



CHINA GLASS HOLDINGS LIMITED

中國玻璃控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 3300)



2025

Interim 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*)(*resigned on 22 April 2025*)

Mr. Tang Liwei (*Chairman*)
(*appointment on 22 April 2025*)

Mr. Zhao John Huan (*resigned on 22 April 2025*)

Mr. Zhang Jinshu (*resigned on 22 April 2025*)

Mr. Xie Changqing (*appointment on 22 April 2025*)

Mr. Yang Xinyu (*appointment on 22 April 2025*)

Independent Non-executive Directors

Mr. Zhang Baiheng

Mr. Chen Huachen

Ms. Lan Haiqing

AUDIT COMMITTEE

Mr. Chen Huachen (*Chairman of audit committee*)

Mr. Peng Shou (*resigned on 22 April 2025*)

Mr. Tang Liwei (*appointed on 22 April 2025*)

Mr. Zhang Baiheng

Ms. Lan Haiqing

REMUNERATION COMMITTEE

Ms. Lan Haiqing (*Chairman of remuneration committee*)

Mr. Peng Shou (*resigned on 22 April 2025*)

Mr. Tang Liwei (*appointed on 22 April 2025*)

Mr. Zhang Baiheng

NOMINATION COMMITTEE

Mr. Zhang Baiheng (*Chairman of nomination committee*)

Mr. Peng Shou (*resigned on 22 April 2025*)

Mr. Tang Liwei (*appointed on 22 April 2025*)

Ms. Lan Haiqing

STRATEGY COMMITTEE

Mr. Peng Shou (*Chairman of strategy committee*)
(*resigned on 22 April 2025*)

Mr. Tang Liwei (*Chairman of strategy committee*)
(*appointed on 22 April 2025*)

Mr. Zhao John Huan (*resigned on 22 April 2025*)

Mr. Yang Xinyu (*appointed on 22 April 2025*)

Mr. Lyu Guo

SENIOR MANAGEMENT

Mr. Ye Zhihui

Mr. Cai Guo

Mr. Zhang Guan

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

Ms. Jiao Yingchen (*appointed on 9 June 2025*)

COMPANY SECRETARY

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

Ms. Jiao Yingchen (*appointed on 9 June 2025*)

AUTHORISED REPRESENTATIVES

Mr. Lyu Guo

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

Ms. Jiao Yingchen (*appointed on 9 June 2025*)

REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton, HM 12

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

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Songjiang District

Shanghai

the PRC

Corporate Information (continued)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Ltd
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
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 CITIC Bank
Bank of Lanzhou
China Construction Bank
Bank of Communications
Hua Xia Bank
China Everbright Bank
Agriculture Development Bank of China
Bank of East Asia
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

Management Discussion and Analysis

MARKET REVIEW

In the first half of 2025, under the combined influence of ongoing geopolitical conflicts and volatile U.S. trade policies, the global economy faced downward pressure, with international trade and investment environments tightening. Investment in sustainable development and cross-border project financing declined. Against this backdrop, the Chinese government maintained policy consistency, continuously reinforced macroeconomic regulation, optimized its competitive market environment, and promoted steady economic growth through flexible measures and forward-looking planning.

The domestic market exhibited structural divergence: the recovery of the real estate sector remained weak, the construction glass market continued to face oversupply, product prices remained under pressure, and enterprises in the industry encountered structural challenges in operating profitability. To respond to these market changes, most enterprises accelerated their transition to high value-added sectors such as specialty automotive glass, electronic glass, and solar glass. However, the effectiveness of transformation varied. The photovoltaic industry continued to face supply-demand imbalances, with profitability across the value chain was further squeezed. In contrast, the solar thermal power industry, supported by technological barriers, national renewable energy policies, and rising market demand, maintained steady growth, with the solar thermal glass sub-sector remained highly prosperous.

BUSINESS REVIEW

Overview

The Group currently owns 15 float glass production lines with a daily melting capacity of 8,200 tons. As of June 30, 2025, 11 lines were in operation, while 4 lines were non-operational and scheduled for cold repair, technological renovation, or relocation. The Group's product portfolio includes clear painted, coated, energy-saving and new energy glass, which are widely used in construction, automotive, solar power, home furnishing, and household appliances.

