewing and exploring for methods to optimize its procurement strategy to manage its procurement costs and establishing a business relationship with Triumph Resources is one of the methods considered by the Group which became available after business discussions between Triumph Resources and the Group.

* *For identification purpose only*

Triumph Science & Technology Group Co., Ltd.* (凱盛科技集團有限公司) ("**Triumph Group Company**", a substantial shareholder of the Company) is a connected person of the Company under the Listing Rules. Triumph Resources is an associate of Triumph Group Company under the Listing Rules. Accordingly, the Raw and Fuel Material Procurement Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

(2) Products supply framework agreement and engineering procurement framework agreement

As announced by the Company on 12 October 2021 (the "**2021 Announcement**"), the Company entered into (i) the supply framework agreement with Triumph Group Company for the supply of certain glass products, including but not limited to float glass, rolled glass and deep-processed glass products by the Group to Triumph Group Company together with its subsidiaries and associate companies (collectively, the "**Triumph Group**") (the "**2021 Products Supply Framework Agreement**"); and (ii) the engineering framework agreement with Triumph Group Company for the supply of certain engineering services, including but not limited to feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group (the "**2021 Engineering Procurement Framework Agreement**").

The annual caps for the 2021 Products Supply Framework Agreement dated 12 October 2021 are RMB50 million, RMB440 million, RMB240 million and RMB180 million for the period from 12 October 2021 to 31 December 2021, for the year ended 31 December 2022, for the year ended 31 December 2023, and for the period from 1 January 2024 to 30 September 2024 respectively. For the nine months ended 30 September 2024, the total amount of relevant product supplies ("**2024 Q1-3 Product Supplies**") paid by members of Triumph Group to the Group was approximately RMB13.41 million (inclusive of tax).

The annual caps for the 2021 Engineering Procurement Framework Agreement dated 12 October 2021 are RMB581 million, RMB1,950 million, RMB1,850 million and RMB500 million for the period from 12 October 2021 to 31 December 2021, for the year ended 31 December 2022, for the year ended 31 December 2023, and for the period from 1 January 2024 to 30 September 2024 respectively. For the nine months ended 30 September 2024, the total amount of relevant engineering services ("**2024 Q1-3 Engineering Services**") paid by members of Triumph Group to the Group was approximately RMB26.61 million (inclusive of tax).

As announced by the Company on 28 August 2024 (the "**2024 Announcement**"), the Company entered into (i) the products supply framework agreement with Triumph Group Company for the supply of certain glass products, namely float glass, rolled glass and deep-processed glass products by the Group to Triumph Group (the "**2024 Products Supply Framework Agreement**"); (ii) the engineering procurement framework agreement with Triumph Group Company for the supply of certain engineering services, namely feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group (the "**2024 Engineering Procurement Framework Agreement**"); and (iii) the products procurement framework agreement for the supply of certain glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group (the "**2024 Products Procurement Framework Agreement**").

Pursuant to the 2024 Products Supply Framework Agreement, members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the 2024 Products Supply Framework Agreement, which should be valid until 30 September 2027. The annual caps for the 2024 Products Supply Framework Agreement are RMB62,000,000, RMB320,000,000, RMB330,000,000 and RMB260,000,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027. For the three months ended 1 October 2024 to 31 December 2024, members of Triumph Group have not engaged in any related transactions with the Group in respect of product supplies (the "**2024 Q4 Product Supplies**").

Pursuant to the 2024 Engineering Procurement Framework Agreement, members of the Group and Triumph Group will further enter into sub-agreements or other confirmation documents for each engineering project in accordance with the terms of the 2024 Engineering Procurement Framework Agreement, which should be valid until 30 September 2027. The annual caps for the 2024 Engineering Procurement Framework Agreement are RMB470,000,000, RMB1,850,000,000, RMB2,200,000,000 and RMB1,830,000,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027. For the three months ended 1 October 2024 to 31 December 2024, the aggregate amount paid by members of the Group to Triumph Group in respect of engineering services (the "**2024 Q4 Engineering Services**") was approximately RMB10.68 million (inclusive of tax).

Pursuant to the 2024 Products Procurement Framework Agreement, members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the 2024 Products Procurement Framework Agreement, which should be valid until 30 September 2027. The annual caps for the 2024 Products Procurement Framework Agreement are RMB5,500,000, RMB11,000,000, RMB16,000,000 and RMB15,500,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027. For the three months ended 1 October 2024 to 31 December 2024, members of Triumph Group have not engaged in any related transactions with the Group in respect of product purchases (the "**2024 Product Purchases**").

The Group has been able to expand its sales channels and capture the synergy between Triumph Group and the Group along the industry chain through the 2021 Products Supply Framework Agreement, whereby the Group (as the upstream producer) may fully utilise its production capacity while simultaneously meeting the demand of Triumph Group (as the downstream customer). The 2024 Products Supply Framework Agreement will allow the two groups to continue to formulate a long-term strategic supply relationship covering a wide spectrum of glass products, which is expected to be mutually beneficial to both parties and contribute to the operational and business development of the Group.

The Group has historically entered into various engineering agreements with members of Triumph Group covering areas such as feasibility studies, production line planning and construction, production line upgrade, machinery procurement and installation, environmental protection system upgrades and production line cold repair as the members of Triumph Group are leading players in the respective areas. The 2024 Engineering Procurement Framework Agreement will offer flexibility to the Group in planning various engineering projects and will allow the Group to have better control over the timetables of such projects based on the development plan and the needs of the Group, thereby ensuring the continuity of the supplies of equipment and technical services. Meanwhile, through the 2024 Engineering Procurement Framework Agreement, the Group will fully captivate on the focus of its synergistic development with Triumph Group, whereby Triumph Group may capitalise on its industry leading position in engineering technology while simultaneously ensuring the quality and standardisation of the Group's projects.

The glass products supplied by the Group to Triumph Group under the 2024 Products Supply Framework Agreement will mainly include deep-processed glass products such as ultra-white float glass, ultra-white rolled glass and online Transparent Conductive Oxide coated glass. The Group's Suqian, Dongtai and Yumen bases have vigorously promoted the development, production and sales of new energy glass in recent years and the quality of the glass they produce for photovoltaic power generation are able to satisfy the further processing needs of Triumph Group. On the other hand, the glass products supplied by Triumph Group to the Group under the 2024 Products Procurement Framework Agreement will mainly include (i) products which are not within the production scope of the Group, which allows the Group to enrich its product structure and, utilizing the overseas sales channels established by the Group, resell such products to its downstream customers to expand its income stream; and (ii)products used for the deep-processing business of the Group, which allows the Group to secure an additional source of supply to ensure the Group has sufficient quantities of such products if the Group's internal production output cannot satisfy the demand of the Group's deep-processing production lines at any given time, through which the Group can reliably increase its deep-processing capability.

Triumph Group Company, a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. Accordingly, the 2021 Products Supply Framework Agreement, the 2021 Engineering Procurement Framework Agreement, the 2024 Products Supply Framework Agreement, the 2024 Engineering Procurement Framework Agreement and the 2024 Products Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The 2024 Raw and Fuel Material Procurement Transactions, 2024 Q1-3 Product Supplies, 2024 Q4 Product Supplies, 2024 Q1-3 Engineering Services, 2024 Q4 Engineering Services and 2024 Product Purchases (collectively, the "**2024 Continuing Connected Transactions**") have been reviewed by the Independent Non-executive Directors of the Company. The Independent Non-executive Directors of the Company have confirmed that the 2024 Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's 2024 Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor had issued its unqualified letter containing their findings and conclusions in respect of the 2024 Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company confirmed that nothing has come to their attention that causes them to believe that the 2024 Continuing Connected Transactions:

(1) had not been approved by the Board;

(2) were not, in all material respects, in accordance with the pricing policies of the Group for such transactions;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) had exceeded the relevant annual caps for 2024 as disclosed in the respective 2022 Announcement, 2021 Announcement and 2024 Announcement.

Save as mentioned above, there was no other disclosable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the year ended 31 December 2024.

The material related party transactions are set out in Note 33 to the consolidated financial statements. Save as disclosed above, all the related party transactions did not fall within the scope of non-exempted connected transactions under Chapter 14A of the Listing Rules which are required to comply with the annual reporting, annual review, announcement or independent shareholders' approval requirements.

To the extent the above transactions constituted connected transactions or continuing connected transactions (as defined in the Listing Rules), the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules.

The Company confirms that it will comply or continue to comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the continuing connected transactions of the Group.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

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 Annual Report.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme as set out above, no equity-linked agreements were entered into by the Company, or existed during the year ended 31 December 2024.

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.

BUSINESS REVIEW

In accordance with Schedule 5 of the Companies Ordinance of Hong Kong, a fair review of the Group's business during the year, a description of the principal risks and uncertainties that the Group may be facing, and a discussion on the prospect of the Group's future business development are provided in the Chairman's Statement on page 5 and the Management Discussion and Analysis on pages 6 to 14 of this Annual Report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Management Discussion and Analysis on pages 10 to 12 and the Group's Five Years Financial Summary on page 4 of this Annual Report.

Relationship with Employees

The Group understands that employees are valuable assets to the Group and their valuable contribution to the development of the Group. The Group persisted in the combination of a people-oriented management philosophy and an innovation mechanism. Through diversity and humanistic management, the Group has established a close relationship of mutual trust and support between the Company and its staff, and created a positive, healthy and motivated corporate culture and work environment for its employees. Meanwhile, the Group complied with the principle of "adapting to the market environment, actualizing values of talents and bringing out the full effects of incentives" to provide employees with a competitive remuneration mechanism. Moreover, the Group also incessantly optimized its human resources structure, and improved its management methods in order to fully bring out employees' enthusiasm and initiatives.

Details of the Group's employees working environment are contained in the section headed "Environmental, Social and Governance Report" on pages 39 to 44 of this Annual Report.

Relationship with Customers

As a glass manufacturer, the Group puts emphasis on developing and maintaining long-term and stable commercial relationships with its customers, including end-customers and franchised dealers, etc. The Group has been focusing on the concerns of its customers, and fully utilizes all effective routes to execute the collection and analysis of information regarding customer satisfaction. Rectification measures are promptly formulated and executed by the relevant specific departments according to customer's effective opinions and advice. Through various ways including initial training and on-site guidance, the Group strives to perform excellent pre-sales service by allowing the customers to understand product performance, processing parameters, and other matters worthy of attention. The Group has set up nation-wide complaint hotlines and formed stringent customer complaint feedback mechanism and the relevant solving procedures.

Details of the Group's relationship with pre-sales and after sales service policies are contained in the section headed "Environmental, Social and Governance Report" on pages 54 to 55 of this Annual Report.

Relationship with Suppliers

The Group selects and reserves quality suppliers to establish a long-term and stable strategic partnership, including the procurement of raw and fuel material, production equipment and spare parts, etc. Insisting on equal consultation and win-win principle, the Group has set up a unified supplier management system and established a fair and just supplier evaluation system by tender and negotiated tender procurement, creating a favourable competitive environment for the suppliers. The Group also offers free technology guidance to suppliers, continuously improving their quality management at various aspects including raw material and fuel procurement, product manufacturing, packaging, storage and transportation, protection and product delivery, ensuring the quality control of each process and maximizing the product quality standard.

Details of the Group's supplier management are contained in the section headed "Environmental, Social and Governance Report" on pages 52 to 53 of this Annual Report.

Environmental Policies and Performance

As a socially responsible corporation, the Group's construction of environmental protection facilities has been in a leading position in the industry; it adamantly implements government laws and regulations regarding environmental protection. Each of the manufacturing bases has been equipped with environmental protection facilities up to standard, with all environmental indicators up to or above the national standards.

Details of the Group's environmental policies are contained in the section headed "Environmental, Social and Governance Report" on pages 45 to 51 of this Annual Report.

Compliance with Laws and Regulations

During the year ended on 31 December 2024 and up to the date of this report, as far as the Company is aware, there is no material non-compliance with the relevant laws and regulations applicable to the Group that has a significant impact on the business and operations of the Group.

The applicable laws and regulations which have a significant impact on the business and operations of the Group are contained in the section headed "Environmental, Social and Governance Report" on pages 55 to 56 of this Annual Report.

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

During the year ended 31 December 2024, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures, or significant investments.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business operates in an industry that is subject to changes in market conditions, changing industry standards, environmental regulations, industry competition and changing customers' needs. It is important for the Group to timely respond to these changes which may adversely affect the Group's business and financial results.

In 2025, the glass industry will be further differentiated and adjusted as the process to cut excessive industrial capacity will continue further. The Group has taken a number of measures to address the uncertainties faced by the industry, for further details, please refer to the subsection headed "Work Plans for 2025" on pages 9 to 10 of this Annual Report.

The Group is also subject to other financial risks, such as credit risk, liquidity risk, interest rate risk and currency risk, in the normal course of the Group's business. Particulars of financial risk management of the Group are set out in Note 35 to the consolidated financial statements.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company proactively fosters a long-term, stable and positive interaction between the Company and its investors by regular meetings held with institutional investors and financial analysts.

AUDITOR

The consolidated financial statements for the financial year ended 31 December 2024 have been audited by KPMG, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

By order of the Board
Peng Shou
Chairman

Hong Kong, 28 March 2025

ABOUT THE REPORT

Introduction

The Group is a leading flat glass manufacturer and a major coated glass manufacturer in China, with its focus on research and development ("R&D"), production, and sales of a range of coated glass for the construction industry, and glass for energy conservation and new energy fields. Pursuant to the relevant requirements of Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited regarding "Environmental, Social and Governance Reporting Guide" (the "**ESG Guide**"), the Group will continue to disclose its Environmental, Social and Governance Report annually. In this Environmental, Social and Governance report (the "**ESG Report**"), the Group has complied with the disclosure requirements of the "comply or explain" provisions contained in the ESG Guide, and the most important contents that are closely related to the business of the Group are set out below:

Reporting Period and Scope

The information published in this ESG Report covers the period from 1 January 2024 to 31 December 2024. The ESG Report covers the relevant policies and performance of the businesses of the Group.

Reporting Standards

The ESG Report is prepared in accordance with the reporting principles of the ESG Guide that include:

- Materiality: The ESG Report identifies key stakeholders and incorporated the result into stakeholder engagement and materiality assessment, which further constitutes the basis for determining the importance of environmental, social and governance ("**ESG**") issues.

- Quantitative: The ESG Report presents quantitative information on environmental and social key performance indicators.

- Consistency: There is no significant adjustment on the methods or KPIs used as compared to the Environmental, Social and Governance Report in the Group's 2023 Annual Report. The Group will continue to use consistent methodologies to allow for meaningful comparisons of ESG data over time.

- Balance: The ESG Report provides an unbiased picture of the Group's performance on ESG management following the principle of balance.

Governance Structure

The Group understands the importance of ESG governance to sustainable development of its business and the community as a whole. The Group has been actively incorporating an ESG management framework to ensure the effective implementation of the ESG governance in its business operations.

The Board assumes primary responsibility for the supervision of the Group's ESG governance. For instance, determining the Group's ESG approach, managing ESG-related risks, as well as supervising the management and relevant departments in formulating and implementing policies with appropriate measures. In addition, the Group's senior management is also responsible for executing ESG risk management and internal control systems, reporting ESG risks and opportunities to the Board, and ensuring the effective operation of ESG governance.

Stakeholder Engagement and Materiality

The Group is committed to creating sustainable growth and long-term value for its stakeholders. The Group maintains an open dialogue with its stakeholders to gather views on what ESG issues may impact them and matter most. The Group engages its key stakeholders including shareholders, employees, suppliers, customers and community on a regular basis across various channels to gauge their opinion and feedback on the Group's ESG performance and how the Group can address ESG matters on an on-going basis.

Key stakeholders	Expectations and concerns	Communication channels
Shareholders	• Transparency on corporate and financial information • Corporate governance • Business compliance • Investment return	• Shareholders' meetings • Websites of the Company and the Stock Exchange
Employees	• Employee remuneration and benefits • Career development • Training management	• Meetings and briefings • Company policies • Employee trainings • Company activities
Suppliers	• Supplier Selection • Sustainable supply chain	• Business communication meetings • Company visits • Supplier vetting procedures
Customers	• Quality of product and services	• Customer feedbacks • Business communication and meetings • Company visits
Community	• Environmental protection • Job opportunity	• Community activities • Feedback channels • Job fairs
Government and regulatory authorities	• Compliance with laws and regulations • Support for high-technology enterprises	• Meetings

I. WORK ENVIRONMENT

The Group adheres to the principle of "putting people first" and is committed to establishing a fair, impartial and effective recruitment, selection and evaluation mechanism. Meanwhile, grounded in medium and long-term strategic development objectives, the Group actively cultivates talent to ensure each team possesses rich expertise and innovative thinking to adapt to the ever-changing market environment, reflect talent value and fulfill the role of incentives.

(I) Employment

The employees of the Group are primarily distributed in Mainland China, Hong Kong, China, Nigeria, Kazakhstan, and Italy. Each subsidiary strictly complies with local laws and regulations, respects the cultures and customs of different countries and regions, and has established standardized recruitment systems and talent selection mechanisms to ensure the achievement of organizational efficiency maximization and employee diversity. Meanwhile, these measures meet the needs of stable operations and sustainable development across the Group's various bases:

1. **Recruitment and Selection:** Through external public recruitment platforms and internal referrals, the Group adheres to the principles of objectivity, fairness, equal competition, and merit-based selection. It emphasizes the alignment of employees' ethics and skills with job requirements. A dedicated department formulates annual human resource demand plans based on the annual production and operation strategic goals or develops temporary staffing needs and adjustment plans in response to significant operational changes. Recruitment and selection are carried out in accordance with established procedures.

2. **Training and Job Rotation:** Based on business needs, the Company provides employees with opportunities and resources such as field visits, technical seminars, external trainers, and training programs from external institutions, offering a broad platform for career development. The Company encourages job rotation to facilitate cross-departmental learning and collaboration, fostering the development of versatile talents.

3. **Compensation and Benefits:** The Company offers competitive compensation packages to employees. In addition to basic social insurance such as medical and pension benefits, the Company provides various allowances, including transportation and communication subsidies, high-temperature subsidies, meal allowances, and holiday bonuses. Employees are entitled to national statutory holidays, as well as paid leave such as annual leave, maternity leave, marriage leave, and bereavement leave. Depending on the nature of the work, corresponding leave mechanisms are established. For example, production departments implement shift rotation systems, and tailored leave arrangements are made for employees working abroad.

4. **Performance Evaluation and Incentives:** The Group implements a performance-oriented incentive system and continuously optimizes performance evaluation metrics. By establishing mechanisms such as tiered evaluations and competitive job placements, as well as creating positions and awards like "Chief Technician" and "Employee of the Year," the Group fully motivates employees' enthusiasm and initiative. It continuously monitors market changes and adjusts and improves incentive mechanisms to promote the mutual growth of employees and the Company.

As of 31 December 2024, the Group had a total of 4,589 employees, of which 4,532 were full time employees under employment contracts and 57 were part-time or temporary employees. The age group of employees is mainly ranging from 30-49 years old, comprising those from production, sales, technology R&D and management teams, with a stable and sustainable employee structure.

The Group's year-end employee headcount decreased by approximately 3.9% year-on-year, with an annual employee turnover rate of approximately 26.1%. This reduction was primarily due to: (1) the Group's ongoing implementation of automated and intelligent manufacturing systems, which optimized human resource efficiency and reduced workforce numbers; and (2) management's prudent operational realignment in response to persistent pressures from China's challenging industry landscape, including the phased idling of domestically under performing production lines and their organized relocation overseas during the year. The Company carried out the staff reduction in an orderly manner by formulating staff reduction plans and compensation packages, providing training and reemployment resources, and tracking post-employment progress, all while resolutely safeguarding employees' rights and interests.

The number and turnover of the Group's employees classified by age group, geographical region and gender is set out as follows:

		By age				By gender	
	Total number of employees	Under 30	30 to 49	50 to 60	60 and above	Male	Female
2024	4,589	902	2,502	1,166	19	3,841	748
2023	4,774	1,033	2,387	1,342	12	4,040	734
Employee turnover rate for the year of 2024	26.1%	54.9%	20.0%	16.8%	21.1%	27.1%	21.0%

	By geographical region									
	Jiangsu	Shandong	Gansu	Shaanxi	Inner Mongolia	Fujian	Nigeria	Kazakhstan	Italy	Others
2024	1,130	944	687	331	285	290	313	368	90	151
2023	1,723	1064	458	343	281	305	190	283	96	31
Employee turnover rate for the year of 2024	51.9%	10.6%	6.4%	28.4%	18.6%	14.5%	35.1%	38.9%	12.2%	7.9%

Note: Employee turnover rate = (number of resigned employees/total number of employees)×100%. The number of resigned employees comprises all employment terminations during the reporting period, including voluntary resignations, company-initiated dismissals, retirements, and deaths.

(II) Health and Safety

The Group fully complies with the Production Safety Law of the PRC, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Regulations on Production Safety and local laws and regulations in Nigeria, Kazakhstan, Italy, and Turkey, and develops internal corresponding management standards and safety management systems based on the Production Safety Standard Management System (GB/T33000- 2016) and Occupational Health and Safety Management System (ISO45001–2018), setting out a series of safety measures and operating practices required to be taken, and by building a standardized production safety system, the Group is able to achieve standardized management.

The Group thoroughly implements the policy of "putting safety first, carrying out prevention before treatment, and implementing treatment by comprehensive management measures" to strengthen bottom-line thinking and sense of red line. Through the establishment of a system with the "first responsible person for safety management", the Group, based on the system of responsibility for production safety, promotes the participation of all personnel and the control of the whole process, clearly regulates that the main person in charge of each production base is fully responsible for the production safety of the base. The implementation process is monitored by a committee designated by the senior management through regular and comprehensive inspections and specialized spot checks. At the same time, supplemented by the production safety incentive and penalty mechanism, the Group will reward and penalize the effectiveness of safety hazard investigation; in the event of a fatal accident, the Center will assess the safety performance and set up a special working group to investigate the responsibility to protect the employees' lives and the safety of the enterprise's property, and to establish a long-term mechanism for production safety.

The Group's safety management measures primarily include:

1. **Risk Control:** Conduct regular company-wide safety risk identification and assessments, implementing dynamic management through classification and grading. For major hazard sources (e.g., liquid ammonia tank areas, LNG vaporization stations), establish monitoring records in compliance with national standards and connect them to regulatory authorities.

2. **Hazard Identification and Resolution:** Identify hazards through comprehensive and specialized inspections, and conduct regular statistical analysis. For major hazards, develop resolution plans, archive records after acceptance, and communicate relevant information to employees.

3. **Emergency Management:** Establish an emergency response plan system (comprehensive plans, specialized plans, and on-site disposal plans), conduct regular drills, and optimize plans accordingly. Equip emergency facilities and materials to ensure rapid response and disposal with science in the event of an incident.

4. **Operational Safety:** For high-risk operations (e.g., work near high-voltage transmission lines, hot work, confined space entry, road closure operations), strictly follow permit approval procedures, implement safety briefings and on-site supervision, standardize the use of personal protective equipment, and eliminate "three violations" (i.e., improper instruction, non-compliance with work rules, and violation of labor discipline). Special operations involving hazardous chemical production, storage, and usage areas must comply with national standards.

5. **Training and Education:** Implement a three-tier safety training system (plant-level, workshop-level, and team-level) to ensure employees are certified before working. Provide specialized training for new technologies and equipment, and enhance capabilities such as emergency response and self-rescue and mutual relief.

Through organizing and carrying out a number of major safety inspections in 2024, the Group identified safety hazards of various types promptly. As of the end of this year, rectification had been fully completed. Throughout 2024, the Group's incidence rate of work-related accidents was lower than the industry standard, and the total number of lost days due to work-related injuries was 1,226 workdays, an increase as compared with that of previous year. The Group will further strengthen the concept of production safety and reduce the rate of work-related injuries. There was no work-related fatalities of the Group in 2024 (2023: nil; 2022: one).

The Group puts great emphasis on the prevention and control of occupational diseases. In accordance with the relevant laws and regulations on the prevention and control of occupational diseases in the relevant countries and regions, the Group develops internal measures and methods for occupational health management, upholds the policy of "prevention first with treatment and cure combined", and combines categorization policy with comprehensive governance, strengthens and implements the responsibilities of each production and operation unit. In order to promote employees' awareness and importance of production safety and occupational health, regular occupational health training sessions are organised for employees. Additionally, the Employee Health Examination Management System has been optimised by the Group, integrating employees' occupational safety and health, as well as the prevention and control of occupational diseases, into the daily management of work safety. In 2024, the Group did not record any cases of occupational diseases among its employees.

(III) Development and Training

The Group prioritises the development and cultivation of talent with market-adaptive, globally-minded and early-career competencies as key objectives, attaches great importance to the improvement of comprehensive quality and expertise of the employees. Relevant training is organized in a planned way and professionals are invited to hold training seminars. Employees are provided with:

(i) Orientation training for new employees;

(ii) Skills training for in-service and transferred employees;

(iii) Skills enhancement and technical backbone training for professional positions;

(iv) Internal trainer training;

(v) Specialized training for overseas staff;

(vi) Comprehensive skills training for senior management and middle-level managers; and

(vii) Academic seminars and expatriate training for outstanding employees, and other learning and exchange opportunities.

The Group upholds the concept of "working as a team with mentoring the freshmen by the seniors", fostering mutual trust and cooperation among new and veteran employees. In 2024, in order to expedite the development of production skills among local staff at the Group's overseas bases, the Group actively promoted the localisation of employees in overseas companies, continuously optimised the personnel structure of overseas subsidiaries, thus accelerating the recruitment and skill development of local employees to achieve the goal of "localized operation" sooner rather than later.

In 2024, the Group's average training hours per male and female employee were equivalent, with a wide coverage of employee categories receiving training. The training completion status of each employee within the year, divided by employee category, is detailed as follows:

	By employee category			By gender	
Category	Senior management	Middle management	General staff	Male	Female
Number of employees	139	527	3,923	3,841	748
Average number of trainees	135	521	3,725	3,672	709
Percentage of employees trained	97.1%	98.9%	95.0%	95.6%	94.8%
Average hours of training	23.4	31.0	33.8	29.6	29.6

(IV) Employee Care

In 2024, the Group aims to enhance employee motivation and income levels by strengthening performance evaluations, implementing incentive programs, and further optimizing its compensation system to ensure market competitiveness. Additionally, the Group provides diverse benefits such as health check-ups, paid leave, and holiday perks to safeguard employees' well-being and quality of life. Beyond these measures, the Group prioritizes building a people-oriented corporate culture. Under the principle of safety, it encourages all facilities to organize healthy, uplifting, and enriching cultural and sports activities during holidays, including sports competitions, talent shows, and team-building exercises. These initiatives foster communication and collaboration among employees, strengthen team cohesion, and elevate employees' sense of happiness and belonging. For overseas operations, the Group fully respects and integrates into local cultural traditions and festive customs. By actively participating in community events, it builds stronger ties with local societies, further enhancing local employees' sense of identity and belonging to the enterprise.