The Group also operates two photovoltaic rolled glass lines (mainly producing photovoltaic glass), three offline low-emission ("Low-E") coated glass lines (mainly producing energy-saving architectural glass), five solar reflector lines (mainly producing concentrating mirrors), as well as one specialized glass equipment and technology service provider that offers production line design, equipment supply, and installation consulting services for downstream enterprises.

Actively implementing the "Going Global" strategy and pursuing the path of "globalization", the Group has established its industrial layout in glass manufacturing and equipment supply in Nigeria, Kazakhstan, and Italy. As an active participant in the "Belt and Road" Initiative, the Group is prioritizing the construction progress of its Egyptian float glass production lines while continuing to explore other emerging markets with development potential.

Production, sales and selling prices

In the first half of 2025, the Group produced a total of approximately 28 million weight cases of various types of glass, representing a decrease of approximately 8% year-on-year. Sales volume was approximately 25 million weight cases, representing a decrease of approximately 1% year-on-year. The average comprehensive selling price was RMB80 per weight case, representing a decline of approximately 20% year-on-year.

Management Discussion and Analysis (continued)

Prices of raw and fuel materials, and production costs

Raw materials: in the first half of 2025, due to inventory pressure among soda ash enterprises and weak demand in the photovoltaic industry, supply-demand conditions in the soda ash sector remained loose, leading to overall price declines. Average procurement costs were lower than those of the previous year. For mineral raw materials, weak demand led to low-level price fluctuations. However, due to shortages of regional sand mine resources, transportation costs of certain mineral raw materials increased, pushing up procurement prices.

Fuels: in the first half of 2025, domestic pipeline gas supply was sufficient and LNG prices remained competitive, driving continuous declines in domestic gas prices. The petroleum coke market, however, fluctuated upward within a range due to port inventory pressure and uncertainty in tariff policies.

MAJOR WORKS IN THE FIRST HALF OF 2025

In the first half of 2025, facing unprecedented market challenges and a volatile external environment, the Company continued to adhere to the strategic guidance of its major shareholders and earnestly pursued the medium and long-term development strategy of “Organic Growth, M&A Growth, and Going Global”. With performance growth as the core objective, the Company carried out a series of key initiatives under the themes of “coordinated breakthroughs, overseas expansion, technological innovation, performance-driven culture, compliance management and branding”.

1. Advancing the “Three Key Initiatives” to consolidate the foundation for counter-cyclical growth

The Company focused on three initiatives: “cash flow improvement, cost reduction, and loss management”, unified measures for “cost reduction and expense control” were rolled out, and each base tailored detailed implementation according to actual circumstances, achieving significant results:

- *Energy Management*
Expanded premium supply channels through market-based negotiations, coupled with technological upgrades to reduce both energy consumption and costs.
- *Production Operations*
Implemented lean production management, continuously optimized process parameters, upgraded equipment technology, and systematically unlocked cost-reduction potential across the value chain.
- *Product Portfolio Optimization*
Focused on a high value-added product strategy, dynamically adjusted production line configurations and product specifications, achieving efficient resource allocation.
- *Asset Operation Improvement*
Established a market-based asset disposal mechanism, implemented precise inventory management strategies, accelerated accounts receivable turnover, optimized overseas fund allocation, and leveraged policy dividends to effectively strengthen cash flow resilience.
- *Organizational Efficiency Improvement*
Optimized workforce structure and redesigned job value to scientifically control labor costs; enhanced full-cycle equipment management and refined control systems to ensure stable and efficient production operations.