For special groups, the Group implements differentiated measures to precisely address their unique needs. For female employees, the Group enhances maternity support, such as extending maternity leave and setting up lactation rooms, while improving career development pathways and providing ergonomic tools to reduce physical workload. For silver-haired employees, the Group promotes knowledge transfer practices, implements flexible retirement policies, and offers specialized cardiovascular health screenings. Migrant workers benefit from housing subsidies, family reunion travel funds, and educational support for their children to alleviate living burdens. Ethnic minority employees are respected for their dietary and cultural practices and provided with bilingual safety training programs. Military veterans are prioritized in recruitment, with their military strengths fully leveraged. Young apprentices receive customized career development plans paired with mentorship programs to guide their growth.

Furthermore, adhering to the principles of green development, the Group places great emphasis on the appearance and environment of its facilities while prioritizing the comfort and humane design of office spaces. Measures such as optimizing office facilities, improving air quality, and providing space for stress reduction are implemented to create a healthy and comfortable working environment, thereby enhancing employees' work experience and satisfaction.

(V) Labour Standards

The Group strictly complies with the Labour Law of the People's Republic of China and the Labour Contract Law of the PRC, applicable local laws in overseas operations, and the core conventions of the International Labour Organization. It establishes clear employment prohibitions, ensures equal employment opportunities, and maintains wage and working hour standards that exceed minimum requirements, thereby safeguarding labor rights in all business activities. The Group has established a whistleblowing mechanism, managed by its compliance oversight department, which provides multiple reporting channels. Upon receiving a report, a dedicated investigation team is immediately formed, and the results are disclosed transparently. For any identified violations, such as wage arrears or forced labor, the Group mandates immediate cessation of the infringement and provides compensation to affected employees.

The Group conducts comprehensive self-examination on staff recruitment from time to time to prevent and timely remedy potential violations, and adheres to the following guidelines:

(1) Recruiting workers by the principles of fairness, openness, and willingness, signing the Labour Contract in accordance with regulations, and imposing no forced work on our staff.

(2) Providing workers with wages and compensation for overtime no lower than the local minimum wage requirements, as well as related benefits.

(3) Providing workers with rest days and statutory paid holidays according to the provisions in China and relevant nations.

(4) Recruiting adults aged 18 and above, and rigorously forbidding child and forced labour.

(5) Applying the principle of diversity to provide open and fair training and promotion opportunities for all employees without discrimination on gender, age, religion, region and race, etc.

(6) Making reference to requirements of the Labour Law of the PRC and laws and regulations of the country where overseas production bases are located to compute the working hours on a consolidated basis.

In 2024, the Group had no cases in violation of the relevant laws, regulations and standards above.

II. ENVIRONMENTAL PROTECTION

In order to implement the green development concept of Made in China 2025, the Group carried out green manufacturing projects, established green manufacturing systems, played a leading role model in green manufacturing, and strengthened energy conservation and comprehensive utilization of energy to build a green manufacturing enterprise.

(I) Environmental Management System

The Group resolutely implements the government's laws, regulations, standards, and policies on environmental protection. On 1 July 2024, the new national standard of the Emission Standards for Air Pollutants in the Glass Industry ("New National Standards") was formally implemented. Each base has formulated environmental management system guidelines, Environmental Protection Management Systems and Hazardous Waste Management Measures and other documents in line with New National Standards and its own condition. Currently, the Group has a sound environmental protection system and each base has established an environmental management system. The Production Technology Department of the Group has established a dedicated environmental protection and energy saving management team, with each production base appointing a designated officer responsible for the operation and management of environmental protection and energy saving facilities. All production bases are equipped with flue gas online monitoring systems directly linked to environmental protection authorities, enabling real-time emissions monitoring to ensure compliance with both national and local emission standards.

The environmental management systems at each facility undergo annual internal audits and third-party reviews. Based on the audit findings, the facilities propose and implement improvement measures. The Group actively promotes ISO 14001 Environmental Management System certification to enhance environmental management standards. All facilities within the Group have achieved ISO 14001 certification.

(II) Environmental Protection Objectives

The Group strictly carries out work centering on the requirements of environmental impact assessment and clean production. For new construction projects, it strictly complies with the principle of "simultaneous planning and design, implementation and commissioning alongside production and construction activities; supervises the normal operation of environmental protection facilities, actively implements the capital investment for environmental protection, and develops circular economy by increasing waste heat power generation, roof photovoltaic power generation and wastewater recycling; boosts the rate of waste usage by improving waste gas treatment facilities and processes; engages qualified and formal companies to proceed with hazardous waste; and implements the ISO14001 environmental management system to ensure that the discharge of waste gas, wastewater and waste residue is up to standard.

(III) Emission Management on Exhaust and Wastewater

The Group has formulated the Environmental Protection Management System in accordance with the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and other relevant laws and regulations. Based on the actual situation of each base, the policy of "prevention first with treatment and cure combined and comprehensive treatment" was implemented. Through continuous optimization and improvement of environmental protection facilities and processes, it constantly improves the environmental protection policy and system. It also promotes clean production and resource recycling by resolutely carrying out waste gas emission reduction, waste water utilization and other projects, to achieve and strive to exceed the goals of various emission standards and realize the unity of economic benefits, social benefits and environmental benefits.

The Group has adopted a series of policies and measures on various emissions arising from the production of flat glass, including the construction of integrated environmental protection facilities such as flue gas desulfurization, denitrification, and dust removal systems for glass furnaces. In addition, in compliance with the New National Standards, the Group has upgraded its flue gas online monitoring systems and strictly adhered to government regulations to update its pollutant discharge permits.

1. *Exhaust Emission:*

During the glass production process, the fuel is burned in the glass melting furnaces, generating nitrogen oxides at high temperatures, as well as sulphur dioxide from fuel and raw materials, so the flue gas contains nitrogen oxides, sulphur dioxide, smoke and other pollutants. The bases of the Group have achieved compliant emissions by installing flue gas treatment systems, ensuring that exhaust gases meet regulatory standards after undergoing desulfurization, denitrification, and dust removal processes.

In 2024, the bases complied with the following exhaust emission standards:

Base	Enforcement standard for exhaust emission	Discharge standards Unit: mg/m³ Particulate matter	Sulphur dioxide	Nitrogen oxides
Suqian	Emission Standard of Air Pollutants for Flat Glass Industry (GB26453–2011)/Emission Standard of Air Pollutants for Glass Industry (GB26453–2022)/Implementation Plan for Suqian "Green Benchmarking" Demonstration Enterprises (S. W. F. Z. [2021] No. 2)	50/30/15	400/200/50	700/400/200
Dongtai	Emission Standard of Air Pollutants for Glass Industry (GB 26453–2022)	30	200	400
Weihai	Emission Standard of Air Pollutants for Building Materials Industry (DB37/2373–2018)	20	100	200
Linyi	Emission Standard of Air Pollutants for Building Materials Industry (DB37/2373–2018)	10	50	100
Shaanxi	Emission Standard of Air Pollutants for Key Industries in Central Shaanxi Region (DB 61/941-2018)	30	100	400
Wuhai	Emission Standard of Air Pollutants for Flat Glass Industry (GB 26453–2022)	30	200	400
Longyan	Emission Standard of Air Pollutants for Flat Glass Industry (GB 26453–2022)	30	200	400
Yumen	Emission Standard of Air Pollutants for Flat Glass Industry (GB 26453–2022)	30	200	400

The details of total emission of air pollutants by each base are shown in the table below:

(Unit: tonne)

		2024									
No.	Name of emissions	Suqian Base	Dongtai Base	Weihai Base	Linyi Base	Shaanxi base	Wuhai Base	Longyan Base	Yumen Base	2024 Total*	2023 Total
1	Sulphur dioxide	11.0	56.5	78.3	6.6	9.9	51.8	30.2	108.7	353	226
2	Nitrogen oxides	71.9	228.5	263.7	69.7	174.8	176.8	17.7	166.7	1,170	986
3	Particulate matter	1.9	8.3	6.1	2.6	3.8	14.2	4.9	12.2	54	46

Note: Yumen Base has been acquired at the end of 2023 as one of the Group's main production bases. Its emission amounts have been included in the total emission of 2024.

2. *Wastewater Discharge:*

Wastewater generated from each base of the Group was recycled for site spraying, roads and green seedlings watering, etc.; domestic sewage was transmitted to local sewage treatment plants for treatment after reaching the take-over standard of such plant. Each base installed online sewage testing equipment and established an online real-time monitoring system for environmental protection to ensure compliance with emissions standards.

3. *Hazardous Wastes:*

In 2024, the Group generated an aggregate of approximately 168 tonnes of hazardous waste (waste catalyst), all of which were entrusted to qualified third parties for disposal. The waste catalysts in each base were recycled after recovery in the catalyst recovery unit according to national management requirements for hazardous wastes. The legal disposal rate of hazardous wastes is 100%.

4. *Non-Hazardous Waste:*

In 2024, the Group generated a total of approximately 96,336 tonnes of non-hazardous waste, mainly including desulphurization waste slag, furnace ash and domestic garbage, which were entrusted to qualified units for recycling or sent to garbage treatment plants for disposal in accordance with local environmental protection requirements.

(IV) Greenhouse Gas Emission Management

Greenhouse gas emissions from the glass production process include fossil fuel combustion, toner oxidation in raw materials, carbonate decomposition of raw materials, net electricity purchase and other production processes, etc. In accordance with the requirements of the Annex 12 – the Guidelines for the Implementation of Energy Conservation and Carbon Reduction Transformation and Upgrade in the Flat Glass Industry to the Guidelines for the Implementation of Energy Conservation and Carbon Reduction Transformation and Upgrade in Key Fields of High Energy Consumption Industries (2022 Edition) and other relevant laws and regulations, the Group strictly controls the up-to-standard emission of greenhouse gases, which prompts the Group to optimize the energy structure and reduce energy consumption.

In accordance with the Requirements of the Greenhouse Gas Emission Accounting and Reporting – Part 7: Flat Glass Enterprise (GB/T321517.7-2015) issued by General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the statistics of greenhouse gas emissions arising from the glass production process in each base in 2024 are as follows:

Unit: tCO_2	Emission from fossil fuel combustion	Emission from toner oxidation in raw materials	Emission from carbonate decomposition of raw materials	Emission from net electricity purchase	Total emissions in 2024
Suqian Base	262,781	185	104,214	57,997	425,177
Dongtai Base	159,498	459	83,721	8,150	251,828
Weihai Base	360,301	–	90,284	27,987	478,572
Linyi Base	91,153	–	37,575	5,427	134,155
Shaanxi base	91,151	86	27,203	16,644	135,084
Wuhai Base	140,424	–	43,042	15,355	198,821
Longyan Base	100,541	168	37,158	2,619	140,485
Yumen Base	136,782	107	55,729	73,423	266,041

For the past three years, although the total greenhouse gas emissions of the Group have increased, the emission intensity has been decreasing year by year as follows:

	2024	2023	2022
Emission (tCO_2/t)	2,030,163	1,533,912	1,403,308
Density (tCO_2/t)	0.62	0.65	0.70

The Group is committed to systematically enhancing its climate risk management capabilities by establishing a robust climate governance framework, ensuring the Board's accountability for climate-related decisions and integrating climate targets into management performance evaluations. Given the energy-intensive nature of the glass industry, the Group will identify risks and formulates mitigation measures while strictly adhering to the Hong Kong Stock Exchange's climate-related disclosure framework. It will quantify the financial impacts of climate scenarios and embeds climate risk management comprehensively across production, R&D, and supply chain processes to drive the transition toward a low-carbon benchmark.

(V) Low Carbon Operation and Sustainable Development

The Group is dedicated to exploring pathways for low-carbon economic development, prioritizing energy conservation and environmental protection as core principles to advance the enterprise along a sustainable development trajectory. Leveraging existing foundations and technological innovation, the Group accelerates the phasing out and upgrading of outdated processes and equipment. By modernizing production techniques and adopting advanced equipment, it optimizes product structures and workflows while promoting rational adjustments to its energy mix. Concurrently, the Group focuses on reducing energy consumption, enhancing labor productivity, strengthening environmental protection, and improving resource utilization efficiency. Centered on maximizing energy efficiency and refined energy-saving management, the Group achieves highly efficient and rational utilization of energy resources.

The Group has formulated and optimized the Energy Conservation Management Measures of the Group and each base in accordance with the Energy Conservation Law of the People's Republic of China, the Measures for the Administration of Energy Conservation of Major Energy-Consuming Entities (2018 Revision), the Energy Consumption Limit Per Unit Product of Glass and Cast Stone (GB 21340–2019), the Guidelines for the Implementation of Energy Conservation and Carbon Reduction Transformation and Upgrading in Key Fields of High Energy Consumption Industries (2022 Revision) and other relevant laws and regulations.

1. *Energy Use*

   In order to further reduce energy consumption and save manufacturing cost, the Group vigorously carries out the policy of cost reduction and efficiency enhancement. Employees are encouraged to put forward rational suggestions on corporate energy conservation and emission reduction to strengthen the assessment of the effectiveness of energy conservation indicators. In 2024, the unit comprehensive energy consumption was 10.90 kg standard coal/weight case, representing a decrease of 4% year-on-year.

2. *Environment and Natural Resources*

   (1) Guided by the objectives of enhancing resource efficiency and sustainable operations, the Group is systematically driving innovation in glass product packaging models. For domestic market products, it has fully implemented bare packaging solutions and standardized recyclable steel pallet programs. Regarding export product packaging, it has featured topology-optimized structural designs for wooden crates and high-strength composite panel alternatives, achieving intensified utilization of timber resources while ensuring transportation integrity.

   (2) In terms of recycling of water resources, as many glass manufacturing appliances work under high temperature conditions, water cooling technique is normally adopted to keep them in good conditions and ensure normal operation. In order to save water resources and reduce the consumption of fresh water, all bases have strengthened the management of water usage, established the water usage management system, and used the water as planned. All production lines have employed the closed-loop circulation system for recycling water, with the circulation rate of the indirect cooling water system reaching above 98%, which minimized water wastage.

   (3) In terms of natural gas, each of the Group's bases has been actively implementing the concept of energy saving and emission reduction, continuously optimising the energy structure and vigorously promoting the application of clean energy. Each of the bases increased the proportion of natural gas used, optimising production energy consumption with its high efficiency and cleanliness, and reducing reliance on traditional energy. The annual use of natural gas increased by 24% year-on-year, which effectively enhanced energy efficiency and facilitated green and low-carbon manufacturing, laying a solid foundation for sustainable development.

The consumption of each of the Group's resources in the past three years is as follows:

Name of energy	Unit	Total consumption			Consumption density		
		2024	2023	2022	2024	2023	2022
Coke oven gas	10,000m^3	13,871	12,781	13,117	2.55	2.40	3.18
Petroleum coke powder	Tonne	95,410	70,953	61,081	17.54	13.35	14.82
Fuel oil	Tonne	0	1,893	66,347	0.00	0.36	16.10
Natural gas	10,000m^3	40,758	32,676	17,331	7.49	6.15	4.21
Electricity	10,000kWh	40,185	28,222	24,361	7.39	5.31	5.91
Nitrogen	10,000m^3	23,119	19,876	5,459	4.25	3.74	1.32
Wooden package	Case	382,971	247,147	154,673	55.94	46.49	37.53
Iron package	Tonne	1,456	1,138	871	0.21	0.21	0.21
Plastic package	Tonne	526	305	249	0.08	0.06	0.06
Water	10,000 tonnes	402	326	280	0.07	0.06	0.07

3. Green transformation

In August 2024, the Central Committee of the Communist Party of China and the State Council issued guidelines on accelerating the comprehensive green transformation of economic and social development. These guidelines emphasize leading with the "dual carbon" goals, coordinating efforts to reduce carbon emissions, cut pollution, expand green initiatives, and drive economic growth. They also call for deepening reforms in the ecological civilization system, improving green and low-carbon mechanisms, and comprehensively advancing the green transformation of the economy and society to promote a modernization process that harmonizes human development with nature.

The Group has positioned green transformation as a core strategy. Based on industry characteristics and development realities, it has systematically formulated medium- and long-term goals covering energy conservation, emission reduction, resource recycling, and green product development. These goals are deeply integrated into the Group's overall strategic framework, driving sustainable development progress:

(1) Product innovation: The Group focused on breakthroughs in TCO glass technology for supporting calcium-titanium-mineral batteries, achieving color homogenization via the synergistic optimization of high conductivity and high transmittance and the precise regulation within the microstructure, and significantly enhancing the adaptability for building integrated photovoltaic (BIPV) applications. Relying on its own innovative oxyfuel combustion process, Gansu Kaisheng Daming Company has successfully realized the large-scale production of photothermal ultra-white float glass, and become the first mass-production enterprise in China that has fully met the technical indexes. As the core material for photothermal power generation, the product will strongly support the construction of photothermal power generation industry clusters in the western region and improve the clean energy industry chain.

(2) Process optimization: The Group comprehensively promoted the upgrading of the energy management system to achieve a continuing decline in energy consumption through process reengineering and process innovation. In addition, the Group deepened the resource intensification model and established a full-cycle control system covering the procurement of raw materials, production and consumption, and the recycling of wastes, and simultaneously promoted the lightweight design of products and the optimization of their functions, so as to reduce the consumption of raw materials in a single unit and at the same time improve the durability of the products, and to achieve the maximization of the efficiency of the resources of the entire lifecycle.

III. CORPORATE GOVERNANCE

(I) Product Responsibility

1. Product Quality and Assurance

The Group's survival depends on product quality, its development roots from technology. Quality improvement and product upgrading are the top priorities of the Group, so it carries out full-process quality control from product design and manufacturing to after-sale services. The headquarters of the Group carries out unified quality supervision and control through an information platform, and all our production bases implement the Standards of High-quality Product Manufacturers and the Product Quality Inspection and Control Regulations which are more stringent than the national standards and operate in accordance with the Quality Management System (ISO9001–2015). In addition, the headquarters of the Group conducts surprise quality inspection on online products and inventory products of each production base from time to time, understands in-depth customers' genuine feedback on the quality of our products, and arranges the production department of bases to promptly carry out analysis and rectification based on the feedback, so as to continuously improve quality control.

In 2024, all the Group's bases passed the annual audit by the national product certification agency, and no sold products were recalled due to safety and health reasons.

2. Product Development and Innovation

Leveraging decades of expertise in colored glass manufacturing, the Group strategically expanded into the black glass segment by capitalizing on emerging market opportunities, successfully establishing its core brand "CNG Black Glass". In June 2024, we implemented phased brand development and market cultivation through a self-media matrix, forming an integrated promotional ecosystem. Centered on CNG Black Glass' differentiated positioning, the Group executed a quadruple-strand marketing strategy encompassing Black aesthetics definition-technology demonstration-performance parameter verification- omni-channel deployment – Coordinating domestic and international sales channels. Through systematic execution including chromatic aesthetics dissemination, full-specification technical disclosures, tempering and homogenization performance testing, and cross-channel sales activation, the initiative achieved precision-driven optimization of market penetration rates.

Since commencing commercial production in July 2024, CNG Black Glass has rapidly emerged as the Group's flagship revenue driver through its distinctive chromatic performance, state-of-the-art craftsmanship, and uncompromising quality consistency. This premium offering not only addresses unmet demand in the high-end black glass segment but substantially strengthens our industrial leadership in engineered glass solutions.

(II) Supply Chain Management

The Group selects and retains quality suppliers as its partners to establish a long-term strategic partnership. The Group obtains competitive advantage by improving upstream and downstream supply chain relationship, integrating and improving the information flow, logistics and fund flow in the supply chain. Adhering to the principles of equal consultation and mutual benefit, the Group has set up an integrated supplier management system and established a fair and just supplier assessment system with tender, negotiated tender procurement, exclusive supply, etc., creating a favourable competitive environment for the suppliers.

1. Supplier Size and Regional Distribution

As of 31 December 2024, the Company procured raw materials, fuel and production line equipment from over 390 suppliers who have been evaluated as qualified suppliers, of which over 180 suppliers supplied raw materials, nearly 30 suppliers supplied fuel energy, and over 180 suppliers supplied production line equipment, of which over 330 are located in China, over 60 are located in overseas regions (Nigeria, Turkey, Kazakhstan and other countries). Considering transportation costs and ease of procurement control, domestic suppliers are mostly concentrated in East China, North China, Northwest China and Southeast China. The Group procures raw materials, fuel and spare parts for its equipment from various alternative suppliers, and does not rely on any specific supplier.

2. Supplier Dynamic Management and Quality Control System

In order to ensure the production stability and product quality, the purchase of raw materials, fuels and spare parts required by the Group shall be carried out in accordance with the requirements of the procurement management system. The selection of suppliers is carried out in accordance with internal documents such as the Qualified Supplier Selection and Evaluation Management System and other internal documents, and dynamic management of suppliers is implemented. Suppliers are evaluated by means of on-site inspections, questionnaires, external sustainable development agents, stakeholder data, external databases, news reports or coverage, supply channels, etc. Based on the four standard management requirements (being quality, supply capacity, delivery period and service, as well as multi-departmental evaluation), the Group regularly updates the supplier list each year, monitors the quality and consumption of raw materials, accessories and other materials from suppliers each month. Through the above-mentioned strict measures, the Group ensures that all aspects of the supply chain are up to standard and safe. In 2024, the Group added 35 qualified suppliers and eliminated 10 unqualified suppliers based on the evaluation results.

3. Green Supply Chain Integration and Environmental Supplier Screening

In order to enhance its product competitiveness, the Group improves and integrates the supply chain when appropriate while providing quality service to effectively intertwine suppliers, manufacturers, warehouses and users. Furthermore, the Group also aims at achieving continuity and stability of the supply chain by reinforcing the self-restraint mechanism in environmental protection and developing a green supply chain management concept. The Group establishes standard supplier review process, especially for clean energy suppliers (suppliers of clean energy such as residual heat generation, photovoltaic power generation, natural gas, LNG, and water treatment), and selects eligible suppliers conforming to the national environmental protection and production safety requirements through strict process control.

4. *Procurement Staff Training and Sustainable Procurement Capacity Building*

To ensure sustainable procurement capabilities, we conduct regular training sessions for internal procurement staff, helping them understand the principles and applications of sustainable procurement while gradually enhancing their professional competence and fostering a sustainable procurement mindset. This ensures that environmental and social factors are prioritized throughout the procurement process. For example, the procurement of hazardous materials, such as toxic, harmful, flammable, or explosive substances, must comply with relevant laws and regulations, while suppliers of materials with potential environmental risks, such as rubber, paint, and chemical reagents, are required to regularly provide certifications like ISO9001:2015 and ISO14001 to demonstrate compliance with environmental standards.

5. *Supplier's Environmental Protection and Safe Production Standard Requirements*

In terms of supplier selection standards, the Group puts forward the following requirements on suppliers in the aspect of environmental protection and safety:

(1) The products provided by the supplier must meet the national environmental protection and safety production requirements, so as to ensure that the production of the Group will not harm the environment and achieve production safety. When looking for high-quality products and services, the Group not only considers reasonable prices, but also considers human health and environmental factors;

(2) The manufacturers of suppliers must strictly comply with national environmental protection policies and safe production requirements, have the environmental protection qualification required by the state, and undertake the due environmental protection responsibility, in order to guarantee the stability and safety of the supply of goods;

(3) The suppliers should use fuels which can be classified as clean energy that conforms to environmental protection requirements, and the main environmental protection indicators shall be implemented in accordance with the highest requirements;

(4) When selecting supplier's products, in addition to avoiding the use of disposable products, focus is placed on products that meet the following conditions:

(a) more suitable for recycling and reusing, made with more recycled materials, less packaging and more durable;

(b) compliance with higher energy efficiency requirements;

(c) use environment friendly technologies and/or low-polluting fuels;

(d) much less water consumption;

(e) less emissions irritating or toxic substances during installation or use, or produce or contain less toxic substances during disposal.

(III) Pre-sales and After-sales Services

1. Customer services

(1) **Product information service:** The Group, through various ways including early-stage training, on-site guidance and telephone follow-up, allows customers to understand product performance, processing parameters, and other matters worthy of attention. The Group handles customer request in a timely manner, strengthens the build-up of customer service information and systems, enhances customer service quality and strives to excel in sales service.

(2) **Improvement of customer purchasing experience:** The Group continues to strengthen the construction of the marketing information system, optimize and upgrade the customer procurement information service system, strengthen the integrated marketing system services, and focus on promoting the operation of the customer online order system, and is committed to providing customers with a more efficient, faster and better integrated service system covering the whole process of procurement of customers. Meanwhile, it strengthens industry market research to understand the development trend of customer demand in the target market, and adjusts the Group's product positioning, optimizes the product structure and gives full play to the Group's product portfolio advantages based on the location advantages and production line layout of the Group's bases, so as to provide customers with reasonable product solutions, with satisfaction of customer needs as the priority goal. The Group has always been oriented to customer needs and focusing on customer concerns, and has actively launched various customer service programs.

(3) **Customer information protection:** The Confidentiality Management System of the Group sets out perfect regulations on the protection of all customers' information and privacy. All the information and data of customers are subject to standardized management by specially-assigned personnel, so as to protect the safe storage of related data to prevent loss and leakage. The personnel in connection with the relevant information and files must receive professional knowledge training and sign confidentiality agreements corresponding to their positions. The compliance supervision department of the Group has a routine supervision and review process for the management of customer information to safeguard customers' information.

(4) **Innovative Customer Collaboration Models:** The Group has established a close cooperative relationships with upstream and downstream partners to jointly develop markets, stay ahead of industry trends, and create differentiated, high-end products. By implementing tailored collaboration models for different customer segments, the Group aims to achieve mutual benefits and shared development.

(5) **Innovative Customer Service Models:** The Group is committed to pioneering service models that integrate online order sales with offline physical services, building an omni-channel marketing system to enhance customer convenience and experience. Marketing service innovation remains a top priority for the Group.

2. Customer satisfaction survey

In 2024, the Group continued to conduct multi-level, multi-dimensional customer satisfaction surveys to gather feedback on overall brand perception, business collaboration experiences, and product quality. Each customer concern was addressed systematically, maintaining a high level of customer satisfaction throughout the year.

3. After-sales services

The Group has formulated the Regulations on After-sales Service Management, set up nation-wide marketing service and complaint hotlines, and established stringent feed-back mechanism for customer complaint and the relevant resolving procedures, and further summarize and optimize the after-sales service process to improve the quality of after-sales service.

In 2024, the Group received a total of 637 quality complaints. The quality assurance department and other departments of each base responded quickly and promptly to quality complaints raised by customers. After joint investigation and responsibility analysis by multiple departments, all quality complaints from customers were properly handled. The compliance supervision department supervises and examines the handling process and results of customers' quality complaints to ensure the fairness and justice in handling customer complaints.

(IV) Anti-corruption

The Group consistently upholds integrity in operation, strictly complies with national laws and regulations as well as corporate policies, and implements relevant provisions such as the Anti-Money-Laundering Law, the Anti-Unfair Competition Law, Criminal Law, and Company Law. It has established a robust anti-corruption and anti-fraud management system to foster a clean, efficient, and transparent business environment.

1. Anti-Corruption Management System

The Company has formulated and implemented internal management systems, including the Whistle-blowing Management System, the Accountability System and the Internal Accounting Management System, ensuring that all employees, managers, and partners adhere to integrity and self-discipline requirements. The Company explicitly prohibits any form of bribery, kickbacks, transfer of benefits, and embezzlement, adopting a zero-tolerance approach toward violations.

2. Anti-Corruption Supervision and Enforcement

The Company has established a dedicated compliance management department to organize anti-corruption initiatives and promote the construction of corporate integrity culture. Through whistle-blowing channels, internal audits, and strengthened process controls, it enhances supervision across all operational stages to ensure effective implementation of policies.

(1) **Whistleblowing Mechanism:** An anonymous reporting platform has been established to encourage employees and partners to report any corrupt activities. Complaints are kept strictly confidential and independently investigated by the compliance department.

(2) **Internal Audits:** The Group's internal audit department conducts regular audits of key areas such as finance, procurement, sales, and contract execution, focusing on identifying potential corruption and fraud risks and implementing necessary corrective actions.

(3) **External Oversight:** Independent third-party audit firms are engaged to oversee major financial and business transactions, ensuring the fairness and effectiveness of the anti-corruption mechanisms.

3. *Preventive Measures for Key Business Processes*

The Company has established stringent anti-corruption controls for key business processes to ensure the fairness and transparency of business decisions:

(1) **Procurement Management:** All procurement projects must be approved by the Price Management Committee to ensure reasonable pricing and fair competition, preventing collusion between suppliers and internal personnel for improper gains.

(2) **Sales Management:** Sales prices are subject to market information verification and internal approval, and practices such as dumping at low prices and non-transparent related-party transactions shall be eliminated.

(3) **Fund Management:** All fund disbursements require multi-level approvals to ensure compliance with payment processes and prevent fund misappropriation and improper expenditures.

(4) **Contract Review:** Contracts undergo legal and compliance reviews before signing to avoid backdoor operations and mitigate risks of commercial bribery and conflicts of interest.

4. *Integrity Culture Building and Training*

The Company conducts regular integrity education and training programs to enhance employees' legal awareness and ethical standards. In 2024, the Company organized multiple anti-corruption specialized training sessions, disseminating the concept of practicing in integrity to all employees through video conferences, brochures, and case studies. Senior management signed the integrity and incorruptibility commitment letter, by taking the lead in practicing the Company's integrity policy, forming a "top-down, all-employee participation" integrity governance system.

5. *Violation Handling and Accountability Mechanisms*

The Company maintains a zero-tolerance stance toward violations of anti-corruption policies. Any breaches are immediately investigated and addressed. Employees found in violation may face warnings, demotions, or termination of employment contracts, depending on the severity of the offense. Cases involving criminal activity are referred to judicial authorities for processing based on laws.

In the future, the Company will continue to optimize its anti-corruption management system, strengthen the construction of a compliance culture, ensure the transparency and integrity of corporate operations, and create long-term value for shareholders, employees and society.

IV. COMMUNITY CONTRIBUTION

In 2024, with the continuous efforts of its various bases, the Group actively engaged in community development, public welfare, and environmental protection initiatives, closely aligning with its social responsibility philosophy to promote the coordinated development of the economy, society, and the environment.

1. *Honors and Social Responsibility Commitments*

In 2024, the Group's bases received numerous honors and recognitions for their social responsibility efforts. Senior management actively participated in local governance, and the labor union of the bases achieved significant results and awards in employee care and rights protection, and played active roles in fulfilling social responsibilities and driving community development.

2. *Corporate culture building and employee care*

In 2024, the Group continued to strengthen its corporate culture by organizing diverse activities such as emergency drills, skill competitions, employee sports events, and staff forums, supporting employees' physical and mental well-being and professional growth while enhancing their sense of belonging and happiness. Leveraging platforms like the Group's official social media accounts, it systematically promoted cultural initiatives, significantly expanding the influence of its corporate culture and gaining widespread societal recognition. Each production base further deepened its employee care mechanisms: the Yumen Base regularly held group birthday celebrations to create a warm atmosphere, the Shaanxi Base distributed holiday bonuses and welfare supplies through the labor union to convey care, and the Suqian Base enhanced team cohesion through regular cultural and sports activities. All bases strictly adhered to the Occupational Health Management System and other provisions, conducting regular occupational health check-ups to build a comprehensive support system covering both physical and mental health.

3. *Community Engagement and Support*

The Group actively integrates into local community development, supporting grassroots growth through diverse initiatives. The Yumen Base sponsored and co-organized over 50 cultural activities throughout the year, including cultural performances, sports events, and parent-child interactions, significantly enriching the spiritual lives of community residents and fostering social harmony. Meanwhile, the Shaanxi Base participated in joint Co-construction Association to collaboratively address key challenges such as enterprise-community fire safety management and hazard investigation, actively contributing to the community's sustainable development.

4. *Philanthropic Initiatives*

The Group consistently upholds the philosophy of "giving back to society and creating a better future", implementing targeted public welfare campaign. The Yumen Base donated RMB50,000 to rural revitalization efforts and provided employment assistance to groups in financial difficulty, enabling self-sustaining poverty alleviation. Moreover, it launched the City Guardians Care Program, donating cold-proofing materials worth RMB23,400 to sanitation workers, showcasing the Company's warmth and social responsibility.

Corporate Governance Report

The board of directors (the "Board" or the "Directors") and the management of China Glass Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are committed to the maintenance of good corporate governance practices and procedures. The Board believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth, strengthening the confidence of shareholders and investors, and enhancing shareholders' value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

For the year ended 31 December 2024, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (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 2024, 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 (the "Company Secretary") 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. Upon specific enquiries, 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 2024.

Written guidelines no less exacting than the Model Code relating to the Company's securities transactions for employees are set out in the Company's Guidance on the Code of Conduct for Dealing in the Securities of the Company.

THE BOARD OF DIRECTORS

The Board assumes responsibility for effective leadership and control of the Company and is collectively responsible for promoting the development of the Company. The principal roles of the Board are:

- to set the Company's values and aims at enhancing shareholders' value;
- to lay down the Group's objectives, strategies, policies and business plan;
- to monitor and control operating and financial performance through the determination of the annual budget in particular the capital expenditure budget; and
- to set appropriate risk management policies to manage risks in pursuit of the Group's strategic objectives.

The Board is scheduled to meet at least four times a year to determine overall strategic direction and objectives, approve interim and annual results, and discuss other significant matters on the businesses and operations of the Group. During the year ended 31 December 2024, a total of 4 Board meetings were held. Details of the Directors' attendance at the Board meetings are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" of this report. Board minutes/resolutions are properly kept by the Company and are available for inspection by the Directors.

The Company has arranged for appropriate directors and officers liability insurance in respect of legal action against Directors.

Corporate Governance Functions

The Board, in performing the following corporate governance duties will take full account of the requirements set out in the Listing Rules:

- to establish the Company's purpose, values and strategy and satisfy itself that these and the Company's culture are aligned, and must act with integrity, lead by example, and promote the desired corporate culture;
- to develop and review the Company's policies and practices on corporate governance including, inter alia, the board diversity policy, the nomination policy of the Board, the remuneration policy, the shareholders communication policy, the policy for board succession planning, the dividend policy, the employees diversity policy, the whistleblowing system, the information disclosure and reporting system, the guidance on the code of conduct for dealing in the securities of the company, and policy and system that promote and support anti-corruption laws and regulations (including the formulation of an undertaking letter on honesty, law-abiding and integrity for cadres and accountability system);
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives;
- to ensure the Company establishes and maintains appropriate and effective risk management and internal control systems;

- to oversee the Company's risk management and internal control systems on an ongoing basis;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Chairman and Chief Executive Officer

The Chairman and the chief executive officer of the Company (the "CEO") are separate persons and their roles are segregated in order to preserve independency and to have a balanced judgement of views. During the year 2024, the Chairman, Mr. Peng Shou, provided leadership to the Board so that the Board worked effectively and discharged its responsibilities, and that all major issues were discussed by the Board in a timely manner. On the other hand, the CEO, Mr. Lyu Guo, who is an executive Director, has executive responsibilities over the business directions and operational decisions of the management.

Board Composition

Up to the date of the Annual Report, the Board comprises a total of seven Directors, being one executive Director, three non-executive Directors and three independent non-executive Directors of which one of them has appropriate professional qualification and financial management expertise as required by Rule 3.10(2) of the Listing Rules. Details of the composition of the Board are set out on page 2 of this Annual Report.

The Board members have no financial, business, family or other material relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The biographies of the Directors are set out on pages 25 to 27 of this Annual Report, which demonstrates a diversity of knowledge, skills, expertise, experience and qualifications for the requirements of the Company's business and alignment with the Company's strategic objectives. The Board possess glass industry knowledge/experience, materials science, strategic planning and risk management, business management, financial reporting/management, and legal/regulatory diverse skills set, as well as extensive experience in diversified business, which contribute to the critical functions of the Board and the Company's succession planning; and ensures that the Directors devote sufficient time and make contributions to the Company that are commensurate with their roles and Board's responsibilities.

The Board comprises independent non-executive Directors who bring strong independent judgement, rich knowledge and expertise to the Board. As noted below, the majority of the audit committee members are independent non-executive Directors. This structure is to ensure a sufficient balance of power and authority in place within the Group.

The Company has received annual confirmation of independence from each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules. The nomination committee of the Board (the "Nomination Committee") has assessed their independence and concluded that all the independent non-executive Directors are independent in accordance with the terms of the independence guidelines set out in the Listing Rules.

Appointments, Re-election and Removal of Directors

Pursuant to the bye-law 102(A) of the bye-law(s) of the Company (the "Bye-Laws"), the Company may from time to time in general meeting by ordinary resolution elect any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at the meeting. Pursuant to the bye-law 102(B) of the Bye-Laws, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting.

Pursuant to the bye-law 99 of the Bye-Laws, at each annual general meeting, not less than one-third of the Directors shall retire from office by rotation. The retiring Directors shall be eligible for re-election.

Pursuant to the bye-law 104 of the Bye-Laws, the Company's shareholders may by ordinary resolution remove any Director before the expiration of his term of office notwithstanding anything in the Bye-Laws or in any agreement between the Company and such Director and may elect another person in his stead.

All non-executive Directors and independent non-executive Directors have been appointed by the Company for a term of not more than three years, which is subject to the provision of retirement by rotation at the annual general meeting of the Company in accordance with the Bye-Laws and the CG Code.

For ensuring that changes to the Board and the CEO can be planned and managed without undue disruption, the Board endorsed a policy for Board's succession planning which aims to set out the plans for orderly succession for appointment of Directors and CEO.

Responsibilities, Accountabilities and Contributions of Directors

The Board is responsible for effective leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the development of the Company by directing and supervising its affairs. The Board shall ensure that it takes decisions objectively in the best interests of the Company and the Company's shareholders, and carries out duties in good faith and in compliance with applicable laws and regulations.

The Board shall ensure that every newly appointed Director shall have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements, and the business and governance policies of the Group. The Directors are continually updated with legal and regulatory developments, business and market changes, and the strategic development of the Group to facilitate the discharge of their responsibilities.

The independent non-executive Directors and other non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. The independent non-executive Directors will take lead where potential conflicts of interests arise. They are also members of Board committees and scrutinise the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

Delegation by the Board

The Board directly, and indirectly through its committees (the "Board Committees"), leads and provides direction to management by laying down policies and strategies and overseeing their performance as well as monitoring the Group's operational and financial performance. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for Board's approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations. The delegated functions and tasks are periodically reviewed by the Board.

Under the leadership of the CEO, the day-to-day management and operations of the Group's business are delegated to the management, with division heads responsible for different aspects of the business.

Supply of and Access to Information

Board/Board Committees papers are circulated not less than three days before the regular Board/Board Committees meetings to enable the Directors/Board Committees members to make informed decisions on matters to be raised at the Board/Board Committees meetings.

The CEO and the chief finance officer of the Company (the "CFO") attend all regular Board meetings to advise on corporate governance, statutory compliance, accounting and financial, and business operations matters, as appropriate.

The management has the obligation to supply the Board and the Board Committees with adequate information in a timely manner, to enable them to make informed decisions. Where any Director requires more information than is volunteered by the management, each Director has separate and independent access to the Company's senior management to make further enquiries if necessary.

Monthly updates had been provided to all Directors for the purpose of providing a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties (including but not limited to their duties set out under Rule 3.08 and Chapter 13 of the Listing Rules).

Continuous Professional Development of Directors

Each newly appointed Director is provided with necessary induction and information to ensure that he has adequate understanding of the Group's operations and businesses as well as his duties and responsibilities under relevant statues, laws, rules and regulations. The Company Secretary also provides Directors with updates on the latest developments of the Listing Rules and other applicable regulatory requirements from time to time.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant and ensure that they keep updated on the changes in the applicable laws and regulations and the overall development of the operations of the Group. All directors confirmed their participation in continuous professional development either by attending training courses or by reading materials relating to the duties and responsibilities of directors and corporate governance, during the year ended 31 December 2024.

BOARD COMMITTEES

The Board currently has four committees, namely the audit committee of the Board (the "AC" or the "Audit Committee"), Nomination Committee, remuneration committee of the Board (the "Remuneration Committee" or the "RC") and strategy committee of the Board (the "Strategy Committee"). All the Board Committees are empowered by the Board under their own terms of reference which have been posted on the websites of the Stock Exchange and the Company.

Audit Committee

Members:	
Independent Non-executive Directors	Mr. Chen Huachen *(Chairman)*
	Mr. Zhang Baiheng
	Mr. Wang Yuzhong *(resigned on 31 December 2024)*
	Ms. Lan Haiqing *(appointed on 31 December 2024)*
Non-executive Director	Mr. Peng Shou

The Audit Committee was established with written terms of reference in compliance with the CG Code. Mr. Chen Huachen, the Chairman of AC, has appropriate professional qualification and financial management expertise as required under Rule 3.10(2) of the Listing Rules. The members of the Audit Committee possess deep management experience in the accounting profession and commercial sectors.

The primary duties of the Audit Committee are mainly to make recommendation to the Board on the appointment, reappointment and removal of the external auditors; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process; review the financial statements and material advice in respect of financial reporting; and oversee financial reporting system, risk management and internal control systems of the Group.

Full minutes of Audit Committee meetings are properly kept by the Company. For the year ended 31 December 2024, the Audit Committee met twice with the external auditors to discuss and review areas of concerns and risk management and internal control systems of the Group for the financial year ended 31 December 2023 and held interim review for the six months ended 30 June 2024. Details of the committee members' attendance at the Audit Committee meetings are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" of this report. The Audit Committee reviewed the independence of the external auditors and their re-appointment, as well as the announcement of annual results and annual report of the Group for the financial year ended 31 December 2023, and the announcement of interim results and interim report of the Group for the six months ended 30 June 2024 before submission to the Board for adoption and publication. The committee not only focused on the impact of the changes in accounting policies and practices but also on the compliance with accounting and financial reporting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports, and the AC's terms of reference and rules of procedures.

The Audit Committee has reviewed with the Company's management and the external auditors 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) and external auditors' audit plan and strategy for the financial year ended 31 December 2024, as well as the Company's operational, risk management and internal control, and financial reporting matters and systems of the Group. The committee has also reviewed with the Company's management on the major internal audit issues for 2023 and for the six months ended 30 June 2024, the internal audit plan for 2024, the effectiveness of the Group's internal audit function, and the report on Group's ethics and compliance supervision. The discussion also includes, inter alia, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. In summary, the Audit Committee has reviewed the Group's risk management (including but not limited to material risks related to environment, social and governance) and internal control systems (covering all material control areas, including but not limited to financial control, operational control and compliance control), and is of the view that both the risk management and internal control systems of the Group are effective and sufficient and the internal audit function is still effective.

Nomination Committee

Members:	
Independent Non-executive Directors	Mr. Zhang Baiheng *(Chairman)*
	Mr. Wang Yuzhong *(resigned on 31 December 2024)*
	Ms. Lan Haiqing *(appointed on 31 December 2024)*
Non-executive Director	Mr. Peng Shou

The Nomination Committee was established with written terms of reference in compliance with the CG Code.

The primary duties of Nomination Committee include examining the structure, size and composition of the Board, identifying suitable individual qualified to become Board members and give advice to the Board, and making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors. The Board shall consider the recommendations made by Nomination Committee and agree any appointment of its members and recommend appropriate person for election by shareholders of the Company (the "Shareholders" and each a "Shareholder") at the annual general meeting, either to fill a casual vacancy or as an addition to the existing Directors. During the year ended 31 December 2024, the Nomination Committee met once to assess the independence of independent non-executive Directors; review the structure, size, composition, diversity aspects and skills matrix of the Board, as well as the effectiveness of the board diversity policy (the "Board Diversity Policy") and the policy for board succession planning (the "Policy for Board Succession Planning") of which except for appointing at least one female director to the Board by no later than 31 December 2024, the Nomination Committee has confirmed that such policies are effective; and has made a recommendation to the Board on the re-election of retiring Directors at the annual general meeting of the Company on 19 June 2024 (the "**2024 AGM**"). Pursuant to the Policy for Board Succession Planning, the Nomination Committee should periodically review and monitor the term limits and/or planned retirement of each Director and CEO. Details of the committee members' attendance at the Nomination Committee meeting are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" of this report.

Pursuant to bye-law 99 of the Bye-Laws, Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen (who has been serving as non-executive Director for more than 9 years) should retire by rotation at the 2024 AGM and being eligible, offered themselves for re-election at the 2024 AGM.

The Nomination Committee, having reviewed the Board's structure, size and composition, noted that pursuant to the Bye-Laws and the nomination policy of the Board (the "**Nomination Policy**") and took into account the various diversity aspects as set out in the Board Diversity Policy, Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen were eligible for nomination, and recommended Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen to the Board for the Board to recommend to the Shareholders for re-election at the 2024 AGM. The nominations were made in accordance with the Bye-Laws and the Nomination Policy and took into account the various diversity aspects as set out in the Board Diversity Policy, Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen's vast and diverse business background and experience, and their contributions to the Board.

Additionally, such nomination also fulfilled the requirement set out in Rule 3.10(2) of the Listing Rules as Mr. Chen Huachen possesses Chartered Financial Analyst professional qualification, bachelor's and master's degree in accounting, and has extensive experience in the capital market and financial related background. The Nomination Committee considered that Mr. Chen Huachen would continue to bring valuable contribution, business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Nomination Committee was satisfied with Mr. Chen Huachen's independence with reference to the criteria as set out in Rule 3.13 of the Listing Rules.

The Board accepted the Nomination Committee's recommendations and recommended Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen to stand for re-election by Shareholders under separate resolutions at the 2024 AGM. The Board was of the view that Mr. Zhao John Huan would bring to the Board his own perspectives, skills and experiences, and Mr. Wang Yuzhong and Mr. Chen Huachen would bring to the Board their own perspectives independent of management or other fellow Directors, diverse and invaluable knowledge, skills and experiences, as well as continually provide constructive challenge for management and other Directors; and resolved to recommend Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen to be re-elected as Directors at the 2024 AGM. The Board considered the re-election of Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen as Directors is in the best interest of the Company and Shareholders as a whole. Mr. Zhao John Huan, Mr. Wang Yuzhong and Mr. Chen Huachen abstained from voting on each of their respective nominations.

The Company recognises the importance of diversity to corporate governance and the board effectiveness. The Board has adopted the Board Diversity Policy which set out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and the quality of its performance, and to maintain high standards of corporate governance.

Board nominations and appointments will continue to be made on merit basis based on the Company's business needs from time to time while taking into account a range of diversity perspectives. The Nomination Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and shall give adequate consideration to the Board Diversity Policy in the selection of Board candidates. Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to age, cultural and educational background, gender, ethnicity, professional expertise and qualification, and industry experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the candidates will bring to the Board.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, developing and reviewing measurable objectives for implementing the Board Diversity Policy and monitoring the progress on achieving these objectives. The Nomination Committee shall review the Board Diversity Policy and the measurable objectives at least annually to ensure the continued effectiveness of the Board. The Nomination Committee, having reviewed the Board's structure, size, composition, diversity overview and skills set (which include different knowledge, skills, expertise, experience and qualifications for the requirements of the Company's business and alignment with the Company's strategic objectives, i.e., the Board possess glass industry knowledge/experience, materials science, strategic planning and risk management, business management, financial reporting/management, and legal/regulatory diverse skills set), considered that with the existing Board members coming from a variety of business and professional background, the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business growth in 2024. The Board conducted a review of the implementation and effectiveness of the Board Diversity Policy in March 2024. The Board reviewed the Board's skills matrix, structure, size, composition and diversity perspectives, as well as mechanisms used to ensure independent views and input are available to the Board (the "Independent Mechanisms", measures as set out in the policy), except for appointing at least one female director to the Board by no later than 31 December 2024, the Board is satisfied that the policy and the Independent Mechanisms have been properly implemented during 2024 and is effective.

On 31 December 2024, the Board appointed Ms. Lan Haiqing as an Independent Non-executive Director, the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee with effect from 31 December 2024. Ms. Lan obtained a legal opinion on 30 December 2024 and confirmed that she understood all the requirements of the Listing Rules applicable to her as director of a listed issuer and the potential consequences of making false statements or furnishing false information to the Stock Exchange.

The appointment of Ms. Lan as an independent non-executive Director was considered and recommended for the Board's approval (the "**Nomination**") by the Nomination Committee, having assessed her independence with reference to Rule 3.13 of the Listing Rules and the Nomination Policy.

The Board has considered the Nomination (including the confirmation of Ms. Lan's independence) and the nomination of Ms. Lan as the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee, as well as Ms. Lan's skills, knowledge and experience.

The Board believes that Ms. Lan will bring to the Board, the Remuneration Committee, the Nomination Committee and the Audit Committee, with her personal perspectives, skills and experience. Pursuant to the Board Diversity Policy adopted by the Company, the Board considers that Ms. Lan can make the Board more diverse in terms of gender, culture, knowledge, educational background, experience and skills (especially her extensive knowledge in corporate operations and strategic management).

Board Diversity Policy

1 Purpose

This Board Diversity Policy (the "**Policy**") aims to set out the approach to achieve diversity on the board of directors of the Company (the "**Board**").

2 Policy Statement

The Company recognizes and embraces the benefits of having a diverse Board to provide a range of perspectives and insights that enables the Board to discharge its duties and responsibilities effectively, enhance good decision making and support succession planning and development of the Board, and to maintain high standards of corporate governance. The nomination committee of the Board (the "Nomination Committee") will review the structure, size and composition of the Board annually and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Diversity of Board members can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional expertise and qualification, industry experience, skills, knowledge and length of service. In designing the Board's composition, the Company will also take into account factors based on its own business model and specific needs from time to time. For achieving increasing diversity in the Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

3 *Measurable Objectives*

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional expertise and qualification, industry experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition will be disclosed annually in the Corporate Governance Report as set out in the Company's Annual Report (the "Corporate Governance Report").

The Company is committed to achieving the following targets and adopting the following measures in order to ensure diversity in the Board:

- **Gender:** the Company adheres to the principle of "gradual progression and dynamic optimization" to continuously enhance the proportion of female directors. The Nomination Committee will prioritize the qualifications of female candidates and systematically integrate gender balance considerations into the director succession planning process, referencing international and local best practice recommendations. While the Board remains committed to strengthening the dual mechanisms of internal cultivation and external recruitment, director appointments will prudently account for practical factors such as corporate strategic transformation needs, diverse shareholder expectations, and market talent supply dynamics, ensuring that decision-making quality and governance effectiveness remain paramount as gender diversity initiatives advance steadily.

  To achieve gender diversity objectives, the following measures will be considered for incorporation into the policy for the director succession planning:

  (a) prioritizing the recommendation of female candidates in director nomination processes when professional qualifications are equivalent; and

  (b) conducting annual assessments of the Board's gender composition and establish phased improvement targets based on tenure renewal cycles and candidate pipeline readiness.

- **Independence:** the Board will maintain a balanced composition of executive, non-executive and independent non-executive directors to ensure a strong element of independence in the Board. The independent non-executive directors shall be of sufficient calibre and stature for their views to carry weight. The Board will assess the independence of each of the directors on an ongoing basis with regard to all relevant factors.

  To ensure independent views and input are available to the Board, the functions of non-executive directors include, inter alia:

  (a) participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;

(b) taking the lead where potential conflicts of interests arise;

(c) serving on the audit, remuneration, nomination and other governance committees, if invited; and

(d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

- **Knowledge, skills and experience:** the Board will continue to possess a balance of knowledge, skills and experiences appropriate for the requirements of the business and operation of the Company. Relevant trainings will be provided to directors from time to time to equip themselves with the attributes and competencies required for the Board in light of the strategic needs of the Group and the surrounding operation environment.

- **Age:** a board comprised of directors with a range of ages and tenure can enhance diversity and minimise succession risks. In support of that objective, age is one of the factors which the Nomination Committee will take into account when selecting and making recommendation on suitable director candidates. The Nomination Committee may also from time to time select and recommend younger director candidates with the intention to develop a pipeline of successors, while balancing the knowledge, skills and experiences required for the business and operation of the Company.

4 *Monitoring and Reporting*

The Nomination Committee will monitor the implementation of the Policy.

The following disclosure will be made annually in the Corporate Governance Report:

- a summary of the Policy together with the measurable objectives set for implementing the Policy, and the progress made towards achieving those objectives;

- how and when gender diversity will be achieved in the Board;

- the numerical targets and timelines set for achieving gender diversity in the Board; and

- measures adopted to develop a pipeline of potential successors to the Board to achieve gender diversity.

5 *Review of the Policy*

The Nomination Committee will review the Policy annually to ensure the effectiveness of the Policy. The Nomination Committee will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Nomination Policy

1 Purpose

(1.1) The Nomination Committee (the "NC") shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings, or appoint as Directors to fill casual vacancies, or as addition to the Board.

(1.2) The NC may, as it considers appropriate, nominate such number of candidates to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled, or such number of candidates as addition to the Board.