Management Discussion and Analysis (continued)

2. Overseas subsidiaries maintained positive operations, further consolidating “Going Global” achievements

In the first half of 2025, the Company advanced its “Going Global” strategy, with overseas subsidiaries maintaining solid operations, steady growth in operating results, and orderly progress in investment and construction projects:

- *Nigeria company: Profitability remained stable with steadily improving market competitiveness*
Facing naira exchange-rate volatility and the competitive pressure of low-priced imported glass, it implemented targeted measures that resulted in a substantial increase in net profit, with consolidated gross margins among the industry leaders; leveraging a localized warehousing network, it enhanced market penetration, responded flexibly to shipping disruptions, optimized logistics layouts, and deepened customer service and technical collaboration; and by advancing waste-heat power generation and petroleum-coke substitution projects, it will anticipate a significant reduction in fuel and electricity costs.
- *Kazakhstan company: Operational quality and efficiency continued to improve, achieving significant breakthroughs in performance during the first half of the year*
By strengthening management and market expansion, it achieved a steady increase in the sales-to-production ratio and continuously enhanced its market competitiveness. It deepened the compliance system, significantly strengthening compliance management and risk prevention capabilities. In response to the Russia-Ukraine conflict and market fluctuations in Central Asia, it optimized its product portfolio, focusing on enhancing the premium level of high-value-added products like thick plate. Simultaneously, it reformed its distribution channels, deepened direct supply partnerships with end-users, stabilized regional prices, and further strengthened its competitive position.
- *Italy company: Photovoltaic business recorded strong growth with sustained solid profitability during the first half of the year*
Its traditional core businesses continued to deliver stable contributions, while the newly developed photovoltaic materials segment achieved significant sales growth, demonstrating enhanced counter-cyclical capacity. Its technological leadership and strategic focus underpinned profitability, laying a solid foundation for future development.
- *Egypt project: Construction progressed in an orderly manner, reaching the stage where major construction could commence*
Through optimized project management, it ensured the orderly completion of the glass furnace and tin bath foundation excavation, along with site enclosure, amidst complex external conditions. It also secured all required permits for the entire construction cycle. The project has now reached the stage where major construction can commence.

3. Significant achievements in technological innovation, core products gained industry recognition

In the first half of 2025, the Company achieved breakthroughs in technological innovation and product applications. Following systematic R&D and technical optimization, new low-resistance appliance Low-E glass and triple-silver high-performance Low-E glass achieved industrial mass production, with third-party testing confirming that key indicators met or exceeded industry standards. Furthermore, the “CNG Blue” high-performance, long-life Low-E energy-saving glass, developed based on spectral selective coating technology, was selected by the industry association as a model case under the “Increase Variety, Improve Quality, Create Brand” initiative, fully demonstrating the Company’s technological strength and innovation advantages.

Management Discussion and Analysis (continued)

4. Specific performance assessment yields results, cultural development fosters cohesion and drives growth

In the first half of 2025, the Company emphasized “enhanced incentives and practical results”, continuously refining its performance assessment mechanisms: established a “monthly tracking + dynamic adjustment” mechanism to ensure full alignment of assessment targets with strategy and across all levels; deepened linkage between performance and remuneration, implemented special assessments for core tasks, and created differentiated incentives to drive achievement of core business objectives.

In terms of corporate culture, the Company focused on fostering employee cohesion: established benchmarks through the “Corporate Craftsman Awards”, reinforcing the core values of “professional dedication and pursuit of excellence”; leveraged the 20th anniversary of its listing to inherit the spirit of “Steadiness and Enterprise”, enhancing employee belonging; organized employee sports games, skills competitions, and other activities to boost team vitality, enhance staff wellness and cohesion.

5. Compliance framework fortification reinforced operational foundation, brand and market recognition achieved dual enhancement

In the first half of 2025, the Company continued to enhance compliance and governance standards: strengthened legal awareness and integrity through leadership training; conducted economic responsibility audits for senior management to safeguard assets; and improved the legal risk prevention and control system to comprehensively protect corporate interests.

In terms of branding and market presence, the Company improved its capital market monitoring system, conducted benchmarking within and beyond the industry using digital platforms to enhance strategic planning, and focused publicity on operations, technological innovation (e.g., “CNG Blue” products), and strategic partnerships to reinforce brand exposure. The Company’s ESG developments received the highest rating of “A+” in the building materials industry for 2024, significantly improving market recognition.

MARKET OUTLOOK

In the second half of 2025, global economic growth is expected to slow further due to impact of U. S. trade barriers. China’s real estate and photovoltaic power markets will both enter deep adjustment phases. Under the combined effects of policy regulation and market mechanisms, the downstream flat glass industry will continue to optimize supply-demand structures and eliminate outdated capacity, with the overall industry development expected to strategically upgrade toward “low-carbon and intelligent” directions.

It is noteworthy that demand in detail segment market such as automotive glass, energy-saving architectural glass, and conductive glass will remain strong. With the accelerated phase-out of obsolete capacity, the float glass market is expected to achieve supply-demand rebalancing. Importantly, the revision of the Anti-Unfair Competition Law and the promulgation of supporting policies will provide institutional safeguards for healthy industry development. These measures are expected to effectively curb disorderly low-price competition, address temporary oversupply issues, promote gradual recovery of prices in the industry chain to reasonable levels, and guide the industry back to a path of healthy development.

In the field of new energy applications, the rapid development of solar thermal power will significantly boost demand for high-performance solar thermal glass. Installed capacity and industry output value of solar thermal glass are expected to continue rising, presenting broad development prospects. This trend not only aligns with China’s “dual carbon” strategy goals but also opens new growth opportunities for the flat glass industry.

Management Discussion and Analysis (continued)

FORECAST OF RAW MATERIALS, FUELS AND PRODUCTION COST

In the second half of 2025, the glass industry's market sentiment is projected to follow a deteriorating trend, subsequently driving the soda ash and various mineral raw materials markets into a phase of weakness. On the supply side, substantial planned soda ash capacity remains pending release, signaling an impending market restructuring. Demand-side dynamics exhibit structural divergence: demand for dense soda ash weakened amid declining glass production, while growth in light soda ash consumption proved insufficient to offset the deficit. Prices are projected to sustain their downward trends. Similarly, the quartz sand market displays structural polarization. Production and sales volumes of standard-grade sand declined in tandem due to contracting downstream demand, whereas high-purity quartz sand faces oversupply pressures following the concentrated commissioning of new capacity. Markets for dolomite, limestone, feldspar, and other mineral raw materials also demonstrate supply-demand imbalances. Although logistics costs provided a mitigating cushion, the overall price is projected to maintain relative stability with a modest downward drift.

In terms of fuels, volatility is expected to remain limited in the second half. The natural gas market will see looser supply-demand conditions due to increased domestic and international supply, partially offset by rising downstream demand. Combined with strong bargaining power of downstream users, prices are expected to remain at mid-year fluctuation levels. Petroleum coke, however, will face oversupply as refinery operating rates rise, while demand growth remains sluggish, leading to overall downward price trends.

WORK PLAN FOR THE SECOND HALF OF 2025

1. **Comprehensively advance the debt restructuring plan, ensure the Group's debt repayment capability and its ongoing status as a going concern**

In response to a series of events and potential risks triggered by the failure to repay a large one-time debt obligation in the short term, the Company is actively seeking professional advice to properly address the situation. Among the measures, the Company is engaging in discussions with financial advisors and potential financiers to raise funds for repaying the outstanding amount, and is exploring various options to resolve, extend, or restructure these borrowings, while maintaining ongoing negotiations with creditors to reach a resolution as soon as possible. Additionally, the Company is developing contingency plans to ensure that the Group's debt repayment ability and going concern status remain intact should the aforementioned refinancing not be completed in a timely manner, including but not limited to implementing a series of cost-reduction and efficiency-enhancement measures, improving operational performance through production line upgrades and product mix transformation. The Company will also ensure that all operating entities adopt proactive sales and prudent procurement strategies to maintain a balance between operational cash flow and debt principal/interest payments. At the same time, the Group will carefully assess market prospects, its own operational and financing conditions, and refrain from non-essential capital expenditures to meet the requirements for implementing the aforementioned measures.

2. **Unwaveringly advancement of the "Going Global" strategy to enhance contributions from overseas subsidiaries**

Overseas production bases will focus on safe operations as the foundation for capacity enhancement, while driving transformation toward high value-added products, optimizing warehousing networks, building multi-tier customer systems, and strengthening cost management to systematically improve production-sales synergies. Leveraging the technological platform of the Italian company, the Group will expand into the new energy glass and flat glass engineering sectors to tap global market potential. At the time, the Group will coordinate the progress of Egyptian project in an orderly manner.