2 Selection Criteria

(2.1) The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate:

(a) reputation for integrity;

(b) experience in the business strategy, management, legal and financial aspects;

(c) whether the proposed candidate is able to assist the Board in effective performance of the responsibilities;

(d) the diversity of perspectives, merit and contribution that the proposed candidate is expected to bring to the Board;

(e) commitment in respect of available time and relevant interest;

(f) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience and qualification, industry experience, skills, knowledge and length of service; and

(g) in the case of selection for independent non-executive Directors, the independence of the proposed candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The NC has the discretion to nominate any person, as it considers appropriate.

(2.2) Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

(2.3) The NC may request candidates to provide additional information and documents, if considered necessary.

3 Nomination Procedures

(3.1) The secretary of the NC shall call a meeting and invite nominations of candidates from Board members, if any, for consideration by the NC prior to its meeting. Alternatively, such nomination may be approved by the NC by way of written resolutions.

(3.2) For filling a casual vacancy or appointing an additional Director, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation.

(3.3) Until the issue of the circular to Shareholders, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

(3.4) Regarding the procedures for Shareholders to propose a person for election as a Director, pursuant to the Bye-Laws, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office of the Company at least seven days before the date of the general meeting.

The period for lodgment of the notices required under the Bye-Laws will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

(3.5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

4 Confidentiality

Unless required by law or any regulatory authority, under no circumstances shall a member of the NC or a staff member of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the circular to Shareholders, as the case may be, is issued. Following the issue of the circular, the NC or the Company Secretary or other staff member of the Company approved by the NC may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

Remuneration Committee

Members:

Independent Non-executive Directors	Mr. Wang Yuzhong *(Chairman, resigned on 31 December 2024)*
	Ms. Lan Haiqing *(Chairman, appointed on 31 December 2024)*
	Mr. Zhang Baiheng
Non-executive Director	Mr. Peng Shou

The Remuneration Committee was established with written terms of reference in compliance with the CG Code.

The primary duties of the Remuneration Committee include making recommendations to the Board on the overall remuneration policy and structure for all Directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing policy on such remuneration, recommending the remuneration package of the executive Director and make recommendations to the Board of the remuneration of non-executive Directors, by reference to the Board's corporate goals and objectives. During the year ended 31 December 2024, the Remuneration Committee met once to assess the performance of executive Director; to review the annual performance appraisal and remuneration packages of the Group's senior management (including executive Director, who also acts as the CEO), particularly the performance-related pay; and to review the RC's terms of reference and rules of procedures with amendments which are in line with the amended CG Code and Chapter 17 (Share Schemes) of the Listing Rules before submission to the Board for adoption and publication. The emoluments of executive Director have been determined with reference to the duties, responsibilities and involvement in the Group's affairs, his performance, the Group's performance and prevailing market conditions during that particular year(s). The Remuneration Committee also reviewed the non-executive and independent non-executive Directors' fees, which were determined by reference to their duties, responsibilities and involvement in the Company's affairs, and skills, knowledge and performance, taking into account the Company's performance and profitability, and prevailing market situation for similar appointment; and confirmed that no adjustment to such Directors' fees.

In order to attract, retain and motivate Directors and senior management serving for the Group, the Company maintained a competitive level of remuneration according to the relevant market situation, and it also corresponds with the Directors' and the senior management's performance. Details of the remuneration paid to Directors and senior management for the year ended 31 December 2024 are set out in Notes 8 and 33(e) to the consolidated financial statements. A formal and transparent policy is in place to determine the remuneration packages of the Company's individual Directors and employees (including senior management). The Remuneration Committee took note of the management report that there would be no salary adjustment and annual performance bonus from 2023 to 2024.

Remuneration Policy

1 The Remuneration Committee is mandated to formulate the Company's remuneration policy and structure for the approval of the Board, and to make recommendations to the Board on the Group's annual salary adjustment, the annual performance bonus, the share options and share awards.

2 The objective of remunerating Non-executive Directors is to ensure that there is an appropriate level of remuneration to attract and retain experienced people of high calibre to oversee the Group's business and development. Their remuneration (including Directors' fee and a discretionary bonus) is reviewed annually with reference to companies of comparable business or scale in the market and also based on the average annual remuneration of non-executive directors of Hang Seng Index constituent companies, and any changes are subject to Board's approval. The annual review of Non-executive Directors' fee aims at ensuring they are remunerated fairly and appropriately, and takes into consideration the responsibilities taken on by the Non-executive Directors, time commitment required to fulfill their role and the variable workload associated with their memberships at the Board committees.

3 Non-executive Directors are entitled to participate in the share option schemes and the share award scheme operated by the Company, or to receive other fringe benefits provided by the Company. Non-executive Directors do not have service contracts.

4 Quality and committed staff are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talents, the Company's remuneration policy is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The Company's remuneration policy is, therefore, aiming at being competitive but not excessive.

5 Employees' remuneration package (including that of the Company's Executive Director and Chief Executive Officer, and senior management) comprises basic salary and performance-related pay components (including base salary, performance bonus and long-term incentives) benchmarked against a mix of local and regional companies of comparable business or scale in the market, and Hang Seng Index constituent companies. The mix of basic salary and performance-related pay components in the employees' remuneration package is subject to annual review based on the Group's performance.

6 The Remuneration Committee is responsible for reviewing the remuneration of Directors and senior management annually, and making recommendations to the Board for its consideration. In conducting the Company's Executive Director and Chief Executive Officer, and senior management's pay review annually, the Remuneration Committee and the Board take into account a number of factors, such as individual responsibilities and performance, economic and employment conditions, and competitiveness in the job market.

7 Remuneration packages of Directors and employees are reviewed regularly according to the Company's remuneration policy to ensure that they are competitive and in line with the market in attracting and retaining individuals with the relevant skills, knowledge and experience.

8 No Director or any of their associates is involved in deciding that Director's own remuneration. Neither the Chief Executive nor the senior management participates in the Remuneration Committee's discussion on his/her pay review and performance award. The Remuneration Committee consults the Chairman of the Board on the Chief Executive's performance, and both the Chairman of the Board and Chief Executive on the individual performance of the senior management.

9 Remuneration of individual Directors and the senior management is disclosed in the Company's annual report.

The remuneration paid to the members of senior management[(1)] in 2024 by bands is set out below:

Remuneration Bands	Number of Individuals
RMB0 to RMB500,000	2
RMB500,001 to RMB1,000,000	3
Over RMB1,000,000	1

Note 1: Senior management is referred to persons who are required by paragraph 12 of Appendix D2 to the Listing Rules to provide their brief biographical details in the Company's annual report each year.

Strategy Committee

Members:

Non-executive Directors	Mr. Peng Shou *(Chairman)*
	Mr. Zhao John Huan
Executive Director	Mr. Lyu Guo

The Strategy Committee is mainly responsible for reviewing the mid-term and long-term strategies of the Company pursuant to its defined terms of reference. The Strategy Committee meets regularly as when necessary.

ATTENDANCE AT BOARD AND BOARD COMMITTEES MEETINGS, AND GENERAL MEETINGS

	Meetings Attended/Held During the Year Ended 31 December 2024					
Name of Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Annual General Meeting[1]	Special General Meetings[1]
Executive Director						
Mr. Lyu Guo *(CEO)*	4/4	–	–	–	1/1	1/1
Non-executive Directors						
Mr. Peng Shou *(Chairman)*	3/4	1/2	1/1	1/1	0/1[2]	0/1[2]
Mr. Zhao John Huan	2/4	–	–	–	0/1[2]	0/1[2]
Mr. Zhang Jinshu	4/4	–	–	–	1/1	1/1
Independent Non-executive Directors						
Mr. Zhang Baiheng	4/4	2/2	1/1	1/1	1/1	1/1
Mr. Wang Yuzhong *(resigned on 31 December 2024)*	3/4[3]	2/2[3]	1/1 [3]	1/1[3]	1/1[3]	1/1[3]
Mr. Chen Huachen	4/4	2/2	–	–	1/1	1/1
Ms. Lan Haiqing *(appointed on 31 December 2024)*	-[4]	-[4]	-[4]	-[4]	-[4]	-[4]

Notes:

(1) The Chairman was not in a position to attend the annual general meeting and one of the special general meetings due to other work commitments at those relevant times; and the CEO chaired such general meetings on his behalf. The Company has encouraged the Directors to attend the general meetings to gain and develop a balanced understanding of the views of the Shareholders, albeit presence other work commitments or unforeseen circumstances might prevent Directors from doing so.

(2) Absence of the Directors in the general meetings were due to other work commitments at that relevant times or unforeseen circumstances which prevent him from doing so.

(3) Resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee on 31 December 2024.

(4) Appointed as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee on 31 December 2024.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Accountability and Financial Reporting

The Board is accountable to the Shareholders while the management is accountable to the Board. The management provides sufficient explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before it for approval.

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the financial year ended 31 December 2024, confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review, and consider that the financial statements have been prepared in conformity with the statutory requirements and the applicable accounting standards. The Directors aim to present a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in all shareholder communications. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, therefore, the Board continues to adopt the going concern approach in preparing the financial statements.

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's announcements of annual and interim results and the annual and interim reports, price-sensitive announcement and other financial disclosures required under the Listing Rules and the relevant legal and regulatory requirements.

Auditors' Remuneration

The financial statements for the year ended 31 December 2024 were audited by KPMG of which the term of office will expire upon the forthcoming annual general meeting of the Company. The Audit Committee has recommended to the Board that KPMG be nominated for appointment as the auditors of the Company at the forthcoming annual general meeting.

There have been no changes of auditors of the Company in the past three years.

It is the auditors' responsibility to form an independent opinion, based on their audit, on those consolidated financial statements and to report their opinion solely to the Shareholders and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the independent auditor's report.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 92 to 101 of this Annual Report.

During the year under review, the total fee payable to KPMG for annual audit services and interim review is RMB9.40 million; and there is no fee payable to KPMG for non-audit service.

Risk Management and Internal Control

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategies objectives, and establishing and maintaining a sound and effective risk management and internal control systems of the Group. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management, internal control systems and internal audit function. The Company has established a Compliance and Supervision Management Committee, composed of specific members of the Company's management, to lead the Compliance and Supervision Department. The Compliance and Supervision Management Committee will evaluate the likelihood of risks occurring during the fourth quarter of each year (on a regular basis) and in specific situations such as significant internal and external environmental changes or emergencies (on an ad hoc basis), and provide processing scheme, supervise the risk management process, and document and report all findings and the effectiveness of the systems to the Audit Committee and the Board. The Compliance and Supervision Department is the centralized management department for the Company's risk management and internal control systems, and is responsible for organizing and coordinating daily risk management tasks, formulating risk management plans, conducting risk assessments, and establishing internal control systems.

The Group has developed and adopted a scientific risk management system, encompassing various types of risks such as strategic, market, operational, financial, legal, environmental, social, and governance risks. By identifying, assessing, and addressing these risks, the system ensures that the Company is able to effectively manage these risks and promote its stable development. At the same time, the Group has closely integrated the established internal control system with the risk management strategy, which covers the sorting out and evaluation of the Company's various business processes and office functions, so as to ensure that the critical control points of each process are identified and effective control measures are in place. All departments and subsidiaries of the Group shall carry out risk management, and identify, analyze and evaluate risks according to changes in the internal and external environment, and formulate corresponding management strategies under the guidance of the Compliance and Supervision Department. The Group's risk assessment is based on three dimensions: likelihood of occurrence, impact severity, and urgency for improvement.

The Company has established a whistleblowing system to encourage employees and those who deal with the Group to report and raise concerns or dissatisfaction, in confidence and anonymity, with the Audit Committee, the Compliance and Supervision Committee, and the Compliance and Supervision Department about any actions that harm the Company's interests, infringe upon employees' legal rights, or damage the Company's image and reputation in all aspects of the production, operation, management and business of the Group, as well as possible misconduct under the anti-corruption laws and the related policies and systems. The Group has also established an accountability system and procedures. Such system is applicable to all departments, wholly-owned subsidiaries, holding companies, invested companies and the management at all levels of the Company. The principles followed by accountability are adherence to the principle that there are laws to abide by and rules to follow; the principle of seeking truth from facts and correcting mistakes if any; and the principles of responsibilities commensurate with duties and combining education with punishment. The aim is to operate according to the law, correct illegal acts if any, effectively safeguard the economic interests of the enterprise, and promote the sustainable, harmonious and healthy development of the Company.

During the year ended 31 December 2024, the Board has authorized the Audit Committee to review annually the effectiveness of the Group's risk management, internal control systems and internal audit functions, and the Audit Committee has conducted a review of the effectiveness of the Group's risk management, internal control systems and internal audit functions. The review covers the monitoring of all significant risks, including environmental, social and governance risks, with the aim of minimizing risks to the Group's overall business and operations.

During the year under review, the reviews of the Board and the Audit Committee included, among other things, the nature and severity of material risks to the Group for the financial year ended 31 December 2023 and the six months ended 30 June 2024, and measures to address the associated risks; the management continuously monitors the Company's risk management and internal control systems and assesses the scope and effectiveness of its work; and was aware that, after the last review, the Company had not encountered any significant risks which are unable to manage. Through the efforts of the Group's management and employees, the Company's ability to respond to changes in the business and environment has been further enhanced, and the Company's processes for financial reporting and compliance with the procedures stipulated in the Listing Rules are still effective. Such reviews would enable the Board to oversee, evaluate and determine the effectiveness of the Company's risk management and internal control systems.

Internal Audit Function and its Effectiveness

The Group has established a dual-track internal audit architecture integrating a "multi-dimensional committee system" and "segregation of supervisory responsibilities." This framework includes four specialized committees (Pricing, Capital, Investment, and Technology) operating under a closed-loop process of "specialized approval → execution monitoring → compliance review." Concurrently, a checks-and-balances mechanism is implemented, with an independent compliance supervision department leading audit function, supplemented by external audits covering engineering projects, financial statements, and regulatory compliance.

The current system demonstrates two structural advantages: clear delineation of responsibilities between specialized committees and functional departments (e.g., the Pricing Management Committee focuses on pricing strategies, while the Technology Management Committee oversees R&D initiatives), and a robust "decision-execution-supervision" triangular governance model. Overall, this framework establishes foundational oversight efficacy, with plans to enhance talent management and cross-functional collaboration to optimize decision-making synergies.

The core control functions, and effectiveness evaluation of the group's key business modules are as follows:

Module	Core Control Functions	Effectiveness Evaluation
Pricing Decision	• tri-source verification (consultancy data/professional intelligence/ departmental data) • collective decision-making by the Central Pricing Committee	• monthly Price Management Committee meetings • price adjustments being promptly and efficiently submitted to the Price Management Committee for review and approval in response to price fluctuations
Capital Management	• dual-layer approval (subsidiary review→ headquarters Capital Committee recheck) • payment authority matrix	• zero capital compliance violations • monthly Capital Management Committee meetings
Investment Control	• full-cycle management (feasibility analysis→ bidding supervision→ settlement audit)	• timely Investment Management Committee meetings for case-by-case review • budget deviation rate ≤10%
Production and R&D Control	• standardized quality control for raw materials and production processes • closed-loop R&D management (project initiation→ funding control→ patent application) • technological innovation and standards upgrading	• final product yield maintained above 92% • 100% compliance rate for product quality certifications • updated emissions standards aligned with national environmental regulations
Inventory Control	• end-to-end ERP system traceability • annual inventory audit + third-party verification	• strict adherence to quality standards for inbound/outbound goods • physical-ledger consistency
Fixed Assets Control	• full lifecycle management (procurement, acceptance, transfer, maintenance, retirement) • annual inventory of assets • disposal of idle/obsolete assets to minimize waste	• comprehensive insurance coverage for critical assets • physical-ledger consistency • Idle asset ratio below industry benchmark
Contract Review	• standardized contract templates • dual legal review (internal + external)	• annual rectification 1,349 terms, decreased 1% year-on-year • zero contract dispute cases
Corporate Culture Control	• cross-regional cultural integration • employee diversity and welfare programs	• 100% compliance rate for cultural promotion initiatives • Employee satisfaction rate increased • 100% coverage of non-discrimination policies

Audit System and its Effectiveness

The Group has established a multi-tiered oversight system to strengthen governance efficacy. Internally, the Company consistently conducts compliance audits under the internal audit management system, performing in-depth reviews of engineering project compliance (covering key projects from 2023 to 2024) and managerial handover audits. Externally, professional resources are integrated: financial statements are audited annually by the international firm KPMG, while engineering settlements adopt a dual verification mechanism combining "regional quota benchmarks and independent third-party audits." Additionally, a comprehensive anti-fraud network has been implemented, achieving 100% coverage of reporting channels through physical mailboxes, dedicated hotlines, and digital platforms. All 2024 fraud cases were fully resolved.

This audit framework demonstrates three core advantages: First, internal and external audits form strategic complements—internal efforts focus on refining process compliance, while external audits ensure financial data integrity. Second, a digital governance platform enables real-time visualization of audit data, significantly enhancing regulatory timeliness. Third, anti-fraud mechanisms synergize with corporate culture-building to establish robust ethical safeguards. To further strengthen oversight, two optimization measures are recommended: (1) deeply integrate audit outcomes into the performance management system to align governance achievements with organizational goals, and (2) systematically increase preventive audit ratios, leveraging forward-looking risk identification to optimize monitoring coverage and strategically allocate audit resources.

Corporate Culture Development and its Effectiveness

The enterprise has built a multi-layered cultural governance system to ensure effective implementation of cultural principles. At the governance level, the Board of Directors serves as the supreme decision-making body, formulating strategic cultural development directives. The HR Department acts as the executive arm, dedicated to planning and executing cultural initiatives while overseeing daily operations. The cultural management and control system adopts a three-dimensional approach: regular company-wide training deepens cognitive understanding, team competitions and visits to red education bases strengthen emotional engagement, and internal multimedia platforms combined with official website visual campaigns achieve multi-touchpoint coverage—forming a closed-loop cycle of "education input, experiential internalization, and sustained exposure." For incentives, an honors-based recognition mechanism is established, including annual awards for outstanding individuals/teams/managers. A dual-track reward system—combining ceremonial commendations with performance-linked bonuses—directly ties cultural adherence to career advancement and material benefits, effectively driving employee participation. This mechanism integrates strategic vision with operational depth, achieving systemic cultural governance that transforms ideological advocacy into behavioral alignment.

Internal Control Measures for Inside Information

The Company has implemented internal control procedures to ensure that unauthorized access to and use of inside information are strictly prohibited. The Company has developed its information disclosure and reporting system which provides a general guide, procedure(s) and system(s) to the Company's Directors and the Board, senior officers (i.e., individuals authorized by the Board and vested with managerial responsibilities, hereinafter referred to as "Senior Officers") and employees whose roles involve access to or handing of sensitive information, and communications with (and disclosure of information to) Shareholders, investors, securities and financial analysts, and media, monitoring information disclosure and responding to enquiries. The procedures and internal control measures for handling and publishing inside information are:

For the scope of periodic reports (including results announcements), after completion of preparing the periodic reports, they will be submitted to the Audit Committee for review and audit first. The Board will consider and approve the periodic reports at regular meetings. After consideration and approval by the Board, the periodic reports will be subject to final confirmation by all personnel who are directly involved in the preparation of the reports and announcements through the coordination of the Board's authorized representative, who shall arrange for the finalized reports and announcements to be published on both the "HKExnews" website of the Stock Exchange and the "Investor Relations" webpage of the website of the Company.

For non-periodic information disclosure, the Board, each professional committee under the Board, Senior Officers, the persons in charge or information liaison officers of the headquarters and each department, each base, subsidiaries, branches and research and development centers of the Company, the Company's controlling shareholders and other Shareholders who hold 5% or more of the Company's shares should notify the officers authorized/appointed by the Board or Executive Director ("Authorized Senior Officers") as soon as possible after they aware of or note that the information disclosure and reporting system requires disclosure of major events in a non-periodic disclosure way. The Authorized Senior Officers shall conduct review of and consult relevant lawyer consultants, accountants and auditors for opinions on the compliance of non-periodic information disclosure. For the corresponding internal approval procedures of the Company that must be performed, the Authorized Senior Officers are responsible for convening Board meetings or preparing Board written resolutions, and holding general meetings (if necessary) in accordance with provisions of the Listing Rules, laws, regulations, the Company's memorandum of association and new Bye-Laws. The disclosure of audited non-periodic information must be submitted to the Board for consideration and approval, and then it will be subject to final confirmation by all personnel who are directly involved in the preparation of non-periodic information disclosure through the coordination of the Board's authorized representative, who shall arrange for the announcements to be published on both the website of the Stock Exchange and the website of the Company. If necessary, the Authorized Senior Officers shall submit relevant announcement/disclosure to the Stock Exchange and/or other regulatory authorities, and arrange for publication of the announcement on the website of the Stock Exchange and the website of the Company after approval by the Stock Exchange and/or other regulatory authorities. The Company can make disclosures to the public in the form of announcements and press releases simultaneously (but it is not allowed to make disclosures in the form of press release only). However, the contents of both forms must be consistent, and the press releases shall not contain inside information that is not mentioned in the announcements.

When the relevant information disclosure obligor of the Company have doubts about whether certain information involves matters in disclosure, they shall consult the Company's legal adviser and/or the Stock Exchange in a timely manner.

Conclusion

In 2024, the Company carried out its production and operation work in accordance with a scientific and complete internal management and monitoring system. Issues identified in the audit during the year were rectified and improved one by one by adopting effective preventive measures, the management system was implemented in a robust manner, and the supervisory and audit functions were effectively implemented.

The management has provided a confirmation to the Board on the effectiveness and adequacy of the risk management and internal control systems for the year ended 31 December 2024. The Board acknowledges its responsibility for the risk management and internal control systems, and with the support of the Audit Committee, reviewing the effectiveness of the risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board and the Audit Committee considered the risk management and internal control systems to be effective and adequate. They also considered the adequacy of resources, staff qualifications and experience, training and budget of the Company in terms of accounting, internal audit and financial reporting functions, as well as those relating to the Company's environment, social and government (ESG) performance and reporting. No significant areas of concern that might affect our stakeholders, including the Shareholders, were identified during the year under review.

COMPANY SECRETARY

During the year ended 31 December 2024, Ms. Kuok Yew Lee ("Ms. Kuok"), Company Secretary, was a full-time employee of the Company. Ms. Kuok is responsible for reporting to the Chief Executive Officer and Chief Financial Officer of the Company, advising the Board on compliance and corporate governance matters, ensuring that Board procedures are properly followed and Board activities are conducted effectively and efficiently, and arranging the onboarding and continuing professional development of Directors. All Directors have access to the advice and services from Ms. Kuok on compliance, corporate governance and general Board matters. She has received not less than 15 hours of intensive continuing professional development training in compliance with Rule 3.29 of the Listing Rules during the year ended 31 December 2024.

As set out in the announcement of the Company on 3 February 2025, Ms. Kuok has resigned as Company Secretary of the Company and as an authorized representative (the "Authorized Representative") under Rule 3.05 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), with effect from 4 February 2025. Following the resignation of Ms. Kuok as Company Secretary and Authorized Representative, the position of Company Secretary of the Company will be vacant and there will be only one Authorized Representative. The Company is seeking suitable candidates to fill the vacancies of Company Secretary and Authorized Representative as soon as possible to ensure the Company's compliance with Rules 3.28 and 3.05 of the Listing Rules. A further announcement will be made by the Company in due course.

SHAREHOLDERS' RIGHTS

Procedures for Convening of Special General Meeting ("SGM") and Putting Forward Proposals at General Meetings

(A) Right to convene SGM

Bye-Laws

(i) Bye-law 62 sets out the position under the Bye-Laws where a requisition is made by Shareholders. Bye-law 62 provides that the Board may, whenever it thinks fit, convene a SGM. Subject to the provisions of the Companies Act 1981 of Bermuda, as may from time to time be amended (the "Companies Act"), SGM shall also be convened on requisition of shareholders of the Company (the "Shareholders" and each a "Shareholder") holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered address of the Company at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda (the "Bermuda Registered Office"), and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

Companies Act

(ii) Pursuant to section 74 of the Companies Act, a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may requisition the directors of the Company (the "Directors" and each a "Director") to forthwith proceed duly to convene a SGM by depositing a written requisition at the registered office of the Company.

(iii) The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, deposited at the Bermuda Registered Office and may consist of several documents in like form each signed by one or more requisitionists.

(iv) If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

(v) The SGM so convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

(B) Right to put forward proposals at General Meetings

Companies Act

(i) Sections 79 and 80 of the Companies Act allow certain Shareholder(s) to requisition the Company to give notice to the Shareholders in respect of any resolution which is intended to be moved at an annual general meeting of the Company ("AGM") or circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company. Under section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of Shareholders:

(a) to give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

(ii) The number of Shareholders necessary to make the above-mentioned requisitions to the Company shall be:

(a) either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or

(b) not less than one hundred Shareholders.

(iii) Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meeting of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(iv) Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in paragraph (B)(i) above unless:

(a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the Bermuda Registered Office of the Company:

(a.a) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(a.b) in the case of any other requisition, not less than one week before the meeting; and

(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures in paragraph (B)(i) above (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Bermuda Registered Office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

Procedures for Shareholders to Propose a Person for Election as a Director of the Company

Pursuant to bye-law 103 of the Bye-Laws, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office of the Company, at Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, at least seven days before the date of the general meeting.

The period for lodgment of the notices required under the Bye-Law will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

Procedures to send Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong by post or by email to chinaglass@wsfg.hk.

Dividend Policy

1 Purpose

(1.1) The Board endeavours to maintain a balance between meeting the expectations of the Shareholders and prudent capital management with a sustainable dividend policy (the "Dividend Policy").

(1.2) The Dividend Policy sets out the guidelines for the Board to determine (i) whether dividends are to be declared and paid; and (ii) the level of dividend to be paid to the Shareholders.

(1.3) The Dividend Policy aims to allow the Shareholders to participate in the Company's profit and for the Company to retain adequate cash reserves for its working capital requirement and future growth.

(1.4) Under the Dividend Policy, provided the Group is profitable and without affecting the current and future operations of the Group, the Company may declare and pay dividends to the Shareholders.

(1.5) The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period.

2 Factors for Consideration

(2.1) In determining/recommending the frequency, amount and form of any dividends in any financial year/period, the Board shall consider the following factors:

(a) the Group's actual and expected financial performance;

(b) retained earnings and distributable reserves of the Company and each of the members of the Group;

(c) the level of the Group's debts to equity ratio, return on equity, liquidity position and the relevant financial covenants;

(d) any restrictions on payment of dividends that may be imposed by the Group's lenders;

(e) the Group's business strategies, including the expected working capital requirements, and future expansion plans, investment needs and prospects so as to sustain the long-term growth aspect of the business;

(f) general economic and financial conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

(g) any other factors that the Board deems appropriate.