Management Discussion and Analysis (continued)

3. Technological promotion to drive product portfolio transformation and upgrade, and enhance operating performance at domestic bases

The Group will continuously refine its production technology system, with a strategic focus on glass products for new energy applications and household appliance cold-chain sectors. It will advance the development of multi-functional ultra-clear float glass and premium automotive glass technologies, concurrently executing the technical upgrade of solar-thermal glass production lines. These initiatives will accelerate the industrialization of high value-added products and the large-scale production of “CNG”-branded specialty products, thereby steering the product portfolio toward greater differentiation and premium positioning.

4. Continuous implementation of the “Three Key Initiatives” to optimize the resource allocation system

The Group will revitalize assets through systematic measures to further enhance operational efficiency; promote cost reduction and efficiency improvement by leveraging a refined management system and build an end-to-end control mechanism; strengthen cost awareness across all staff; and establish a dynamic allocation mechanism that prioritizes core business areas, thereby achieving efficient coordination of resources and maximizing value creation.

FINANCIAL REVIEW

Revenue

For the first six months of 2025, the revenue of the Group from its principal business decreased by approximately 20% to RMB2,153,490,000 as compared to RMB2,683,496,000 in the first six months of 2024. The decrease in revenue was mainly attributable to the combined effects of both decrease in sales volume and average unit selling price.

	For the first six months of 2025		For the first six months of 2024		Change
	RMB'000	Proportion	RMB'000	Proportion	%
Clear glass	732,652	34%	1,153,320	43%	(36%)
Painted glass	405,459	19%	374,406	14%	8%
Coated glass	434,206	20%	430,096	16%	1%
Energy saving and new energy glass	417,330	19%	544,013	20%	(23%)
Design and installation related services	163,843	8%	181,661	7%	(10%)
	2,153,490	100%	2,683,496	100%	(20%)

To address the unprecedented market challenges and the complex and volatile external environment, the Group has earnestly advanced strategic measures such as “industrial structure upgrading”, “product differentiation” and “cost reduction and efficiency enhancement.” The Group has planned, in a reasonable and orderly manner, the cold repair and upgrading of aging production lines, while actively pursuing the mass production and market promotion of technologically innovative products, thereby effectively optimizing its product mix.

Management Discussion and Analysis (continued)

In the first half of 2025, within the Group's glass products segment, revenue from clear glass products as well as from the energy saving and new energy glass segment, primarily used in architectural and photovoltaic applications, decreased by approximately 36% and 23% respectively compared with the same period last year. This was mainly attributable to a decline in both sales volume and average selling price of ordinary architectural glass and photovoltaic glass. As such products have relatively low gross profit margins, the decrease in their sales partially alleviated the downward trend in the Group's overall profitability.

Sales of the Group's specialty products, such as CNG Grey, CNG Blue, and online coated glass products, increased, resulting in sales volumes of painted glass and coated glass rising by approximately 46% and 17% respectively. The Group actively expanded export channels, with export sales volume of glass products increasing by approximately 95% year-on-year in the first half. Overseas sales volume of glass products increased by approximately 14% compared with the same period last year, mainly due to the commencement of production in the second half of 2024 of an offline Low-E processed glass production line at the Kazakhstan company, as well as notable achievements in market development.

The Group's average selling price of glass products decreased by approximately 20% year-on-year, mainly due to the combined impact of: (a) a decline of approximately 28% in the average domestic selling price, driven by the prolonged downturn in the domestic real estate sector and intense competition among flat glass enterprises; (b) an increased sales proportion of energy saving and new energy glass products, such as solar thermal ultra-clear glass and solar reflectors, which have higher unit selling prices than the overall average for glass products, thus driving up the overall average selling price; and (c) the Group's average overseas selling price denominated in Renminbi increased by approximately 5% year-on-year (excluding the depreciation impact, the selling price denominated in Nigerian naira at the Group's Nigerian company increased by 45% year-on-year).

Revenue from the Group's design and installation related services segment was mainly derived from the engineering equipment and technical services business of its Italian company. In the first half of 2025, such segment revenue decreased by 10% compared with the same period last year, with revenue from uncompleted orders expected to be recognized in the second half of the year.