3 Procedures for Declaration and Payment of Dividends

(3.1) The Dividend Policy and the declaration and/or payment of future dividends under the Dividend Policy are subject to the Board's continuing determination that the Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Shareholders and the Group by considering the factors as set out above, and are in compliance with the Bye-Laws, the Companies Act 1981 of Bermuda as amended, supplemented or otherwise modified from time to time (the "Companies Act") and all applicable laws and regulations.

(3.2) The declaration and/or payment of dividends by way of cash or scrip or by other means shall remain to be determined at the sole discretion of the Board, subject to the Bye-Laws, the Companies Act, all applicable laws and regulations, and the factors as set out above. There is no assurance that dividends will be paid in any particular amount for any given period.

(3.3) Any final dividend recommended by the Board must be approved by an ordinary resolution at an annual general meeting and must not exceed the amount recommended by the Board.

(3.4) The Board may from time to time pay to the Shareholders such interim dividends or special dividends as it considers appropriate and justify by the profits of the Group.

4 Reporting

(4.1) The Dividend Policy will be disclosed annually in the Corporate Governance Report as set out in the Company's Annual Report.

5 Review of the Dividend Policy

(5.1) The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Shareholders Engagement

The Company recognises the importance, and takes high priority, on communication with its Shareholders. The general meetings provide a channel for communication and good opportunity for exchange view between the Board and the Shareholders. The Board has adopted a shareholders' communication policy. The policy is subject to review on a regular basis to ensure its effectiveness. The Board conducted a review of the implementation and effectiveness of the shareholders' communication policy. Having considered the multiple channels of communication and engagement in place (as well as the arrangements set out in this report and policy), the Board is satisfied that the policy has been properly implemented during 2024 and is effective.

The Board has adopted the revised shareholders' communication policy in March 2024 (the "Revised Shareholders' Communication Policy") with amendments for compliance with the expanded paperless listing regime and electronic dissemination of corporate communications as set out in the amended Rule 2.07A of the Listing Rules that came into effect on 31 December 2023.

Revised Shareholders' Communication Policy

1. Purpose

1.1 The shareholders' communication policy (the "Policy") aims to set out the provisions with the objective of ensuring that the Company's shareholders, both individual and institutional (collectively, "Shareholders"), and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and business plans, material business developments and corporate governance), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

1.2 For the purpose of the Policy, references to the investment community are intended to include the Company's potential investors as well as analysts reporting and analysing the Company's performance.

2. General Policy

2.1 The board of directors of the Company (the "Board") shall maintain an on-going dialogue with Shareholders and the investment community, and will regularly review the Policy to ensure its effectiveness.

2.2 Information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its corporate communications and other corporate publications on the Company's website.

2.3 Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times. Any question regarding the Policy shall be directed to the company secretary of the Company (the "Company Secretary").

3. Communication with the Shareholders

Corporate Communications

3.1 Corporate Communications refer to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, the directors' report and annual accounts together with a copy of the auditor's report, the interim report, a notice of meeting, a circular and a proxy form (including any "corporate communication" as defined in the Listing Rules).

3.2 Corporate communications will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders may change their choice of language (either English and/or Chinese) or means of receipt of the Corporate Communications (in hard copy or through electronic means).

3.3 For communication efficiency and environmental protection, electronic dissemination of Corporate Communications is, to the extent permitted by applicable laws and regulations, adopted by (i) sending Corporate Communications to the Shareholders by electronic means; and (ii) making Corporate Communications available on the websites of the Company (www.chinaglassholdings.com) and the Stock Exchange (www.hkexnews.hk), unless hard copy is otherwise requested. Shareholders will receive a notice of publication of the website version of Corporate Communications by post or through email in accordance with their indicated preference.

Notwithstanding the above, actionable corporate communications (refer to any corporate communication that seeks instructions from the Company's securities holders on how they wish to exercise their rights or make an election as the Company's securities holder) will be sent to Shareholders (i) individually in electronic form; or (ii) in hard copy form (for those Shareholders who did not provide their functional electronic contact details), in addition to being made available electronically on the websites of the Company and the Stock Exchange.

3.4 Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

Corporate Website

3.5 A dedicated Investor Relations section is available on the Company's website www.chinaglassholdings.com. Information on the Company's website is updated on a regular basis.

3.6 Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents and other regulatory disclosures.

3.7 All press releases and newsletters issued by the Company or its subsidiaries will be made available on the Company's website.

3.8 Speeches and presentations delivered by the Chairman of the Board, the Company's Chief Executive Officer and senior executives will be made available on the Company's website.

Shareholders' Meetings

3.9 Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

3.10 Appropriate arrangements for general meetings shall be in place to encourage Shareholders' participation.

3.11 The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.

3.12 Board members, in particular, the chairmen of board committees or their delegates, appropriate management executives and external auditors will, where appropriate, attend annual general meetings to answer Shareholders' questions.

Investment Market Communications

3.13 Investor/analysts briefings and one-on-one meetings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums will be available when and if appropriate, in order to facilitate communication between the Company, Shareholders and the investment community.

3.14 The Company's directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Company's policy as set out in Information Disclosure and Reporting System.

4. Communication with the Company

4.1 In addition to Shareholders' meetings and investment market communications as described above where the Company maintains ongoing and regular dialogue with the Shareholders and stakeholders, there are multiple avenues for the Shareholders to communicate their views on matters affecting the Company and where the Company will solicit and get feedback from Shareholders.

The Company Secretary of the Company

4.2 Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to directors or management of the Company. Such questions, requests and comments can be addressed to the Company Secretary by mail to Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong or by email to chinaglass@wsfg.hk. Institutional investors and analysts can contact the Company Secretary by mail to Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong or by email to chinaglass@wsfg.hk.

The Share Registrar of the Company

4.3 Shareholders should direct any questions about their registered shareholdings by mail to 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 or visit https://www.computershare.com/hk/en/online_feedback, who has been appointed by the Company to assist the Shareholders with share registration and related matters.

5. Shareholder Privacy

5.1 The Company recognises the importance of Shareholders' privacy. The Company is committed to safeguarding and protecting Shareholders' personal data in compliance with applicable personal data protection laws and will not disclose Shareholders' information without their consent, unless required by the relevant laws and regulations.

6. Publication of the Policy

6.1 This Policy is available on the website of the Company. The Policy is reviewed and updated at least annually by the Board to ensure its effectiveness in upholding high standards of communication with the Shareholders and to reflect current best practice.

In every general meeting, in respect of each substantially separate issue (including the election of individual Directors), a separate resolution would be proposed by the chairman of that meeting.

The Board and senior management maintain a continuing dialogue with the Company's Shareholders and investors through various channels including the Company's general meetings. In 2024, the Directors (including the chairman and/or members of the respective Board Committees) and the Company's external auditors attended the 2024 AGM and were available to answer questions. For special general meeting held on 22 October 2024 by mean of an online virtual meeting for approving the continuing connected transactions, an independent committee of the Board (the "IBC", comprising all the independent non-executive Directors, being the chairman of the respective Board Committees, established for the purpose of advising the independent Shareholders), other members of the Board (including the Chairman) and the independent financial adviser (the "IFA", who had been appointed by the Company to advise the IBC and the independent Shareholders) attended the meeting and were available to answer questions. Both registered and non-registered Shareholders participated in such online virtual meeting had been counted towards the quorum and be able to cast their votes and submit questions relevant to the proposed resolution(s) through the online platform. For supporting the Shareholders to speak at the meetings, the Company had arranged a telephone facility facilitating them to call in during question and answer session. Details of the Directors' attendance at the general meetings held in 2024 are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" of this report. The 2025 annual general meeting ("2025 AGM") will be held on 23 June 2025. The notice of 2025 AGM will be published and issued to Shareholders (in the manner as required by the Listing Rules) at least 21 clear days before the 2025 AGM.

The Board believes effective investor relations can contribute towards lowering cost of capital, improving market liquidity for the Company's stock and building a more stable shareholder base. Therefore, the Company is committed to maintaining a high level of corporate transparency and timely disclosure of corporate information to Shareholders, investors and analysts, which will enable them to make the best investment decisions. Keeping the Shareholders aware of the Group's corporate strategies and business performance is one of the key missions of the Board. During the year under review, the Company holds investors and analysts conferences following the release of results announcements at which the executive Director and senior management of the Company are available to answer questions regarding the performance of the Group.

The Company's website (www.chinaglassholdings.com), which contains corporate information, interim and annual reports, announcements and circulars issued by the Company as well as the updates on the latest developments of the Group, provides comprehensive and accessible news, and timely and updated information of the Group to the Shareholders, other stakeholders and investors.

An updated and consolidated version of the Memorandum of Association and new Bye-Laws of the Company is available on the websites of the Company and the Stock Exchange (www.hkexnews.hk). The new Bye-Laws was adopted during the year 2022.

EMPLOYEES DIVERSITY

Employees Diversity Policy

The Board of the Company has updated and adopted an Employees Diversity Policy on 26 March 2024 (the "Employees Diversity Policy").

1. *Purpose*

   This Employees Diversity Policy (the "Policy") aims to set out the approach to achieve diversity in the workforce of the Company.

2. *Policy Statement*

   The Company is committed to fostering and preserving a culture of diversity, equity and inclusion for its employees.

   The Company embraces and encourages its employees' differences in age, gender, color nationality, language, religion, marital status, physical and mental ability, political affiliation, sexual orientation, socio-economic status and other characteristics which make its employees unique.

3. Measurable Objectives

The Company is committed to achieving the following objectives and adopting the following measures in order to ensure diversity in its workforce.

- The Company's recruitment process is designed to be fair and non-discriminatory in order to ensure that a diverse range of candidates can be identified and selected. Each candidate will be considered against objective criteria, including but not limited to educational background, professional expertise and qualification, industry experience, skills and knowledge, while with reference to the actual business and operation needs of the Company. The Company complies with applicable local legislations and codes of practice on recruitment.

- All employees and candidates for employment should be treated with dignity and respect. The Company does not tolerate discrimination or harassment on the basis of their age, gender, color, nationality, language, religion, marital status, physical and mental ability, political affiliation, sexual orientation, socio-economic status and other personal characteristics.

- The Company's commitment to diversity and non-discrimination applies equally to staff development and promotion decisions. The Company strives to build a diverse management team with respect to gender, educational background and experience. The Company continually invests in management development programs for its employees to support their career development and prepare them for management positions. Employees are selected from across the group to attend such career development programs based on non-discriminatory assessment of their performance and potential.

- One of the most significant diversity issue(s) the Company faces across the group is gender. Addressing gender diversity is essential from a moral perspective, and has a social and economic impact beyond the workplace. Reflecting this we will set formal group-wide gender diversity targets, and will report annually on our progress in meeting them in the Corporate Governance Report as set out in the Company's Annual Report (the "Corporate Governance Report').

- A range of initiatives will be implemented to support the Company's gender diversity objectives in its workforce (including senior management*), including conducting review on the gender ratio in the workforce from time to time with reference to the actual business and operation needs of the Company, providing incentives for female employees such as maternity leaves and benefits, and holding management development programs designed specifically for high potential female employees.

- Directors and senior management of the Company should execute proactive diversity initiatives to ensure fairness and diversity in personnel management, including recruitment, promotions, trainings and awards.

- Employees who believe they are experiencing discrimination or harassment should report their concerns immediately to the attention of the Company's Compliance and Supervision Committee, and Compliance and Supervision Department for the prevention and elimination of workplace discrimination and harassment.

4. *Monitoring and Reporting*

The Company's Administration and Personnel Department will monitor the implementation of the Policy.

The gender ratio in the workforce (including senior management*), and a summary of plans or measurable objectives set for achieving gender diversity in the workforce will be disclosed annually in the Corporate Governance Report. If there is any mitigating factor or circumstance which makes achieving gender diversity across the workforce more challenging or less relevant, such mitigating factor or circumstance will also be disclosed in the Corporate Governance Report.

5. *Review of the Policy*

The Company's Administration and Personnel Department, and Compliance and Supervision Committee will review the Policy annually to ensure the effectiveness of the Policy. The Company's Company Secretary will also discuss any revisions that may be required, and recommend any such revisions to the Company's Administration and Personnel Department, and Compliance and Supervision Committee for consideration and approval.

Note:

* Senior management refers to the same persons referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Employee Diversity Report

The Group has established a systematic employee rights protection mechanism with tangible outcomes. In recruitment, we strictly adhere to the principles of "objectivity, fairness, equal competition, merit-based selection, and internal priority," prioritizing moral integrity as the primary criterion. The Recruitment Management System ensures gender-neutral practices, with gender ratios across all employee tiers aligning with the overall workforce structure in 2024.

To safeguard gender equality, the Group rigorously complies with the Labor Law, Employment Promotion Law, Law on the Protection of Women's Rights and Interests, and overseas laws and regulations. Three key measures are implemented: a Compliance Department-led gender discrimination reporting and case-filing mechanism (2024: zero reported cases); an open evaluation system for internal promotions (organized by HR review panels and finalized by the CEO); and full transparency through company-wide bulletin board announcements for internal recruitment. Despite the male-dominated nature of the glass manufacturing industry, gender ratios remained stable during the workforce reduction from 2023 to 2024. No structural barriers hindering gender diversity emerged, demonstrating the effectiveness of the current mechanisms.

As at 31 December 2024, the gender ratio of all employees (including senior management of the Group) is as follows:

The total number of employees of the Group		By gender		By nature of employment		
	Total*	Male	Female	Full-time	Part-time	temporary
As at 31 December 2023						
Number	4,774	4,040	734	4759	15	0
Proportion	100.0%	84.6%	15.4%	99.7%	0.3%	0.0%
As at 31 December 2024						
Number	4,584	3,833	736	4,556	7	21
Proportion	100.0%	83.6%	16.1%	99.4%	0.2%	0.5%

Note:

* *includes the total number of full-time, part-time and temporary employees*

Given that part-time employees and temporary workers constitute a small proportion of our workforce and exhibit higher turnover rates, the progress toward our gender diversity targets has been measured exclusively among full-time employees. As of December 31, 2024, the gender ratio across the Group is disclosed as follows, categorized by employment type, age group, and geographic region:

By category of employment					
	Gender		Executives	Manager	General
As at 31 December 2023	Male	Number	134	446	3,448
		Proportion	87%	85%	84%
	Female	Number	20	78	633
		Proportion	13%	15%	16%
	Numbers of employees		154	524	4,081
As at 31 December 2024	Male	Number	120	443	3,268
		Proportion	88%	87%	83%
	Female	Number	17	68	650
		Proportion	12%	13%	17%
	Numbers of employees		137	511	3,918

By age					
	Gender		Under 30 years of age	30 to 49 years old	50 years of age and above
As at 31 December 2023	Male	Number	882	1,834	1,312
		Proportion	85%	77%	97%
	Female	Number	150	545	36
		Proportion	15%	23%	3%
	Numbers of employees		1,032	2,379	1,348
As at 31 December 2024	Male	Number	725	1,935	1,135
		Proportion	82%	78%	96%
	Female	Number	157	537	43
		Proportion	18%	22%	4%
	Numbers of employees		882	2,472	1,178

By region							
	Gender		China (including HK)	Kazakhstan	Nigeria	Italy	Turkey
As at 31 December 2023	Male	Number	3,515	244	179	80	10
		Proportion	83%	92%	95%	94%	91%
	Female	Number	695	21	9	5	1
		Proportion	17%	8%	5%	6%	9%
	Numbers of employees		4,210	265	188	85	11
As at 31 December 2024	Male	Number	3,078	340	294	71	12
		Proportion	82%	92%	94%	89%	100%
	Female	Number	681	28	19	9	0
		Proportion	18%	8%	6%	11%	0%
	Numbers of employees		3,759	368	313	80	12

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA GLASS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Glass Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 102 to 196, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Assessment of the Group's ability to continue as a going concern

Refer to Note 2(b) to the consolidated financial statements.

The Key Audit Matter

For the year ended 31 December 2024, the Group had net loss of RMB963,976,000. As at 31 December 2024, the Group had net current liabilities of RMB6,800,076,000. Note 2(b) to the consolidated financial statements explains how the directors of the Company have formed a judgement that the going concern basis is appropriate in preparing the consolidated financial statements of the Group.

The directors of the Company made their assessment of the Group's ability to continue as a going concern by preparing a cash flow forecast in which certain key assumptions were applied. These key assumptions included forecasts of sales volumes, average selling prices, raw material costs and necessary capital expenditure for production and the availability of banking and other financing facilities as well as financial assistance from the largest shareholder of the Company, 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 Materials Group Co., Ltd.* ("中國建材集團有限公司"), which is a central state-owned enterprise. Based on the assessment, the directors concluded 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.

How the matter was addressed in our audit

Our audit procedures in respect of the directors' assessment of the Group's ability to continue as a going concern included the following:

- assessing and challenging the key assumptions used by management in the cash flow forecast (including forecasts of sales volumes, average selling prices, raw materials costs and necessary capital expenditure for production) and evaluating whether there were any indication of management bias by comparing the key assumptions, to budgets reviewed by management and/or other externally available information;
- comparing the cash flow forecast prepared in the prior year with the current year's performance of the Group to assess how accurate the prior year's cash flow forecast was and making enquiries of management as to the reasons for any significant variations identified;

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

KEY AUDIT MATTERS (CONTINUED)

Assessment of the Group's ability to continue as a going concern (continued)

The Key Audit Matter

We identified the Group's ability to continue as a going concern as a key audit matter because significant management judgement is involved in making this assessment and in forecasting the future cash flows of the Group which are inherently uncertain.

How the matter was addressed in our audit

- assessing the availability of banking and other financing facilities during the forecast period by inspecting relevant underlying documentation in relation to banking and other financing facilities and evaluating whether the financing facilities were sufficient to meet the Group's needs in the context of the cash flow forecast, taking into the account any breach of loan covenants which may trigger early repayment of loans;
- assessing the intention and ability of the Triumph Group to continually provide financial assistance and the legality and enforceability of such assistance;
- obtaining from management sensitivity analyses of the key assumptions (including forecasts of sales volumes, average selling prices, raw materials costs and necessary capital expenditure for production) adopted in the cash flow forecast prepared by management and assessing the impact on the conclusion of the going concern assessment; and
- assessing the related disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Assessing potential impairment of property, plant and equipment

Refer to Note 12 to the consolidated financial statements and the accounting policies of Note 2(m)(ii).

The Key Audit Matter

As at 31 December 2024, the Group's property, plant and equipment in the consolidated statement of financial position, mainly comprising plant and buildings, and machinery and equipment used in the Group's glass production lines, had a total carrying value of RMB8,691,331,000.

The Group's property, plant and equipment is allocated to relevant cash generating units ("CGU"s) for the purpose of assessing if there is any impairment at the end of the reporting period.

In accordance with the prevailing accounting standards, management performed an assessment at the end of the reporting period to determine whether there is any indication that these property, plant and equipment may be impaired. If any such indication exists, the CGU's recoverable amount is estimated.

Management considered that there were indicators of potential impairment of property, plant and equipment at 31 December 2024 because certain CGUs have sustained losses, consequently, management prepared impairment assessments of the loss-making CGUs by assessing their recoverable amounts using value in use calculations based on discounted cash flow forecasts.

How the matter was addressed in our audit

Our audit procedures to assess potential impairment of property, plant and equipment included the following:

- assessing management's identification of CGUs and the allocation of assets and liabilities to these CGUs with reference to the requirements of the prevailing accounting standards;
- engaging our internal valuation specialists to assist us in evaluating the methodology used by management in the preparation of the discounted cash flow forecasts for each CGU with reference to the requirements of the prevailing accounting standards;
- challenging the key assumptions adopted in the discounted cash flow forecasts, including future sales volumes and future unit selling prices and unit costs for the relevant CGUs by comparing these inputs with the historical results of these CGUs and economic and industry forecasts;
- engaging our internal valuation specialists to evaluate the discount rates adopted in the discounted cash flow forecasts by comparing them with similar entities in the same industry;

KEY AUDIT MATTERS (CONTINUED)

Assessing potential impairment of property, plant and equipment (continued)

The Key Audit Matter

The preparation of discounted cash flow forecasts involves significant management judgement, particularly in estimating future sales volumes and future unit selling prices and unit costs for the relevant CGUs and in determining the discount rates applied, which may be inherently uncertain.

We identified assessing potential impairment of property, plant and equipment as a key audit matter because the carrying value of the property, plant and equipment is significant to the consolidated financial statements and the determination of the recoverable amount of each CGU involves significant management judgement which is inherently uncertain and could be subject to management bias.

How the matter was addressed in our audit

- performing sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts and the discount rates applied and assessing the impact of changes in the key assumptions and the discount rates to the conclusions reached in the impairment assessments and whether there were any indicators of management bias in the process; and
- assessing the disclosures in the consolidated financial statements in respect of the impairment assessment of property, plant and equipment with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Assessing potential impairment of goodwill in relation to acquisitions

Refer to Note 17 to the consolidated financial statements and the accounting policies of Notes 2(f) and 2(m)(ii).

The Key Audit Matter

As at 31 December 2024, the carrying amount of goodwill in relation to acquisitions carried out by the Group was RMB264,574,000 and was allocated to the respective operations in design and installation related service and operations in glass production and sales.

Goodwill is assessed annually for potential impairment by management based on discounted cash flow forecasts of the future performance of the operations in design and installation related service and operations in glass production and sales acquired. The preparation of discounted cash flow forecasts involves significant management judgement, particularly future sales volumes, future unit selling prices and unit costs and in determining the discount rates applied, which may be inherently uncertain.

How the matter was addressed in our audit

Our audit procedures to assess the potential impairment of goodwill in relation to acquisitions included the following:

- assessing management's identification of CGUs and the allocation of assets and liabilities to the CGUs with reference to the requirements of the prevailing accounting standards;
- engaging our internal valuation specialists to assist us in evaluating the methodology used by management in the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards;
- challenging the key assumptions adopted in the discounted cash flow forecasts, including future sales volumes and future unit selling prices and unit costs for the relevant CGUs by comparing these inputs with the historical results of these CGUs and economic and industry forecasts;
- evaluating the discount rates used in the cash flow forecasts by comparing them with similar companies in the same industry;

KEY AUDIT MATTERS (CONTINUED)

Assessing potential impairment of goodwill in relation to acquisitions (continued)

The Key Audit Matter

We identified assessing potential impairment of goodwill in relation to acquisitions as a key audit matter because of the assessment of potential impairment of goodwill involving significant management judgement which is inherently uncertain and could be subject to management bias.

How the matter was addressed in our audit

- performing sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts and the discount rates applied and assessing the impact of changes in the key assumptions and the discount rates to the conclusions reached in the impairment assessments and whether there were any indicators of management bias in the process; and
- assessing the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wan Chi Yau, Charles.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024
(Expressed in Renminbi ("RMB"))

	Note	2024 RMB'000	2023 RMB'000
Revenue	4	**5,737,612**	5,307,924
Cost of sales		**(5,426,667)**	(5,008,413)
Gross profit	4(b)	**310,945**	299,511
Other income	5	**132,764**	188,604
Distribution costs		**(128,231)**	(114,049)
Administrative expenses		**(389,012)**	(394,344)
Impairment losses on receivables and contract assets	35(a)	**(17,503)**	(953)
Other operating expenses	6(c)	**(436,995)**	(141,875)
Loss from operations		**(528,032)**	(163,106)
Finance costs	6(a)	**(473,737)**	(389,964)
Net gain on acquisition of interest in a joint venture		**–**	33,628
Net (loss)/gain on disposal of interest in a joint venture		**(238)**	98
Share of profits less losses of joint ventures		**(3,935)**	(31,280)
Loss before taxation	6	**(1,005,942)**	(550,624)
Income tax	7	**41,966**	63,216
Loss for the year		**(963,976)**	(487,408)
Attributable to:			
Equity shareholders of the Company		**(876,579)**	(409,756)
Non-controlling interests		**(87,397)**	(77,652)
Loss for the year		**(963,976)**	(487,408)
Loss per share (RMB yuan)			
Basic and diluted	11	**(0.52)**	(0.24)

The notes on pages 110 to 196 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Loss for the year		**(963,976)**	(487,408)
Other comprehensive income for the year (after tax and reclassification adjustments):	10		
Items that will not be reclassified to profit or loss:			
– equity securities designated at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		**417**	(948)
Items that may be reclassified subsequently to profit or loss:			
– exchange differences on translation of financial statements into presentation currency		**(377,086)**	(628,475)
Total comprehensive income for the year		**(1,340,645)**	(1,116,831)
Attributable to:			
Equity shareholders of the Company		**(1,253,274)**	(1,039,121)
Non-controlling interests		**(87,371)**	(77,710)
Total comprehensive income for the year		**(1,340,645)**	(1,116,831)

The notes on pages 110 to 196 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2024
(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	12	**8,691,331**	9,935,816
Other non-current assets	12	**181,620**	151,936
Investment properties	13	**31,096**	33,944
Right-of-use assets	14	**633,791**	616,615
Intangible assets	16	**206,900**	203,668
Goodwill	17	**264,574**	305,679
Interests in joint ventures	18	**47,545**	51,718
Equity securities designated at FVOCI		**803**	247
Deferred tax assets	31(b)	**404,456**	323,068
		10,462,116	11,622,691
Current assets			
Inventories	19	**1,220,776**	982,623
Contract assets	20(a)	**37,063**	26,428
Trade and bills receivables	21	**334,396**	416,257
Other receivables	22	**457,293**	499,537
Prepayments	23	**216,288**	197,739
Prepaid income tax	31(a)	**4,104**	4,122
Assets held for sale	25	**188,643**	–
Cash at bank and on hand	24(a)	**1,302,086**	1,210,846
		3,760,649	3,337,552
Current liabilities			
Trade and bills payables	26	**1,122,161**	622,186
Accrued charges and other payables	27	**1,687,856**	2,034,611
Contract liabilities	20(b)	**304,760**	321,221
Bank loans and other borrowings	28	**7,320,923**	6,311,498
Lease liabilities	29	**11,993**	13,356
Income tax payable	31(a)	**113,032**	130,927
		10,560,725	9,433,799
Net current liabilities		**(6,800,076)**	(6,096,247)
Total assets less current liabilities		**3,662,040**	5,526,444

The notes on pages 110 to 196 form part of these financial statements.

Consolidated Statement of Financial Position (continued)

At 31 December 2024
(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Bank loans and other borrowings	28	**2,596,017**	3,111,152
Lease liabilities	29	**65,188**	73,090
Other non-current liabilities		**4,974**	10,263
Deferred tax liabilities	31(b)	**111,835**	107,335
		2,778,014	3,301,840
NET ASSETS		**884,026**	2,224,604
CAPITAL AND RESERVES	32		
Share capital		**85,951**	85,951
Reserves		**179,101**	1,432,375
Total equity attributable to equity shareholders of the Company		**265,052**	1,518,326
Non-controlling interests		**618,974**	706,278
TOTAL EQUITY		**884,026**	2,224,604

Approved and authorised for issue by the board of directors on 28 March 2025.

Peng Shou
Chairman

Lyu Guo
Director

The notes on pages 110 to 196 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in RMB)

	Attributable to equity shareholders of the Company											
	Share capital RMB'000 (Note 32(c))	Share premium RMB'000 (Note 32 (d) (i))	Shares held under share award scheme RMB'000 (Note 32 (d) (ii))	Capital reserve RMB'000 (Note 32 (d) (iii))	Statutory reserve RMB'000 (Note 32 (d) (iv))	Other reserve RMB'000	Exchange reserve RMB'000 (Note 32 (d) (v))	Fair value reserve (non–recycling) RMB'000 (Note 32 (d) (vi))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023	85,951	1,608,232	(69,189)	20,769	40,785	(438,578)	(162,952)	125	1,500,235	2,585,378	705,521	3,290,899
Loss for the year	–	–	–	–	–	–	–	–	(409,756)	(409,756)	(77,652)	(487,408)
Other comprehensive income	–	–	–	–	–	–	(628,475)	(890)	–	(629,365)	(58)	(629,423)
Total comprehensive income	–	–	–	–	–	–	(628,475)	(890)	(409,756)	(1,039,121)	(77,710)	(1,116,831)
Acquisition of non-controlling interests ("NCI") of a subsidiary	–	–	–	–	–	–	–	–	–	–	(55,904)	(55,904)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	134,371	134,371
Reduction of share premium to off-set accumulated losses of the Company	–	(84,330)	–	–	–	–	–	–	84,330	–	–	–
Distributions approved in respect of the current year (Note 32(b) (iii))	–	(30,408)	2,477	–	–	–	–	–	–	(27,931)	–	(27,931)
	–	(114,738)	2,477	–	–	–	–	–	84,330	(27,931)	78,467	50,536
Balance at 31 December 2023	85,951	1,493,494	(66,712)	20,769	40,785	(438,578)	(791,427)	(765)	1,174,809	1,518,326	706,278	2,224,604

The notes on pages 110 to 196 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024
(Expressed in RMB)

	Attributable to equity shareholders of the Company											
	Share capital RMB'000 (Note 32(c))	Share premium RMB'000 (Note 32(d) (i))	Shares held under share award scheme RMB'000 (Note 32(d) (ii))	Capital reserve RMB'000 (Note 32(d) (iii))	Statutory reserve RMB'000 (Note 32(d) (iv))	Other reserve RMB'000	Exchange reserve RMB'000 (Note 32(d) (v))	Fair value reserve (non-recycling) RMB'000 (Note 32(d) (vi))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	**85,951**	**1,493,494**	**(66,712)**	**20,769**	**40,785**	**(438,578)**	**(791,427)**	**(765)**	**1,174,809**	**1,518,326**	**706,278**	**2,224,604**
Loss for the year	–	–	–	–	–	–	–	–	(876,579)	(876,579)	(87,397)	(963,976)
Other comprehensive income	–	–	–	–	–	–	(377,086)	391	–	(376,695)	26	(376,669)
Total comprehensive income	–	–	–	–	–	–	(377,086)	391	(876,579)	(1,253,274)	(87,371)	(1,340,645)
Capital injection from NCI of a subsidiary	–	–	–	–	–	–	–	–	–	–	175	175
Disposals of subsidiaries	–	–	–	–	–	–	–	–	–	–	(108)	(108)
	–	–	–	–	–	–	–	–	–	–	67	67
Balance at 31 December 2024	**85,951**	**1,493,494**	**(66,712)**	**20,769**	**40,785**	**(438,578)**	**(1,168,513)**	**(374)**	**298,230**	**265,052**	**618,974**	**884,026**

The notes on pages 110 to 196 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024
(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Operating activities			
Loss before taxation		**(1,005,942)**	(550,624)
Adjustments for:			
Depreciation and amortisation	6(d)	**640,811**	498,394
Net gain on disposals of property, plant and equipment	5	**(2,579)**	(3,147)
Net gain on acquisition of interest in a joint venture		**–**	(33,628)
Net loss/(gain) on disposal of interest in a joint venture		**238**	(98)
Impairment losses on property, plant and equipment	6(c)	**400,060**	141,875
Impairment losses on goodwill	6(c)	**36,935**	–
Impairment losses on receivables and contract assets	35(a)	**17,503**	953
Interest income	5	**(44,873)**	(25,192)
Insurance claims income	5	**(13,592)**	(58,935)
Interest expenses and other finance costs	6(a)	**488,573**	387,228
Share of profits less losses of joint ventures		**3,935**	31,280
Changes in working capital:			
(Increase)/decrease in inventories		**(256,219)**	148,551
(Increase)/decrease in contract assets		**(10,635)**	1,269
Decrease in trade and bills receivables		**75,794**	165,761
Decrease in other receivables and prepayments		**58,429**	41,220
Increase in trade and bills payables		**525,675**	179,510
Decrease in accrued charges and other payables		**(53,013)**	(350,949)
(Decrease)/increase in contract liabilities		**(16,461)**	17,039
Cash generated from operations		**844,639**	590,507
Income tax paid	31(a)	**(51,956)**	(34,121)
Net cash generated from operating activities		**792,683**	556,386
Investing activities			
Payments for the purchase of property, plant and equipment and other non-current assets		**(187,125)**	(657,516)
Payments for the purchase of right-of-use assets		**(51,136)**	(79,924)
Proceeds from disposals of property, plant and equipment and right-of-use assets		**71,711**	54,995
Proceeds from disposal of interest in a joint venture		**–**	6,259
Payment for acquisitions of subsidiaries, net off cash acquired		**(287,342)**	(9,270)
Capital injection from NCI of a subsidiary		**175**	–
Payment for acquisition of interest in a joint venture		**–**	(39,548)
Payment for development of intangible assets		**(23,550)**	(5,572)
Net decrease/(increase) in restricted deposits in relation to bills payables issued	24(a)	**8,054**	(198,013)
Interest received		**44,873**	25,192
Net cash used in investing activities		**(424,340)**	(903,397)

The notes on pages 110 to 196 form part of these financial statements.

	Note	2024 RMB'000	2023 RMB'000
Financing activities			
Proceeds from bank loans and other borrowings	24(b)	**6,834,016**	5,523,261
Repayment of bank loans and other borrowings	24(b)	**(6,383,498)**	(4,900,838)
Capital element of lease rentals paid	24(b)	**(8,781)**	(7,418)
Interest element of lease rentals paid	24(b)	**(5,147)**	(5,357)
Distribution paid to ordinary equity shareholders of the Company		**–**	(27,931)
Borrowing costs paid	24(b)	**(522,073)**	(431,524)
Net increase in restricted deposits in relation to bank loans drawn	24(a)	**(244,646)**	–
Net cash (used in)/generated from financing activities		**(330,129)**	150,193
Net increase/(decrease) in cash and cash equivalents		**38,214**	(196,818)
Cash and cash equivalents at 1 January	24(a)	**773,693**	1,110,656
Effect of foreign exchange rate changes		**(183,566)**	(140,145)
Cash and cash equivalents at 31 December	24(a)	**628,341**	773,693

The notes on pages 110 to 196 form part of these financial statements.

1 CORPORATE INFORMATION

China Glass Holdings Limited (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 Company and its subsidiaries (together referred to as the "Group") are 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 MATERIAL ACCOUNTING POLICIES

(a) 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 (the "Listing Rules"). Material accounting policies adopted by the Group are disclosed below.

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 2(c) 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.

(b) Basis of preparation of the financial statements

The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Group and the Group's interests in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for investments in equity securities (see Note 2(g)) which are stated at their fair value.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(y)).

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 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.

2 MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

For the year ended 31 December 2024, the Group incurred net loss of RMB963,976,000 (2023: net loss of RMB487,408,000). As at 31 December 2024, the Group had net current liabilities of RMB6,800,076,000 (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 1 January 2025, which has taken into account the following:

- the Group has unutilised banking facilities of RMB1,751,836,000 as at 31 December 2024;
- in addition to the above unutilised banking facilities, the Group has newly drawn-down and refinanced bank loans and other borrowings of RMB1,389,317,000 subsequent to 31 December 2024 and up to date of issue of these financial statements;
- the Group has secured and/or guaranteed short-term bank loans amounting to RMB1,287,461,000 as at 31 December 2024, Considering the long-term and strong business relationships with those banks, the directors of the Company are of the opinion that the renewals of these bank loans are highly probable when they fall due during the next twelve months; and
- the Group has been actively discussing with two banks for new facilities amounting to RMB1,500,000,000. to replace the syndicated loan with original due date of August 2025, the directors of the Company are of the opinion that these new bank loans are highly probable to be obtained before the original due date of the syndicated loan; and
- the Group has obtained financial assistance from its largest shareholder, namely Triumph Science Technology Group Co., Ltd.[1] ("凯盛科技集团有限公司", the "Triumph Group"), which in turn is a wholly-owned subsidiary of China National Building Materials Group Co., Ltd.[1] ("中國建材集團有限公司"), a central state-owned enterprise, in the form of loans of RMB1,184,269,000 as at 31 December 2024, and in the form of trade and other payables due to the Triumph Group and its related parties of RMB1,239,735,000 as at 31 December 2024. The directors of the Company are of the opinion that such assistance will continue to be available for the next twelve months and the amounts will not be required for immediate repayment based on the results of the discussions with those companies.

Based on the aforementioned 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.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements 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.

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.

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

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 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.

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. The Group has provided the new disclosures in Note 28(c).

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any NCI either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(q) or (s) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

2 MATERIAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(m) (ii)), unless the investment is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(y)).

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An investment in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(y)). The investment is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of the investee, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see Note 2(m) (i)).

Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(m) (ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(y)).

(f) Goodwill

Goodwill arising on an acquisition of business is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(m) (ii)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 35(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(v) (ii) (b)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections is made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(v) (ii) (d)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(h) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses (see Note 2(m) (ii)). The depreciation policy is the same as that of property, plant and equipment (see Note 2(i)).

Any gain or loss on disposal of an investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(v) (ii) (a).

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses (see Note 2(m) (ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(x)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amounts of the items and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

Plant and buildings	8 – 40 years
Machinery and equipment	2 – 20 years
Motor vehicles and others	2 – 15 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

2 MATERIAL ACCOUNTING POLICIES (continued)

(j) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Expenditure on development activities is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(m) (ii)).

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(m) (ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is gradually recognised in profit or loss. The following intangible assets are amortised from the date they are available for use and their estimated useful lives for the current and comparative periods are as follows:

Non-competition agreement	5 years
Technical-know-how	5 – 20 years
Customer relationships	10 years
Float glass production capacity	10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

2 MATERIAL ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(m) (ii)). Depreciation is calculated using the straight-line method over the unexpired term of leases.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

2 MATERIAL ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(ii) As a lessor (continued)

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(v) (ii) (a).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. and only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(o)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(m) (i)).

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECL"s) on the following items:

- financial assets measured at amortised cost (including cash at bank and on hand, trade receivables and other receivables); and
- contract assets (see Note 2(o));

Equity securities designated at FVOCI (non-recycling) are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets, trade receivables, other receivables and contract assets where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2 MATERIAL ACCOUNTING POLICIES (continued)

(m) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, other receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is past contractual due date.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is past contractual due date.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 2(g)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(m) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract assets is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired:

- property, plant and equipment (including those prepayments classified as non-current assets);
- investment property;
- right-of-use assets;
- intangible assets;
- goodwill;
- investments in joint ventures; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

2 MATERIAL ACCOUNTING POLICIES (continued)

(m) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(m) (i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(n) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2 MATERIAL ACCOUNTING POLICIES (continued)

(n) Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(v) (i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in Note 2(m) (i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(l)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v) (i)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable would also be recognised (see Note 2(l)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(v) (ii) (b)).

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in Note 2(m) (i).

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(x).

2 MATERIAL ACCOUNTING POLICIES (continued)

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group's contributions to defined contribution retirement plans are charged to profit or loss when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense or cost of construction in progress not yet transferred to property, plant and equipment.

(ii) Share-based payments

– *Share options granted to employees under the share option scheme*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the share options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

– *Shares granted to employees under the share award scheme*

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held under share award scheme" and deducted from equity.

For shares granted under the share award scheme, the fair value of shares granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

2 MATERIAL ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(ii) Share-based payments (continued)

– *Shares granted to employees under the share award scheme (continued)*

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with a corresponding adjustment to the capital reserve.

When the awarded shares are transferred to the awardees upon vesting, the related weighted average acquisition cost of the awarded shares vested are credited to "Shares held under share award scheme", and the grant date fair value of the awarded shares vested are debited to the capital reserve. The difference between the related weighted average acquisition cost and the grant date fair value of the awarded shares vested is transferred to retained profits directly.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(s) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(m)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 MATERIAL ACCOUNTING POLICIES (continued)

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

2 MATERIAL ACCOUNTING POLICIES (continued)

(v) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

(b) Service contracts

Design, purchasing and installation service

When the outcome of a service contract can be reasonably measured, revenue from the contract is recognised progressively over time during the construction process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to date to the estimated total costs to provide a faithful depiction of the transfer of those services.

Any variation work scope not included in a service contracts are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The Group's service contracts include payment schedules which require stage payments over the service period once milestones are reached. To the extent that the difference in timing arises for reasons other than the provision of finance, no financing component is deemed to exist. Otherwise, the Group has taken advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 2(u).

2 MATERIAL ACCOUNTING POLICIES (continued)

(v) Revenue and other income (continued)

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expenses.

(d) Dividends

Dividend income from unlisted equity investments is recognised when the Group's right to receive payment is established.

2 MATERIAL ACCOUNTING POLICIES (continued)

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from an investment in equity securities designated as at FVOCI are recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

2 MATERIAL ACCOUNTING POLICIES (continued)

(y) Non-current assets held for sale (continued)

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, right-of-use assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 MATERIAL ACCOUNTING POLICIES (continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products, or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Going concern

Note 2(b) contains information about the judgements made by the directors of the Company in concluding that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and hence, the preparation of the consolidated financial statements on a going concern basis.

(b) Sources of estimation uncertainty

Notes 17 and 35(e) contain information about the assumptions and their risk factors relating to impairment of goodwill and fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Expected credit loss for of receivables and contract assets

The management maintains an allowance for trade receivables, other receivables and contract assets for expected credit losses resulting from the expected credit risk of the customers and debtors to make the required payments. The management bases the expected credit losses on the ageing of the individual receivable balance, customer and debtor credit-worthiness, historical collection and write-off experience, and existing market conditions as well as forward looking estimates. If the financial condition of the customers or debtors were to deteriorate, actual write-offs would be higher than estimated.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Sources of estimation uncertainty (continued)

(ii) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Note 2(m) (ii). The carrying amounts of long-lived assets are reviewed in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment annually or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

(iii) Deferred tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account the individual group companies' future business plans. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

4 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, and the provision of services related to the design and installation of glass production lines. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

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

	2024 **RMB'000**	2023 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of glass products	**5,365,609**	4,950,767
– Revenue from service contracts	**306,604**	292,377
– Sales of spare parts	**65,399**	64,780
	5,737,612	5,307,924

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 4(b) (i) and 4(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 2024 (2023: Nil customer). Details of concentrations of credit risk arising from customers are set out in Note 35(a).

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

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is Euro ("EUR")38,418,000 (approximately RMB289,122,000) (2023: EUR54,553,000 approximately RMB428,743,000). This amount represents revenue expected to be recognised in the future from the design 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 (2023: next 12 to 24 months).

4 REVENUE AND SEGMENT REPORTING (continued)

(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 low-emission coated glass, solar reflector, photovoltaic glass and photovoltaic battery module products.
- Design and installation related service: this segment provides design, purchasing parts and installation services of 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/(loss). No intersegment sales have occurred for the years ended 31 December 2024 and 2023. The Group's other operating expenses, such as distribution costs, administrative expenses and other 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 the 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 years ended 31 December 2024 and 2023 is set out below.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results (continued)

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation related service		Total	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000	**2024 RMB'000**	2023 RMB'000	**2024 RMB'000**	2023 RMB'000	**2024 RMB'000**	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Disaggregated by timing of revenue recognition												
– Point in time	**2,218,851**	2,819,703	**971,296**	604,071	**1,014,842**	823,632	**1,160,620**	703,361	**65,399**	64,780	**5,431,008**	5,015,547
– Over time	**–**	–	**–**	–	**–**	–	**–**	–	**306,604**	292,377	**306,604**	292,377
Revenue from external customers and reportable segment revenue	**2,218,851**	2,819,703	**971,296**	604,071	**1,014,842**	823,632	**1,160,620**	703,361	**372,003**	357,157	**5,737,612**	5,307,924
Reportable segment gross (loss)/profit	**(165,154)**	4,988	**95,322**	51,847	**262,187**	154,973	**31,908**	4,116	**86,682**	83,587	**310,945**	299,511

(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 properties, right-of-use assets, intangible assets, other non-current assets, goodwill and interests 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 properties, 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 interests in joint ventures.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Geographic information (continued)

	Revenue from external customers		Specified non-current assets	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
The Chinese Mainland and Hong Kong (place of domicile)	**3,909,528**	3,940,790	**8,880,392**	9,709,574
Nigeria	**402,913**	402,420	**127,015**	303,768
Middle East	**360,918**	181,336	**–**	–
Italy	**12,633**	–	**175,678**	184,688
Kazakhstan	**146,950**	92,585	**873,772**	1,101,346
Other countries	**904,670**	690,793	**–**	–
	1,828,084	1,367,134	**1,176,465**	1,589,802
	5,737,612	5,307,924	**10,056,857**	11,299,376

5 OTHER INCOME

	2024 RMB'000	2023 RMB'000
Government grants	**39,752**	91,147
Insurance claims income	**13,592**	58,935
Interest income	**44,873**	25,192
Net gain on sale of scrap materials	**25,764**	4,555
Net gain on disposals of property, plant and equipment	**2,579**	3,147
Rental income from investment properties	**2,364**	1,956
Others	**3,840**	3,672
	132,764	188,604

6 LOSS BEFORE TAXATION

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

(a) Finance costs

	2024 RMB'000	2023 RMB'000
Interest on bank loans and other borrowings (Note 24(b))	**410,602**	317,025
Interest on lease liabilities (Notes 14 and 24(b))	**5,147**	5,357
Bank charges and other finance costs (Note 24(b))	**111,471**	88,787
Total borrowing costs	**527,220**	411,169
Less: amounts capitalised into property, plant and equipment*	**(38,647)**	(23,941)
Net borrowing costs	**488,573**	387,228
Net foreign exchange (gain)/loss	**(14,836)**	2,736
	473,737	389,964

* The borrowing costs have been capitalised at a rate of 5.91% per annum for the year ended 31 December 2024 (2023: 4.13% per annum).

6 LOSS BEFORE TAXATION (continued)

(b) Staff costs

	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	**541,013**	525,980
Contributions to defined contribution retirement plans	**46,750**	45,026
	587,763	571,006

The employees of the subsidiaries of the Group established in the Chinese Mainland participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 16% of the employees' salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the Chinese Mainland, from the above-mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant salaries, subject to a cap of monthly relevant salaries of Hong Kong dollar ("HK$") 30,000.

The employees of the subsidiaries of the Group established outside of the Chinese Mainland and Hong Kong participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby these subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

The Group has no further significant obligation for payment of other retirement benefits beyond the above contributions.

6 LOSS BEFORE TAXATION (continued)

(c) Other operating expenses

	2024 RMB'000	2023 RMB'000
Impairment losses on property, plant and equipment (Note 12)	**400,060**	141,875
Impairment losses on goodwill (Note 17)	**36,935**	–
	436,995	141,875

(d) Other items

	2024 RMB'000	2023 RMB'000
Cost of inventories# (Note 19)	**5,426,667**	5,008,413
Depreciation and amortisation charge#		
– property, plant and equipment (Note 12)	**591,196**	451,345
– investment properties (Note 13)	**2,848**	2,864
– right-of-use assets (Note 14)	**28,257**	26,354
– intangible assets (Note 16)	**18,510**	17,831
Research and development costs# (other than capitalised costs and related amortisation)	**43,932**	30,476
Auditors' remuneration – audit services	**9,395**	9,220

Cost of inventories includes RMB962,652,000 (2023: RMB769,051,000) for the year ended 31 December 2024 relating to staff costs, research and development costs and depreciation and amortisation charges, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2024 RMB'000	2023 RMB'000
Current taxation (Note 31(a))		
The Chinese Mainland		
– Provision for the year	**23,059**	17,138
– Over-provision in respect of prior years	**(958)**	(490)
	22,101	16,648
Overseas		
– Provision for the year	**11,978**	16,222
	34,079	32,870
Deferred taxation (Note 31(b))		
– Origination and reversal of temporary differences	**(76,045)**	(96,086)
	(41,966)	(63,216)

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

	2024 RMB'000	2023 RMB'000
Loss before taxation	**(1,005,942)**	(550,624)
Expected tax on loss before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii), (iii), (v), (vi) and (vii))	**(204,460)**	(93,005)
Tax effect of non-deductible expenses	**22,350**	27,653
Tax effect of unused tax losses and temporary differences not recognised	**105,640**	14,500
Derecognition of tax losses and temporary differences previously recognised	**79,001**	23,201
Tax concessions (Notes (iv), (v) and (vi))	**(43,539)**	(44,958)
Tax effect on change of tax rate	**–**	9,883
Over-provision in respect of prior years	**(958)**	(490)
Income tax	**(41,966)**	(63,216)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

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

Notes:

(i) The subsidiaries of the Group incorporated in Hong Kong are subject to the Hong Kong Profits Tax rate of 16.5% (2023: 16.5%).

(ii) 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.

(iii) The subsidiaries of the Group established in the Chinese Mainland are subject to the People's Republic of China (the "PRC") Corporate Income Tax rate of 25% (2023: 25%).

(iv) Certain 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, commencing in either 2022 or 2023. These subsidiaries are also entitled to an additional tax deductible allowance amounting to 100% of the qualified research and development costs incurred for the years ended 31 December 2024 and 2023.

(v) Subsidiaries of the Group incorporated in Nigeria are subject to Nigeria corporate income tax rate of 30% for the year ended 31 December 2024 (2023: 30%). One of the Nigerian subsidiaries of the Group is established in the Nigerian Export Processing Zone and is exempted from all corporate income taxes.

(vi) A subsidiary of the Group incorporated in Kazakhstan is subject to Kazakhstan corporate income tax rate of 20%. This subsidiary obtained approval from the Kazakhstan's government in the exemption for corporate income tax for the period from 2016 to 2025 as a preferential tax arrangement for foreign investments.

(vii) A subsidiary of the Group incorporated in Italy is subject to Italy corporate income tax rate of 27.9% (2023: 27.9%).

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2024				
	Directors' fees RMB'000	**Salaries, allowances and benefits in kind RMB'000**	**Discretionary bonuses RMB'000**	**Retirement scheme contributions RMB'000**	**Total RMB'000**
Executive director					
Mr. Lyu Guo	**–**	**1,089**	**–**	**–**	**1,089**
Non-executive directors					
Mr. Peng Shou	**1**	**–**	**–**	**–**	**1**
Mr. Zhao John Huan	**–**	**–**	**–**	**–**	**–**
Mr. Zhang Jinshu	**1**	**–**	**–**	**–**	**1**
Independent non-executive directors					
Mr. Zhang Baiheng	**229**	**–**	**–**	**–**	**229**
Mr. Chen Huachen	**229**	**–**	**–**	**–**	**229**
Mr. Wang Yuzhong (resigned on 31 December 2024)	**229**	**–**	**–**	**–**	**229**
Ms. Lan Haiqing (appointed on 31 December 2024)	**–**	**–**	**–**	**–**	**–**
	689	**1,089**	**–**	**–**	**1,778**

	2023				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive director					
Mr. Lyu Guo	–	1,151	2,395	58	3,604
Non-executive directors					
Mr. Peng Shou	1	–	–	–	1
Mr. Zhao John Huan	–	–	–	–	–
Mr. Zhang Jinshu	1	–	–	–	1
Independent non-executive directors					
Mr. Zhang Baiheng	225	–	–	–	225
Mr. Chen Huachen	225	–	–	–	225
Mr. Wang Yuzhong	225	–	–	–	225
	677	1,151	2,395	58	4,281

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2023: one) is a director whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other four (2023: four) individuals is as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	**2,744**	2,949
Discretionary bonuses	**–**	8,122
Retirement scheme contributions	**374**	109
	3,118	11,180

The emoluments of the four (2023: four) individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

HK$	**2024 Number of individuals**	2023 Number of individuals
Nil – 1,000,000	**4**	–
2,000,001 – 2,500,000	**–**	2
2,500,001 – 3,000,000	**–**	1
5,000,001 – 5,500,000	**–**	1

10 OTHER COMPREHENSIVE INCOME

	2024			2023		
	Before tax amount RMB'000	**Tax expense RMB'000 Note 31(b)**	**Net-of-tax amount RMB'000**	Before tax amount RMB'000	Tax benefit RMB'000 Note 31(b)	Net-of-tax amount RMB'000
Equity securities designated at FVOCI – net movement in fair value reserve (non-recycling)	**556**	**(139)**	**417**	(1,263)	315	(948)
Exchange differences on translation of financial statements into presentation currency (Note)	**(377,086)**	**–**	**(377,086)**	(628,475)	–	(628,475)
Other comprehensive income	**(376,530)**	**(139)**	**(376,669)**	(629,738)	315	(629,423)

10 OTHER COMPREHENSIVE INCOME (continued)

Note:

The exchange differences (losses) on translation of financial statements into presentation currency for the years ended 31 December 2024 and 2023 was mainly attributable to the devaluation of Nigerian Naira, the functional currency of the Group's subsidiary in Nigeria, against RMB by approximately 41% (2023: devaluation of 97%) in 2024, which was a result from the exchange rate reform implemented by the local government of Nigeria since 2023.

The uncertainty in the fluctuation of exchange rates may have impacts on the Group's financial performance arising from, and hence the net investment in the overseas operations in Nigeria. The directors of the Company consider the fluctuation in the exchange rate between Nigerian Naira and RMB will not impact the operations of the Nigerian subsidiaries.

11 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the year ended 31 December 2024 is based on the loss attributable to ordinary equity shareholders of the Company of RMB876,579,000 (2023: the loss attributable to ordinary equity shareholders of RMB409,756,000) and the weighted average of 1,684,218,000 ordinary shares (after taken into account the ordinary shares held under the Share Award Scheme as defined in Note 30(b)) (2023:1,684,218,000 ordinary shares (after taken into account the ordinary shares held under the Share Award Scheme)) in issue during the year, which are the same as ordinary shares issued at 1 January 2024 and 2023.