Cost of sales

The Group's cost of sales decreased by approximately 18% from RMB2,413,143,000 for the first six months of 2024 to RMB1,990,741,000 for the first six months of 2025. The decrease in cost of sales was mainly due to the decrease in the unit cost of glass products.

Gross profit

The Group's gross profit decreased by approximately 40% from RMB270,353,000 for the first six months of 2024 to RMB162,749,000 for the first six months of 2025. The decrease in gross profit was mainly due to decrease in sales unit price of the glass products in the mainland China.

Administrative expenses

For the first six months of 2025, the administrative expenses of the Group decreased slightly to RMB177,038,000 as compared to RMB177,787,000 for the first six months of 2024.

Management Discussion and Analysis (continued)

Finance costs

For the first six months of 2025, the finance costs of the Group increased slightly by approximately 1% to RMB231,089,000 as compared to RMB229,773,000 in the first six months of 2024.

Income tax

Income tax expenses were RMB28,301,000 for the six months ended 30 June 2025, compared with the income tax credited of RMB12,984,000 for the six months ended 30 June 2024. The income tax expenses primarily arose from consideration received by a subsidiary of the Company from disposal of its property, plant and equipment and right-of-use assets.

Loss for the period

For the first six months of 2025, the Group recorded a loss of RMB318,743,000, which was increased largely compared to a loss of RMB136,888,000 for the first six months of 2024. Such losses were mainly attributable to the combined effect of factors such as: (1) the downturn cycle in China's real estate industry continues, resulting in the architectural glass market remaining in a "supply exceeds demand" status, with architectural glass prices generally staying at a low level; (2) the photovoltaic industry in China continues to experience a "supply-demand mismatch", further narrowing the profit margins across the entire photovoltaic power generation industry chain; and (3) geopolitical instability, volatile international trade policies, and heightened risks of currency exchange rate fluctuations, among other macroeconomic uncertainties, have to some extent weakened the outstanding performance of the Group's overseas production bases in the first half of the year.

Current assets

The Group's current assets decreased by approximately 14% from RMB3,760,649,000 as at 31 December 2024 to RMB3,234,569,000 as at 30 June 2025, which was mainly due to the decreased in cash, assets held for sale and inventory.

Non-Current assets

The Group's non-current assets decreased by approximately 2% from RMB10,462,116,000 as at 31 December 2024 to RMB10,241,865,000 as at 30 June 2025, which was mainly due to the decreased in property, plant and equipment.

Current Liabilities

The Group's current liabilities decreased slightly by approximately 1% from RMB10,560,725,000 as at 31 December 2024 to RMB10,413,698,000 as at 30 June 2025, which was mainly attributable to the decreased in short-term bank loan and other borrowings.

Non-current liabilities

The Group's non-current liabilities decreased by approximately 12% from RMB2,778,014,000 as at 31 December 2024 to RMB2,437,671,000 as at 30 June 2025, which was mainly attributable to the decreased in long-term bank loans and other borrowings.

Management Discussion and Analysis (continued)

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

As at 30 June 2025, the Group's cash on hand and at bank were RMB1,017,474,000 (31 December 2024: RMB1,302,086,000), of which 70% (31 December 2024: 61%) were denominated in RMB, 13% (31 December 2024: 8%) were denominated in Euro ("**EUR**"), 7% (31 December 2024: 9%) were denominated in United States Dollars ("**USD**"), 6% (31 December 2024: 20%) were denominated in Nigerian Naira ("**NGN**"), and 2% (31 December 2024: 2%) were denominated in Hong Kong dollars ("**HKD**") and 2% (31 December 2024: Nil) were denominated in Kazakhstani Tenge ("**KZT**").

Outstanding bank loans and other borrowings were RMB9,321,088,000 (31 December 2024: RMB9,916,940,000), of which 88.6% (31 December 2024: 89.1%) were denominated in RMB, 11.0% (31 December 2024: 10.5%) were denominated in USD, and 0.4% (31 December 2024: 0.4%) were denominated in EUR. As at 30 June 2025, 60% (31 December 2024: 62%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 40% (31 December 2024: approximately 38%) bear interest at variable rates. As at 30 June 2025, 76% (31 December 2024: 74%) of the outstanding bank loans and other borrowings will mature within one year while 24% (31 December 2024: 26%) will mature after one year. As mentioned in Notes 2 and 23 to the unaudited interim financial information, the Group has triggered the cross-default provisions of loans and borrowings due after one year of RMB1,760,409,000 after the end of the reporting period, which resulted in the Group being under an immediate repayment obligation of such borrowings.