(b) Diluted loss per share

There are no dilutive potential shares outstanding during the years ended 31 December 2024 and 2023. Hence, the diluted loss per share is the same as the basic loss per share for the years ended 31 December 2024 and 2023.

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

	Plant and buildings RMB'000	Machinery and equipment RMB'000	Motor vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:					
At 1 January 2023	2,803,925	4,209,905	33,603	3,604,906	10,652,339
Additions	13,484	120,347	2,636	426,599	563,066
Additions through acquisitions of subsidiaries	288,923	606,664	347	822,960	1,718,894
Transfer in/(out)	919,879	1,653,402	2,826	(2,790,411)	(214,304)
Disposals	–	(34,629)	(1,490)	–	(36,119)
Exchange adjustments	(138,752)	(183,652)	797	13,548	(308,059)
At 31 December 2023 and 1 January 2024	3,887,459	6,372,037	38,719	2,077,602	12,375,817
Additions	23,875	44,054	1,857	113,766	183,552
Reclassification to inventories	–	(52,045)	–	–	(52,045)
Reclassification to assets held for sale (Note 25)	(75,779)	(43,990)	(2,037)	(138,027)	(259,833)
Transfer in/(out)	8,464	(940,225)	279	557,956	(373,526)
Disposals	(65,847)	(41,131)	(4,250)	(50,674)	(161,902)
Exchange adjustments	(75,151)	(90,801)	(422)	(5,923)	(172,297)
At 31 December 2024	3,703,021	5,247,899	34,146	2,554,700	11,539,766
Accumulated depreciation and impairment losses:					
At 1 January 2023	630,316	1,447,393	18,142	39,260	2,135,111
Charge for the year (Note 6(d))	90,657	356,152	4,536	–	451,345
Transfer out	(5,602)	(208,702)	–	–	(214,304)
Written back on disposals	–	(12,895)	(1,191)	–	(14,086)
Impairment losses (Note 6(c))	130,310	11,565	–	–	141,875
Exchange adjustments	(13,923)	(47,007)	990	–	(59,940)
At 31 December 2023 and 1 January 2024	831,758	1,546,506	22,477	39,260	2,440,001
Charge for the year (Note 6(d))	118,573	468,446	4,177	–	591,196
Reclassification to assets held for sale (Note 25)	(58,747)	(15,722)	(1,932)	–	(76,401)
Transfer out	(44,512)	(376,018)	–	47,004	(373,526)
Written back on disposals	(61,719)	(27,732)	(3,221)	–	(92,672)
Impairment losses (Note 6(c))	128,193	163,924	–	107,943	400,060
Exchange adjustments	(7,599)	(32,425)	(199)	–	(40,223)
At 31 December 2024	905,947	1,726,979	21,302	194,207	2,848,435
Carrying amount:					
At 31 December 2023	3,055,701	4,825,531	16,242	2,038,342	9,935,816
At 31 December 2024	2,797,074	3,520,920	12,844	2,360,493	8,691,331

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of carrying amount (continued)

At 31 December 2024, property certificates of certain properties with aggregate carrying amount of RMB631,276,000 (31 December 2023: RMB949,524,000) are yet to be obtained.

Prepayments for property, plant and equipment where the related items are yet to be received at the end of the reporting period are presented as "other non-current assets" in the consolidated statement of financial position.

Given the continuous slow recovery of the property market and the fierce competition in the less-advanced glass products in the Chinese Mainland, the performances of certain of the Group's glass production lines were below those previously estimated and incurred losses in 2024. The above represented indications of impairment. The management of the Group performed impairment assessments as at 31 December 2024 based on discounted cash flow analyses with discount rates adopted with a range of 13.74% to 25.06%. Based on the above assessments, the management of the Group concluded impairment losses of RMB400,060,000 were required for these assets to be written down to their recoverable amounts. The above impairment losses were recognised and included in "other operating expenses" (see Note 6(c)).

13 INVESTMENT PROPERTIES

	RMB'000
Cost:	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**52,394**
Accumulated depreciation:	
At 1 January 2023	**15,586**
Charge for the year (Note 6(d))	**2,864**
At 31 December 2023 and 1 January 2024	**18,450**
Charge for the year (Note 6(d))	**2,848**
At 31 December 2024	**21,298**
Carrying amount:	
At 31 December 2023	**33,944**
At 31 December 2024	**31,096**

The Group holds investment properties under operating leases to earn rental income or for capital appreciation. The existing leases typically run for an initial period of 5 to 7 years. Lease payments are usually increased every 2 years to reflect market rentals. None of the existing leases includes variable lease payments.

According to the property valuation reports issued by independent qualified valuers, the fair value of investment properties located in the Chinese Mainland are determined using market value approach and the aggregate fair value of the Group's investment properties at 31 December 2024 is RMB97,449,000 (2023: RMB103,063,000).

Undiscounted lease payments under operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	**1,845**	1,814
After 1 year but within 5 years	**2,643**	4,488
	4,488	6,302

14 RIGHT-OF-USE ASSETS

The reconciliation of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	Leasehold land held for own use	Plant, machinery and equipment	Other properties leased for own use	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At 1 January 2023	538,626	79,972	15,035	633,633
Additions	93,794	–	10,254	104,048
Additions through acquisitions of subsidiaries	21,551	–	8,967	30,518
Disposals	–	–	(443)	(443)
Exchange adjustments	(5,542)	–	303	(5,239)
At 31 December 2023 and 1 January 2024	648,429	79,972	34,116	762,517
Additions	51,136	–	672	51,808
Reclassification to assets held for sale (Note 25)	(25,039)	–	–	(25,039)
Disposals	–	–	(1,432)	(1,432)
Exchange adjustments	(5,703)	–	(140)	(5,843)
At 31 December 2024	668,823	79,972	33,216	782,011
Accumulated depreciation:				
At 1 January 2023	107,231	10,139	6,235	123,605
Charge for the year (Note 6(d))	17,043	5,634	3,677	26,354
Written back on disposals	–	–	(443)	(443)
Exchange adjustments	(3,713)	–	99	(3,614)
At 31 December 2023 and 1 January 2024	120,561	15,773	9,568	145,902
Charge for the year (Note 6(d))	19,004	5,634	3,619	28,257
Reclassification to assets held for sale (Note 25)	(19,828)	–	–	(19,828)
Written back on disposals	–	–	(438)	(438)
Exchange adjustments	(5,573)	–	(100)	(5,673)
At 31 December 2024	114,164	21,407	12,649	148,220
Carrying amount:				
At 31 December 2023	527,868	64,199	24,548	616,615
At 31 December 2024	554,659	58,565	20,567	633,791

14 RIGHT-OF-USE ASSETS (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Notes	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:			
– Leasehold land held for own use	(i)	**19,004**	17,043
– Plant, machinery and equipment	(ii)	**5,634**	5,634
– Other properties leased for own use	(ii)	**3,619**	3,677
		28,257	26,354
Interest on lease liabilities (Note 6(a))		**5,147**	5,357
Expenses relating to short-term leases and leases of low-value assets		**3,221**	4,929

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 24(c) and 29, respectively.

(i) Leasehold land held for own use

Leasehold land held for own use represented land use rights premiums paid by the Group for land situated in the Chinese Mainland and Nigeria. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities. The lease terms ranges from 19 years to 57 years. At 31 December 2024, land use right certificates of certain land use rights with aggregate carrying value of RMB56,589,000 (31 December 2023: RMB6,630,000) are yet to be obtained.

(ii) Other leases

The Group leases production plant, machinery and office equipment and properties under operating leases expiring from 1 to 12 years. Certain leases include an option to purchase the leased assets at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The effective percentage of equity interest attributable to the Company for the below list of subsidiaries are the same as at 31 December 2024 and 2023.

Name of company	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
China Glass Investment Limited* (ii) 中玻投資有限公司	The Chinese Mainland	Registered and paid-up capital of RMB200,000,000	100%	–	Investment holding
CNG Glass (Nigeria) FZE (iii)	The Federal Republic of Nigeria	38,500,000 shares at USD1 each	100%	–	Production, marketing and distribution of glass and glass products
Dongtai China Glass Special Glass Company Limited* (i) 東台中玻特種玻璃有限公司	The Chinese Mainland	Registered and paid-up capital of RMB200,000,000	100%	–	Production, marketing and distribution of glass and glass products
Fujian Longtai Industrial Company Limited* ("Fujian Longtai") (i) 福建龍泰實業有限公司	The Chinese Mainland	Registered and paid-up capital of RMB600,000,000	55%	–	Production, marketing and distribution of glass and glass products
Jiangsu SHD New Materials Company Limited* (i) 江蘇蘇華達新材料有限公司	The Chinese Mainland	Registered and paid-up capital of RMB582,813,823	100%	–	Production, marketing and distribution of glass and glass products
Linyi CNG New Materials Technology Company Limited* (i) 中玻(臨沂)新材料科技有限公司	The Chinese Mainland	Registered and paid-up capital of RMB206,800,000	73.64%	–	Production, marketing and distribution of glass and glass products
Olivotto Glass Technologies S.p.A ("OGT") (iii)	Italy	6,408,000 shares at EUR1 each	–	100%	Design and construction of pharmaceutical glass production lines
Orda Glass Ltd LLP (iii)	The Republic of Kazakhstan	Registered and paid-up capital of Kazakhstan Tenge 8,413,876,000	100%	–	Production, marketing and distribution of glass and glass products

15 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
Shaanxi CNG New Technology Limited* (i) 中玻(陝西)新技術有限公司	The Chinese Mainland	Registered and paid-up capital of RMB132,500,000	92.49%	–	Production, marketing and distribution of glass and glass products
Suqian CNG New Energy Company Limited* (i) 宿遷中玻新能源有限公司	The Chinese Mainland	Registered capital of RMB500,000,000 and paid-up capital of RMB234,999,920	71%	–	Production, marketing and distribution of glass and glass products
Weihai CNG Coated Glass Company Limited* ("Weihai CNG") (i) 威海中玻鍍膜玻璃股份有限公司	The Chinese Mainland	Registered and paid-up capital of RMB143,941,848	89.80%	–	Production, marketing and distribution of glass and glass products
Wuhai CNG Special Glass Company Limited* ("Wuhai CNG") (i) 烏海中玻特種玻璃有限責任公司	The Chinese Mainland	Registered and paid-up capital of RMB128,378,729	93.84%	–	Production, marketing and distribution of glass and glass products
Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (Gansu Daming) (i) 甘肅凱盛大明光能科技有限公司	The Chinese Mainland	Registered and paid-up capital of RMB408,000,000	51.47%	–	Production, marketing and distribution of glass and glass products

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

(i) These companies are limited liability companies established in the Chinese Mainland.

(ii) This company is a wholly foreign-owned enterprise established in the Chinese Mainland.

(iii) These companies are limited liability companies established/incorporated outside of the PRC.

15 INVESTMENTS IN SUBSIDIARIES (continued)

The following table lists out the combined financial information of Fujian Longtai and its subsidiary (collectively referred to as the "Fujian Longtai Group"), Weihai CNG and its subsidiaries, Wuhai CNG, and Gansu Daming and its subsidiaries (collectively referred to as the "Gansu Daming Group") for the year ended 31 December 2024, representing three sub-groups and a subsidiary within the Group which have material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	2024	2023
	RMB'000	RMB'000
Revenue	**2,314,699**	2,172,332
Loss for the year	**(212,083)**	(112,932)
Loss attributable to NCI	**(58,860)**	(58,511)
Non-current assets	**5,167,647**	5,513,178
Current assets	**3,063,233**	2,690,564
Current liabilities	**(4,399,600)**	(4,086,003)
Non-current liabilities	**(1,455,044)**	(1,529,421)
Net assets	**2,376,236**	2,588,318
Carrying amount of NCI	**623,379**	682,239

16 INTANGIBLE ASSETS

	Non-competition agreement RMB'000	Technical-know-how RMB'000	Customer relationships RMB'000	Float glass production capacity RMB'000	Total RMB'000
Cost:					
At 1 January 2023	75,032	206,970	2,428	–	284,430
Additions	–	5,572	–	–	5,572
Additions through acquisitions of subsidiaries	–	89,183	–	71,651	160,834
Exchange adjustments	4,410	2,663	143	–	7,216
At 31 December 2023 and 1 January 2024	79,442	304,388	2,571	71,651	458,052
Additions	–	23,550	–	–	23,550
Exchange adjustments	(3,371)	(3,460)	(109)	–	(6,940)
At 31 December 2024	76,071	324,478	2,462	71,651	474,662
Accumulated amortisation and impairment losses:					
At 1 January 2023	62,527	168,392	1,011	–	231,930
Charge for the year (Note 6(d))	12,873	4,708	250	–	17,831
Exchange adjustments	4,042	514	67	–	4,623
At 31 December 2023 and 1 January 2024	79,442	173,614	1,328	–	254,384
Charge for the year (Note 6(d))	–	9,484	252	8,774	18,510
Exchange adjustments	(3,371)	(1,699)	(62)	–	(5,132)
At 31 December 2024	76,071	181,399	1,518	8,774	267,762
Carrying amount:					
At 31 December 2023	–	130,774	1,243	71,651	203,668
At 31 December 2024	–	143,079	944	62,877	206,900

The amortisation charge for the year is included in "cost of sales" in the consolidated statement of profit or loss.

17 GOODWILL

	2024 RMB'000	2023 RMB'000
At 1 January	**305,679**	129,755
Additions through acquisitions of subsidiaries	**–**	170,468
Impairment loss (Note 6 (c))	**(36,935)**	–
Exchange adjustments	**(4,170)**	5,456
At 31 December	**264,574**	305,679

Impairment tests for CGUs containing goodwill

Goodwill is allocated to the Group's CGUs identified according to operating segments as follows:

	2024 RMB'000	2023 RMB'000
Design and installation related service CGU (a)	**94,106**	98,276
Fujian Longtai Group glass production and sales CGU (b)	**–**	36,935
Gansu Daming glass production and sales CGU (c)	**170,468**	170,468
	264,574	305,679

(a) Design and installation related service CGU

The recoverable amount of the OGT's design and installation related service CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2023
Annual revenue growth rates during the five-year period (Note (i))	**first 3 years: 2% next 2 years: 2%**	first 3 years: 5% next 2 years: 2%
Growth rate beyond the five-year period (Note (ii))	**2%**	2%
Pre-tax discount rate (Note (iii))	**17.85%**	20.26%

(i) The annual growth rates are based on OGT's historical experience and adjusted for other factors that are specific to the OGT's design and installation related service CGU.

(ii) The growth rate beyond the five-year period is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate of the relevant industry.

(iii) The pre-tax discount rate reflects specific risks relating to the OGT's design and installation related service CGU.

The Group believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

17 GOODWILL (continued)

Impairment tests for cash-generating units ("CGU") containing goodwill (continued)

(b) Fujian Longtai Group glass production and sales CGU

The recoverable amount of the CGU is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2023
Annual revenue growth rates during the five-year period (Note (i))	**first year: 24% second year: 83% next 3 years: 6%**	first year: 71% next 4 years: 6%
Growth rate beyond the five-year period (Note (ii))	**0%**	0%
Pre-tax discount rate (Note (iii))	**12.03%**	13.52%

(i) The annual growth rates are based on current operation status and future business plan of the two production lines of the Fujian Longtai Group, one of which is in normal production and the other one is expected to be put into production in 2026, and the Group's historical experience and forecast of the glass markets.

(ii) The growth rate beyond the five-year period is based on relevant industry growth forecasts.

(iii) The pre-tax discount rate reflects specific risks to the Fujian Longtai Group glass production and sales CGU.

Based on the above assessments, the management of the Group concluded that a goodwill impairment of RMB36,935,000 was required and recognised in "other operating expenses" based on the CGU's recoverable amount.

(c) Gansu Daming Group glass production and sales CGU

The recoverable amount of the CGU is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2023
Annual revenue growth rates during the five-year period (Note (i))	**first year: 81% next 4 years: 13%**	first year: 182% next 4 years: 8%
Growth rate beyond the five-year period (Note (ii))	**0%**	0%
Pre-tax discount rate (Note (iii))	**10.78%**	12.13%

17 GOODWILL (continued)

Impairment tests for cash-generating units ("CGU") containing goodwill (continued)

(c) Gansu Daming Group glass production and sales CGU (continued)

(i) The annual growth rates are based on current operation status and future business plan of the two production lines of the Gansu Daming Group and the Group's historical experience and forecast of the glass markets.

(ii) The growth rate beyond the five-year period is based on relevant industry growth forecasts.

(iii) The pre-tax discount rate reflects specific risks relating to the Gansu Daming Group glass production and sales CGU.

The Group believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

18 INTERESTS IN JOINT VENTURES

The joint ventures in which the Group participates are unlisted entities whose quoted market prices are not available. The joint ventures are accounted for using the equity method in the consolidated financial statements.

Details of the Group's interests in a major joint venture are as follows:

Name of joint venture	Place of establishment and business	Particulars of registered and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
Qinhuangdao Honghua Special Glass Co., Ltd* ("Honghua Glass") 秦皇島弘華特種玻璃有限公司	The Chinese Mainland	Registered and paid-up capital of RMB65,740,000	40.00%	–	Production, Marketing and distribution of glass and glass products

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

19 INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**405,731**	420,439
Work in progress and finished goods	**727,490**	502,300
Racks, spare parts and consumables	**164,340**	107,975
	1,297,561	1,030,714
Less: write-down of inventories	**(76,785)**	(48,091)
	1,220,776	982,623

An analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold and used in service contracts	**5,369,280**	4,941,447
Write-down of inventories during the year	**57,387**	66,966
	5,426,667	5,008,413

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

20 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2024 RMB'000	2023 RMB'000
Contract assets		
Arising from performance under service contracts	**37,063**	26,428

The Group's service contracts typically include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules minimise the build-up of significant contract assets. The Group typically agrees to a retention period of one to two years. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing retention period.

All of the contract assets are expected to be recovered within one year.

(b) Contract liabilities

	2024 RMB'000	2023 RMB'000
Contract liabilities:		
Sales of glass products		
– receipts in advance from customers	**161,961**	162,375
Service contracts:		
– billings in advance of performance	**142,799**	158,846
	304,760	321,221

All of the contract liabilities are expected to be recognised as revenue within one year.

20 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities (continued)

Typical payment terms which impact on the amount of contract liabilities recognised arising from contracts are as follows:

– *Sales of glass products*

The Group generally receives a deposit on acceptance of a purchase order of glass products. The remainder of the consideration is payable in full when the products are delivered.

– *Service contracts*

When the Group receives a deposit before the service activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

Movements in contract liabilities

	2024	2023
	RMB'000	RMB'000
Balance at 1 January	**321,221**	284,627
Increase in contract liabilities as a result of billings in advance of service contracts and receipts in advance for sales of goods	**5,095,438**	4,821,889
Increase through acquisitions of subsidiaries	**–**	19,555
Decrease in contract liabilities as a result of recognising revenue	**(5,106,135)**	(4,814,354)
Exchange adjustments	**(5,764)**	9,504
Balance at 31 December	**304,760**	321,221

21 TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables due from:		
– third parties	**430,374**	380,572
– the Triumph Group and its related parties	**1,371**	6,188
	431,745	386,760
Less: loss allowance (Note 35(a))	**(139,636)**	(131,805)
Financial assets measured at amortised cost	**292,109**	254,955
Bills receivables	**42,287**	161,302
	334,396	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.

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

(a) Ageing analysis

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

	2024 RMB'000	2023 RMB'000
Within 1 month	**151,871**	198,517
More than 1 month but less than 3 months	**97,562**	143,008
More than 3 months but less than 6 months	**60,161**	43,869
More than 6 months but less than 1 year	**6,768**	5,688
Over 1 year	**18,034**	25,175
	334,396	416,257

Further details on the Group's credit policy are set out in Note 35(a).

22 OTHER RECEIVABLES

	2024 RMB'000	2023 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))	**115,394**	113,493
– a joint venture	**–**	6,850
	115,408	120,357
Deposits and other debtors:		
– receivables for relocation of production plants and government grants	**109,087**	109,087
– advances to third parties	**193,545**	200,119
– others	**46,763**	108,119
	349,395	417,325
Less: loss allowance (Note 35(a))	**(192,499)**	(186,031)
	156,896	231,294
Financial assets measured at amortised cost	**272,304**	351,651
Value added tax refundable/deductible	**184,989**	147,886
	457,293	499,537

Notes:

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

(ii) As at 31 December 2024, the amounts due from a non-controlling equity owner of a subsidiary of the Group are secured by the NCI's owned equity interests in the subsidiary. The amounts are non-interest bearing and have no fixed terms of repayment.

Except for the amounts mentioned in (ii) above, all of the other receivables are expected to be recovered or recognised as expense within one year.

23 PREPAYMENTS

	2024 RMB'000	2023 RMB'000
Prepayments for purchase of inventories and services:		
– third parties	**201,614**	197,716
– a joint venture	**14,644**	–
– the Triumph Group and its related parties	**30**	23
	216,288	197,739

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION

(a) Cash at bank and on hand comprise:

	2024 RMB'000	2023 RMB'000
Cash at bank and on hand in the consolidated statement of financial position	**1,302,086**	1,210,846
Less: time deposits and restricted deposits with banks	**(673,745)**	(437,153)
Cash and cash equivalents in the consolidated cash flow statement	**628,341**	773,693

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government. As of the end of the reporting period, cash at bank and on hand situated in the Chinese Mainland amounted to RMB778,694,000 (31 December 2023: RMB624,004,000).

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities (continued):

	Bank loans and other borrowings RMB'000 (Note 28)	Lease liabilities RMB'000 (Note 29)	Interest payables RMB'000 (Note 27)	Total RMB'000
At 1 January 2024	**9,422,650**	**86,446**	**–**	**9,509,096**
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	**6,834,016**	**–**	**–**	**6,834,016**
Repayment of bank loans and other borrowings	**(6,383,498)**	**–**	**–**	**(6,383,498)**
Capital element of lease rentals paid	**–**	**(8,781)**	**–**	**(8,781)**
Interest element of lease rentals paid	**–**	**(5,147)**	**–**	**(5,147)**
Other borrowing costs paid	**–**	**–**	**(522,073)**	**(522,073)**
Total changes from financing cash flows	**450,518**	**(13,928)**	**(522,073)**	**(85,483)**
Exchange adjustments	**18,072**	**(63)**	**–**	**18,009**
Other changes:				
Net decrease in lease liabilities	**–**	**(421)**	**–**	**(421)**
Supplier finance arrangements (Note 28(c))	**25,700**	**–**	**–**	**25,700**
Interest on lease liabilities (Note 6(a))	**–**	**5,147**	**–**	**5,147**
Interest expenses and other finance costs (Note 6(a))	**–**	**–**	**483,426**	**483,426**
Capitalised borrowing costs (Note 6(a))	**–**	**–**	**38,647**	**38,647**
Total other changes	**25,700**	**4,726**	**522,073**	**552,499**
At 31 December 2024	**9,916,940**	**77,181**	**–**	**9,994,121**

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities (continued):

	Bank loans and other borrowings RMB'000 (Note 28)	Lease liabilities RMB'000 (Note 29)	Interest payables RMB'000 (Note 27)	Total RMB'000
At 1 January 2023	7,938,428	75,751	25,712	8,039,891
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	5,523,261	–	–	5,523,261
Repayment of bank loans and other borrowings	(4,900,838)	–	–	(4,900,838)
Capital element of lease rentals paid	–	(7,418)	–	(7,418)
Interest element of lease rentals paid	–	(5,357)	–	(5,357)
Other borrowing costs paid	–	–	(431,524)	(431,524)
Total changes from financing cash flows	622,423	(12,775)	(431,524)	178,124
Exchange adjustments	41,216	(85)	–	41,131
Other changes:				
Additions through acquisition of subsidiaries	998,713	7,944	–	1,006,657
Net increase in lease liabilities	–	10,254	–	10,254
Bank acceptance bills received for the factoring loan	(178,130)	–	–	(178,130)
Interest on lease liabilities (Note 6(a))	–	5,357	–	5,357
Interest expenses and other finance costs (Note 6(a))	–	–	381,871	381,871
Capitalised borrowing costs (Note 6(a))	–	–	23,941	23,941
Total other changes	820,583	23,555	405,812	1,249,950
At 31 December 2023	9,422,650	86,446	–	9,509,096

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)

(c) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2024 RMB'000	2023 RMB'000
Within operating cash flows	**3,221**	4,929
Within investing cash flows	**51,136**	79,924
Within financing cash flows	**13,928**	12,775
	68,285	97,628

These amounts relate to the following:

	2024 RMB'000	2023 RMB'000
Lease rentals paid	**17,149**	17,704
Purchase of leasehold assets	**51,136**	79,924
	68,285	97,628

25 ASSETS HELD FOR SALE

In November 2024, a subsidiary of the Group which had previously ceased operation has received an expropriation notice from the local government, in which the local government has committed to purchase all of this subsidiary's property, plant and equipment and right-of-use assets (land use rights) at a consideration to be determined by an independent valuer, and the consideration will not be lower than the carrying amount of the assets upon the transaction completion date.

The Group expects the above transaction to be completed in 2025. Accordingly, the carrying amounts of the related property, plant and equipment and right-of-use assets of RMB183,432,000 and RMB5,211,000, respectively, are reclassified as assets held for sale as at 31 December 2024.

26 TRADE AND BILLS PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables due to:		
– third parties	**716,531**	361,360
– the Triumph Group and its related parties	**214,172**	112,650
	930,703	474,010
Bills payables	**191,458**	148,176
Financial liabilities measured at amortised cost	**1,122,161**	622,186

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

	2024 RMB'000	2023 RMB'000
Due within 1 month or on demand	**955,897**	476,808
Due after 1 month but within 6 months	**166,264**	144,878
Due after 6 months	**–**	500
	1,122,161	622,186

27 ACCRUED CHARGES AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Amounts due to related parties:		
– the Triumph Group and its related parties (Note)	**1,025,563**	1,216,721
– a non-controlling equity owner of a subsidiary (Note)	**56,641**	56,428
	1,082,204	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	**299,189**	219,934
– payables for staff related costs	**98,576**	73,096
– payables for acquisition considerations and dividends to non-controlling equity owners of subsidiaries	**4,817**	292,168
– payables for transportation expenses	**10,441**	6,979
– deposits	**79,757**	54,783
– others	**50,876**	57,293
	543,656	704,253
Financial liabilities measured at amortised cost	**1,625,860**	1,977,402
Payables for miscellaneous taxes	**60,490**	54,812
Provision for legal claims	**1,506**	2,397
	1,687,856	2,034,611

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

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

28 BANK LOANS AND OTHER BORROWINGS

	2024 RMB'000	2023 RMB'000
Current liabilities		
Bank loans:		
– pledged by bank bills	**627,160**	488,500
– secured and/or guaranteed (Note (i))	**988,304**	903,367
– unguaranteed and unsecured	**1,320,787**	446,336
	2,936,251	1,838,203
Borrowings from the Triumph Group		
– unguaranteed and unsecured (Notes (ii))	**1,184,269**	1,298,555
Long-term bank loans due within one year:		
– secured and/or guaranteed (Note (iii))	**854,597**	309,347
– unguaranteed and unsecured	**1,129,124**	1,798,617
	1,983,721	2,107,964
Long-term loans from other financial institutions due within 1 year:		
– secured and/or guaranteed (Note (iii))	**1,216,472**	1,066,566
– unguaranteed and unsecured	**210**	210
	1,216,682	1,066,776
	7,320,923	6,311,498

28 BANK LOANS AND OTHER BORROWINGS (continued)

	2024 RMB'000	2023 RMB'000
Non-current liabilities		
Bank loans:		
– secured and/or guaranteed (Note (iii))	**1,219,228**	1,865,806
– unguaranteed and unsecured	**475,800**	71,177
	1,695,028	1,936,983
Loans from other financial institutions:		
– secured and/or guaranteed (Note (iii))	**900,989**	1,174,169
	2,596,017	3,111,152
	9,916,940	9,422,650

Notes:

(i) These bank loans are secured by the Group's property, plant and equipment, right-of-use assets, inventories, pledged deposits and/or guaranteed by a director and a key management personnel of a subsidiary of the Company. As at 31 December 2024, the loans guaranteed by Triumph Group is Nil (31 December 2023: 272,178,000).

As at 31 December 2024, the aggregate carrying value of the secured property, plant and equipment, right-of-use assets, inventories and pledged deposits for the Group's short-term bank loans is RMB1,082,739,000 (31 December 2023: RMB1,160,268,000).

(ii) These borrowings represent financial assistance provided by the Triumph Group through which the Group obtains financing from certain banks under the financing facilities of the Triumph Group in these banks. The amounts are unsecured, with fixed interest rates ranging from 2.10% to 3.38% (31 December 2023: 2.50% to 3.30%), and are repayable within one year.

(iii) These loans are secured by the Group's property, plant and equipment, right-of-use assets, and/or guaranteed by Triumph Group and subsidiaries of the Group. As at 31 December 2024, the loans guaranteed by the Triumph Group is RMB424,113,000 (31 December 2023: RMB855,560,000).

As at 31 December 2024, the aggregate carrying value of the secured property, plant and equipment and right-of-use assets for the Group's long-term bank loans and other borrowings is RMB3,961,954,000 (31 December 2023: RMB3,553,888,000).

All of the above loans and borrowings are carried at amortised cost.

At 31 December 2024, the Group's banking facilities amounting to RMB5,505,674,000 (31 December 2023: RMB5,150,500,000) were utilised to the extent of RMB3,753,838,000 (31 December 2023: RMB4,582,000,000).

28 BANK LOANS AND OTHER BORROWINGS (continued)

(a) The Group's long-term bank loans and other borrowings are repayable as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year or on demand	**3,200,403**	3,174,740
After 1 year but within 2 years	**1,086,592**	1,300,112
After 2 years but within 5 years	**1,353,286**	1,613,737
After 5 years	**156,139**	197,303
	5,796,420	6,285,892

(b) Covenants for bank and other loans

Certain of the Group's bank loans and other borrowings are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans and borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2024, none of the covenants relating to the bank loans and other borrowings had been breached except for the bank loans mentioned below:

(i) As at 31 December 2024, the Group did not fulfill all of the financial covenants as set out in the bank loan agreement, and accordingly, the non-current portion of this bank loan amounted to RMB307,000,000 with the original contractual repayment dates beyond 31 December 2025 was reclassified as current liabilities.

(ii) As at 31 December 2024, the Group did not fulfill all of the financial covenants as set out in the syndicated loan agreement, and accordingly, the balance of the syndicated loan of RMB1,040,828,000 as at 31 December 2024 became payable on demand. The original due date of the syndicated loan is August 2025, and is classified as current liabilities irrespective of the above mentioned non-fulfillment of covenants. Based on the communication with the lenders, the directors of the Company consider that a waiver will be obtained after the date of issue of these financial statements. (31 December 2023: the Group failed to fulfil certain covenants under the syndicated loan and a waiver was granted by majority of the lenders after the date of issue of the 2023 financial statements).

28 BANK LOANS AND OTHER BORROWINGS (continued)

(c) Bank loans and other borrowings arising from supplier finance arrangements

The Group has entered into certain reverse factoring arrangements with banks, under which the Group obtains extended credit in respect of the invoice amounts owed to certain suppliers. The banking facilities in relation to these arrangements are secured by the Group's property, plant and equipment. Under these arrangements, the banks pay suppliers the amounts owed by the Group on the original due dates. The Group then settles with the banks with interest.

In the consolidated statement of financial position, the Group has presented the payables to the banks under these arrangements as "bank loans and other borrowings", in view of the nature and function of such liabilities when compared with the Group's trade and bills payables to suppliers. As at 31 December 2024, the carrying amount of financial liabilities under these arrangements amounted to RMB25,700,000.

In the consolidated cash flow statement, the Group's payments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the suppliers by the banks amounted to RMB25,700,000 are non-cash transactions.

29 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

	2024	2023
	RMB'000	RMB'000
Within 1 year	**11,993**	13,356
After 1 year but within 2 years	**10,169**	11,290
After 2 years but within 5 years	**23,599**	25,639
After 5 years	**31,420**	36,161
	65,188	73,090
	77,181	86,446

30 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 had expired on 22 June 2015, and a new share option scheme (the "New Share Option Scheme") with the same terms and conditions has been approved in a special general meeting of the shareholders of the Company on 19 February 2016, where the New Share Option Scheme will expire on 19 February 2026.

No share options were granted under the New Share Option Scheme during the years ended 31 December 2024 and 2023.

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

(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 their 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 extended the term of the Share Award Scheme (the "Extension"). The Extension of 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), which is 12 December 2031; 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 ordinary shares held '000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	152,000

No ordinary shares were purchased for the Share Award Scheme during the years ended 31 December 2023 and 2024. No shares have been awarded to any selected employee as at the date of these financial statements.

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Movements in current taxation in the consolidated statement of financial position are as follows:

	2024 RMB'000	2023 RMB'000
Balance of income tax payable (net of prepaid income tax) at 1 January	**126,805**	128,056
Provision for income tax on the estimated taxable profits for the year (Note 7(a))	**35,037**	33,360
Over-provision in respect of prior years (Note 7(a))	**(958)**	(490)
Income tax paid	**(51,956)**	(34,121)
Balance of income tax payable (net of prepaid income tax) at 31 December	**108,928**	126,805
Represented by:		
Income tax payable	**113,032**	130,927
Prepaid income tax	**(4,104)**	(4,122)
	108,928	126,805

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Unused tax losses RMB'000	Write-down of inventories RMB'000	Credit loss allowance RMB'000	Lease liabilities RMB'000	Right-of-use assets RMB'000	Depreciation expenses in excess of related tax allowances, impairment losses on property, plant and equipment and government grants and fair value adjustments of investments RMB'000	Fair value adjustments on intangible assets, property, plant and equipment, equity securities, right-of-use assets, interest capitalisation and related depreciation RMB'000	Net RMB'000
At 1 January 2023	82,262	7,660	54,148	19,907	(19,907)	89,131	(92,647)	140,554
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	44,422	2,418	607	(1,371)	2,603	40,565	6,842	96,086
Additions through acquisitions of subsidiaries	–	–	366	1,192	(1,192)	–	(21,320)	(20,954)
Credited to reserves (Note 10)	–	–	–	–	–	–	315	315
Exchange adjustments	–	139	53	–	–	65	(525)	(268)
At 31 December 2023	**126,684**	**10,217**	**55,174**	**19,728**	**(18,496)**	**129,761**	**(107,335)**	**215,733**
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	**76,137**	**2,398**	**2,420**	**(1,659)**	**1,614**	**(14,112)**	**9,247**	**76,045**
Charged to reserves (Note 10)	**–**	**–**	**–**	**–**	**–**	**–**	**(139)**	**(139)**
Exchange adjustments	**–**	**(130)**	**(52)**	**–**	**–**	**856**	**308**	**982**
At 31 December 2024	**202,821**	**12,485**	**57,542**	**18,069**	**(16,882)**	**116,505**	**(97,919)**	**292,621**

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

Reconciliation to the consolidated statement of financial position:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets in the consolidated statement of financial position	**404,456**	323,068
Net deferred tax liabilities in the consolidated statement of financial position	**(111,835)**	(107,335)
	292,621	215,733

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB1,452,997,000 (31 December 2023: RMB771,302,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Except for an amount of RMB41,142,000 which will not expire under the relevant tax legislation, the remaining unused tax losses at 31 December 2024 will expire on or before 31 December 2029.

(d) Deferred tax liabilities not recognised

At 31 December 2024, temporary differences relating to the undistributed profits of certain subsidiaries of the Group established in the Chinese Mainland amounted to RMB495,324,000 (31 December 2023: RMB571,212,000). Deferred tax liabilities of RMB44,961,000 (31 December 2023: RMB50,478,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

32 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (continued)

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital RMB'000 (Note 32 (c))	Share premium RMB'000 (Note 32 (d) (i))	Shares held under share award scheme RMB'000 (Note 32 (d) (ii))	Capital reserve RMB'000 (Note 32 (d) (iii))	Exchange reserve RMB'000 (Note 32 (d) (v))	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	85,951	1,608,232	(69,189)	20,769	17,013	(84,716)	1,578,060
Changes in equity for 2023:							
Loss for the year	–	–	–	–	–	(148,298)	(148,298)
Other comprehensive income	–	–	–	–	22,803	–	22,803
Total comprehensive income for the year	–	–	–	–	22,803	(148,298)	(125,495)
Reduction of share premium to off-set accumulated losses of the Company	–	(84,330)	–	–	–	84,330	–
Distributions approved in respect of the current year (Note 32(b) (iii))	–	(30,408)	2,477	–	–	–	(27,931)
	–	(114,738)	2,477	–	–	84,330	(27,931)
At 31 December 2023 and 1 January 2024	**85,951**	**1,493,494**	**(66,712)**	**20,769**	**39,816**	**(148,684)**	**1,424,634**
Changes in equity for 2024:							
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(628,366)**	**(628,366)**
Other comprehensive income	**–**	**–**	**–**	**–**	**39,483**	**–**	**39,483**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**39,483**	**(628,366)**	**(588,883)**
At 31 December 2024	**85,951**	**1,493,494**	**(66,712)**	**20,769**	**79,299**	**(777,050)**	**835,751**

32 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (continued)

(b) Dividends/distributions

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

The directors of the Company do not propose a final dividend for the year ended 31 December 2024 (2023: HK$Nil).

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

No final dividend in respect of the previous financial year has been approved during the year (2023: HK$Nil).

(iii) Distributions approved and paid to equity shareholders of the Company during the year

	2024 RMB'000	2023 RMB'000
Distributions approved and paid of HK$Nil per ordinary share (2023: HK$0.018 per ordinary share)	**–**	30,408

(c) Share capital

(i) Authorised and issued share capital

	2024		2023	
	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

	2024		2023	
	No. of shares	**RMB'000**	No. of shares	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**1,836,218,258**	**85,951**	1,836,218,258	85,951

(ii) At 31 December 2024, 152,000,000 ordinary shares are held by the Company under the Share Award Scheme (31 December 2023: 152,000,000) (see Note 30(b)).

32 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (continued)

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.

(ii) Shares held under share award scheme

The shares held under share award scheme represents the weighted average acquisition cost for unvested shares acquired under the Share Award Scheme that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r) (ii).

(iii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r) (ii).

(iv) Statutory reserve

In accordance with the articles of association of the subsidiaries of the Group established in the Chinese Mainland, these subsidiaries were required to set up certain statutory reserves, which were non-distributable. The transfers of these reserves are at discretion of the directors of the respective subsidiaries. The statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which have a functional currency other than RMB into RMB, the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(w).

(vi) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI that are held at the end of the reporting period (see Note 2(g)).

(e) Distributable reserves

At 31 December 2024, the aggregate amount of reserves (including the Company's retained profits, if any, and share premium, subject to equity shareholders' approval) available for distribution to equity shareholders of the Company was RMB1,493,494,000 (31 December 2023: RMB1,493,494,000). The directors of the Company did not propose the payment of a final dividend for the year ended 31 December 2024 (2023: an interim distribution of HK$0.018 per share).

32 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt-to-asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2024 and 2023 was 94% and 85%, respectively. The Group will continue to monitor and aim to reduce the debt-to-asset ratio in the future.

The Group's debt-to-asset ratio at 31 December 2024 and 2023 was as follows:

	2024	2023
	RMB'000	RMB'000
Current liabilities:		
Trade and bills payables	**1,122,161**	622,186
Accrued charges and other payables	**1,687,856**	2,034,611
Contract liabilities	**304,760**	321,221
Bank loans and other borrowings	**7,320,923**	6,311,498
Lease liabilities	**11,993**	13,356
Income tax payable	**113,032**	130,927
	10,560,725	9,433,799
Non-current liabilities:		
Bank loans and other borrowings	**2,596,017**	3,111,152
Lease liabilities	**65,188**	73,090
Other non-current liabilities	**4,974**	10,263
Deferred tax liabilities	**111,835**	107,335
	2,778,014	3,301,840
Total debts	**13,338,739**	12,735,639
Total assets	**14,222,765**	14,960,243
Debt-to-asset ratio	**94%**	85%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

33 MATERIAL RELATED PARTY TRANSACTIONS

At 31 December 2024 and 2023, the directors of the Company consider that the Company did not have immediate and ultimate holding company.

In addition to those disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with the Triumph Group and its related parties

	2024 RMB'000	2023 RMB'000
Purchase of raw materials	**173,453**	883,796
Engineering services received	**118,138**	190,776
Sales of glass products	**11,867**	28,683
Services provided	**6,792**	73,801
Net decrease in guarantees received for the Group's bank loans and other borrowings	**(703,625)**	(712,612)
Net decrease in borrowings from the Triumph Group and its related parties	**(114,286)**	(699,671)
Interest expenses in relation to borrowings from the Triumph Group and its related parties	**59,503**	69,355

(b) Transactions with a director of the Company

	2024 RMB'000	2023 RMB'000
Net increase in guarantees received	**10,000**	10,000

(c) Transactions with a related party of a director of the Company

	2024 RMB'000	2023 RMB'000
Purchase of equity interests in Honghua Glass	**–**	39,548

(d) Transactions with a joint venture of the Group

	2024 RMB'000	2023 RMB'000
Purchase of raw materials (excluding prepayments)	**45,976**	–

33 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(e) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 8 and the highest paid individuals as disclosed in Note 9, is as follows:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	**4,522**	15,294
Contributions to defined contribution retirement plans	**374**	167
	4,896	15,461

Total remuneration is included in "staff costs" (see Note 6(b)).

(f) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of purchase of raw materials, engineering services received and sales of glass products above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in "Continuing connected transactions" of the Report of the Directors.

For the year ended 31 December 2024, the related party transactions in respect of receiving guarantees and interest-bearing borrowings from and accruing related financial charges to the Triumph Group and its related parties constitute connected transactions as defined in Chapter 14A of the Listing Rules, however they are exempted from the disclosure requirements in Chapter 14A of the Listing Rules.

34 CAPITAL COMMITMENTS

At 31 December 2024, the outstanding capital commitments of the Group not provided for in these financial statements were as follows:

	2024 RMB'000	2023 RMB'000
Commitments in respect of acquisitions of land and buildings, and machinery and equipment		
– contracted for	**229,158**	302,638
– authorised but not contracted for	**438,217**	2,429,716
	667,375	2,732,354

At 31 December 2024, capital commitments in respect of the acquisitions of land and buildings, and machinery and equipment are for the expansion and upgrade of the production lines of the Group.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group considers its exposure to equity price risk arising from its equity investment in other entity to be insignificant.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other receivables and contract assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers having low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

In respect of trade receivables, other receivables and contract assets, individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the customer's and debtor's past history of making payments when due and current ability to pay, and take into account information specific to the customer and debtor as well as pertaining to the economic environment in which the customer and debtor operates.

For sales of glass and glass products, cash before delivery is generally required for all customers. Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to customers and debtors, depending on credit assessment carried out by management on an individual customer basis. For rendering of services, the Group generally requires upfront cash payment prior to commencement of rendering of services and customers to settle progress billings in accordance with contract terms. Trade receivables for contract works are considered past due once billings are made. Normally, the Group does not obtain collateral from customers and debtors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and debtor rather than the industry or country in which the customers and debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers and debtors. At 31 December 2024, 9.9% (31 December 2023: 6.5%) and 27.2% (31 December 2023: 23.6%) of the total trade receivables and contract assets were due from the Group's largest trade debtor and the five largest trade debtors respectively.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments or geographic regions, the loss allowance based on past due status is not further distinguished between the Group's different customer or geographic bases.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2024:

	2024		
	Expected loss rate %	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Current (not past due)	**0%**	**37,063**	**–**
Less than 1 year past due	**4%**	**285,159**	**(11,084)**
More than 1 year past due	**88%**	**146,586**	**(128,552)**
		468,808	**(139,636)**

	2023		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	0%	26,428	–
Less than 1 year past due	4%	238,936	(9,156)
More than 1 year past due	83%	147,824	(122,649)
		413,188	(131,805)

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

The movements in the loss allowance account in respect of trade receivables, other receivables and contract assets during the year are as follows:

	2024	2023
	RMB'000	RMB'000
Balance at 1 January	**317,836**	315,199
Loss allowance recognised	**17,503**	953
Additions through acquisitions of subsidiaries	**–**	2,440
Amounts written off	**(2,993)**	(965)
Exchange adjustments	**(211)**	209
Balance at 31 December	**332,135**	317,836

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Note 2(b) explains management's plans for managing the liquidity requirements of the Group. Taking all factors set out in Note 2(b) into account, the directors of the Company are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Nevertheless, the Group will continue to undertake various measures in order to further improve its liquidity position in the short and longer term, including negotiations with financial institutions to raise new bank loans.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay:

	2024 Contractual undiscounted cash outflow								
	Within 3 months or on demand RMB'000	More than 3 months but less than 6 months RMB'000	More than 6 months but less than 9 months RMB'000	More than 9 months but less than 12 months RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 December RMB'000
Trade and bills payables	1,076,925	45,236	–	–	–	–	–	1,122,161	1,122,161
Accrued charges and other payables measured at amortised cost	1,625,860	–	–	–	–	–	–	1,625,860	1,625,860
Bank loans and other borrowings	1,831,915	2,108,494	2,031,495	1,607,373	1,175,129	1,419,610	162,092	10,336,108	9,916,940
Lease liabilities	3,100	3,100	3,100	3,100	11,174	29,464	53,087	106,125	77,181
Other non-current liabilities	–	–	–	–	–	–	5,357	5,357	4,974
	4,537,800	2,156,830	2,034,595	1,610,473	1,186,303	1,449,074	220,536	13,195,611	12,747,116

	2023 Contractual undiscounted cash outflow								
	Within 3 months or on demand RMB'000	More than 3 months but less than 6 months RMB'000	More than 6 months but less than 9 months RMB'000	More than 9 months but less than 12 months RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 December RMB'000
Trade and bills payables	568,460	53,226	500	–	–	–	–	622,186	622,186
Accrued charges and other payables measured at amortised cost	1,977,402	–	–	–	–	–	–	1,977,402	1,977,402
Bank loans and other borrowings	2,960,405	1,806,622	1,048,312	726,174	1,441,470	1,775,328	217,585	9,975,896	9,422,650
Lease liabilities	3,484	3,484	3,484	3,484	12,392	31,911	62,809	121,048	86,446
Other non-current liabilities	–	–	–	–	–	–	11,053	11,053	10,263
	5,509,751	1,863,332	1,052,296	729,658	1,453,862	1,807,239	291,447	12,707,585	12,118,947

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	2024		2023	
	Effective interest rate %	**RMB'000**	Effective interest rate %	RMB'000
Fixed rate borrowings:				
Lease liabilities	**3.20% – 6.84%**	**77,181**	3.40% – 6.84%	86,446
Bank loans and other borrowings	**1.60% – 7.83%**	**6,099,438**	1.57% – 7.83%	5,365,988
Other non-current liabilities	**7.70%**	**4,974**	7.70%	10,263
		6,181,593		5,462,697
Variable rate borrowings:				
Bank loans and other borrowings	**1.20% – 6.29%**	**3,817,502**	1.20% – 7.28%	4,056,662
Total borrowings		**9,999,095**		9,519,359
Fixed rate borrowings as a percentage of total borrowings		**62%**		57%

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased the Group's loss after tax and decreased the Group's retained profits by approximately RMB28,005,000 (31 December 2023: RMB31,586,000).

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative financial instruments held by the Group at the end of the reporting period. The impact on the Group's results after tax and retained profits is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis for 2023.

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables, loans and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, RMB and EUR. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of receivables, payables and borrowings denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate before any inter-company eliminations. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Exposure to currency risk (continued)

	2024 Exposure to foreign currencies		
	USD RMB'000	**RMB RMB'000**	**EUR RMB'000**
Trade receivables	**42,051**	**–**	**–**
Other receivables	**15,279**	**399,529**	**10,238**
Cash and cash equivalents	**55,000**	**2,214**	**6**
Trade payables	**(4,609)**	**(59,347)**	**(3)**
Accrued charges and other payables	**(224,453)**	**(902,348)**	**–**
Bank loans and other borrowings	**–**	**(1,008,610)**	**–**
Gross exposure arising from recognised assets and liabilities	**(116,732)**	**(1,568,562)**	**10,241**

	2023 Exposure to foreign currencies		
	USD RMB'000	RMB RMB'000	EUR RMB'000
Trade receivables	40,537	–	–
Other receivables	19,716	415,815	8,242
Cash and cash equivalents	23,608	11,739	–
Trade payables	(6,447)	(16,555)	–
Accrued charges and other payables	(230,565)	(1,070,607)	–
Bank loans and other borrowings	–	(343,355)	–
Gross exposure arising from recognised assets and liabilities	(153,151)	(1,002,963)	8,242

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's results after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between HK$ and USD would be materially unaffected by any changes in movement in value of the USD against other currencies.

	2024		2023	
	Increase/ (decrease) in foreign exchange rates	**(Increase)/ decrease in loss after tax and (decrease)/ increase in retained profits RMB'000**	Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease in loss after tax and (decrease)/ increase in retained profits RMB'000
USD	**10%**	**(13,094)**	10%	(16,553)
	(10%)	**13,094**	(10%)	16,553
RMB	**10%**	**(156,856)**	10%	(100,296)
	(10%)	**156,856**	(10%)	100,296
EUR	**10%**	**1,024**	10%	824
	(10%)	**(1,024)**	(10%)	(824)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after tax and retained profits measured in the respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2023.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

As at 31 December 2024 and 2023, there are no significant financial assets or liabilities of the Group measured at fair value.

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2024 and 2023, except for the following non-current portion of loans and borrowings, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

	2024		2023	
	Carrying amount at 31 December RMB'000	**Fair value measurements at 31 December categorised into Level 3 RMB'000**	Carrying amount at 31 December RMB'000	Fair value measurements at 31 December categorised into Level 3 RMB'000
Non-current portion of long-term bank loans and other borrowings	**2,596,017**	**2,563,695**	3,111,152	3,057,399

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of non-current portion of long-term bank loans and other borrowings is estimated as being the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

The Group uses the interest rates published by The People's Bank of China at the end of the reporting period plus an adequate constant credit spread to discount long-term bank loans and other borrowings. The interest rates used are as follows:

	2024	2023
Non-current portion of long-term bank loans and other borrowings	**4.74%**	5.02%

36 CONTINGENT LIABILITY

In June 2024, an overseas subsidiary of the Group, Orda Glass Ltd LLP ("**Orda Glass**"), received a notice from the Department of Ecology of the Kyzylorda Region in Kazakhstan (the "**Regional DOE**") claiming that the pollutant emissions arose from the production of Orda Glass in 2023 were higher than the 2023 emission limit approved by the Regional DOE, and accordingly imposed a fine to this alleged non-compliance. Upon receipt of the above notice, Orda Glass and the management of the Group revisited the emission reports, which were performed and carried out by independent consultants, previously submitted to the Regional DOE in relation to the 2023 production, and concluded that Orda Glass's pollutant emissions in 2023 were within the approved 2023 emission limit. Based on these reports, Orda Glass and the management of the Group consider the alleged non-compliance stipulated in the notice was without reasonable grounds, and continue to deny the alleged non-compliance and hence the imposed fine. Orda Glass, with the support of management of the Group, has undertaken actions through various channels, including administrative submissions to various government agencies in appealing the notice and application of injunctions against the imposed fine, initiated lawsuit against the notice issued by the Regional DOE in a court of law, and in the process of continuous discussions with various regional, state and national government authorities of Kazakhstan in resolution of the matter. Based on discussion with the lawyer of Orda Glass and various government agencies, management of the Group consider the outcome of the matter is highly uncertain, and the final imposed fine or settlement, if any, cannot be reliably estimated as of the date of issue of these financial statements. No provision has therefore been made in these financial statements with respect to this matter.

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**593**	690
Investments in subsidiaries		**875,489**	1,148,956
Loans to subsidiaries		**12,136**	15,608
Right-of-use assets		**912**	1,868
		889,130	1,167,122
Current assets			
Other receivables		**2,293,057**	2,292,741
Loans to subsidiaries		**579,850**	819,504
Cash at bank and on hand		**49,581**	73,260
		2,922,488	3,185,505
Current liabilities			
Accrued charges and other payables		**1,009,865**	893,229
Bank loans and other borrowings		**1,674,069**	536,286
Lease liabilities		**933**	995
		2,684,867	1,430,510
Net current assets		**237,621**	1,754,995
Total asset less current liabilities		**1,126,751**	2,922,117
Non-current liabilities			
Bank loans and other borrowings		**291,000**	1,496,607
Lease liabilities		**–**	876
		291,000	1,497,483
NET ASSETS		**835,751**	1,424,634
CAPITAL AND RESERVES	32		
Share capital		**85,951**	85,951
Reserves		**749,800**	1,338,683
TOTAL EQUITY		**835,751**	1,424,634

38 POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to HKAS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to HKFRS 10, *Consolidated financial statements and HKAS 28, Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.