As at 30 June 2025, the gearing ratio (total interest-bearing debts divided by total assets) was 0.7 (31 December 2024: 0.7). As at 30 June 2025, the Group's current ratio (current assets divided by current liabilities) was 0.31 (31 December 2024: 0.36). The Group recorded net current liabilities amounted to RMB7,179,129,000 as at 30 June 2025 (31 December 2024: RMB6,800,076,000). As at 30 June 2025, assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.95 (31 December 2024: 0.94).

EXCHANGE RATE FLUCTUATION RISK AND RELATED HEDGING

The Group's transactions and monetary assets were primarily denominated in RMB, NGN, KZT, USD and EUR. Operating expenses and domestic sales of the Group's PRC subsidiaries were primarily denominated in RMB, operating expenses and sales of a subsidiary incorporated in Nigeria and Kazakhstan were primarily denominated in NGN, KZT and USD, the operating expenses and sales of an engineering equipment and technical service company in Italy were primarily denominated in EUR and certain borrowings of the Group were denominated in USD. The Group was of the opinion that the future fluctuation of RMB would be closely associated with the development of the PRC economy. The Group's net assets, profits or loss and dividends may be affected by the fluctuation of the exchange rate between RMB and other currency, such as NGN, KZT, USD and EUR. During the six months ended 30 June 2025, the Group did not purchase any derivatives for hedging purposes.

CONTINGENT LIABILITIES

Details of contingent liabilities are disclosed in Note 22 to the unaudited interim financial report.

Management Discussion and Analysis (continued)

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

During the six months ended 30 June 2025, the Group did not have any material investments or acquisitions of capital assets, or material acquisitions or disposals of subsidiaries and associated companies, or significant investments.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Details of important events affecting the Group that have occurred since the end of the reporting period are disclosed in Note 23 to the unaudited interim financial report.

As set out in Note 23 to the unaudited interim financial report, after the end of the reporting period, the Group has defaulted and is unable to repay borrowings due totaling RMB1,295,854,000, including a syndicated loan of USD141,700,000 (equivalent to approximately RMB1,022,699,000) and other bank loans and borrowings of RMB273,155,000. The above defaults also triggered the cross-default provisions of other outstanding borrowings of approximately RMB6,711,453,000.

The Company is actively seeking professional advice to address the situation appropriately. In particular, it is in discussions with its financial adviser and potential financiers to secure funding for the repayment of the Outstanding Amount. The Board has been exploring various options to resolve, extend, or refinance the existing banking facilities under the Facility Agreement and is engaged in ongoing discussions with the Lenders. The Board is formulating contingency plans to ensure the Group's debt servicing capability remains intact should the above refinancing efforts not be completed in time.

The Company considers that the default is expected to have no immediate impact on the funding for the Group's daily operations and production.

The collaterals and the corporate guarantees involves the overseas shareholding platforms only and do not comprise the Group's operating subsidiaries or production facilities, as such the impact of the default has not compromised the Company's operational capabilities. At present, the Company's domestic and overseas operations remain stable, and the Group's core production activities continue to operate robustly notwithstanding the current financial challenges.

In light of the above, the Company considers that the direct impact of the default of the Loan on the Group's daily operations to be limited.

Save as disclosed elsewhere in this report and the Company's announcement pursuant to Rule 13.19 of the Listing Rules dated 20 August 2025, there have been no important events affecting the Group that have occurred since the end of the reporting period.

Other Information

The board (the “Board”) of directors (the “Directors” and each a “Director”) of China Glass Holdings Limited (the “Company”) is pleased to present the interim report together with the unaudited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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 30 June 2025, 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 of Hong Kong Limited (“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 Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), to be notified to the Company and the Stock Exchange, were as follows:

Name of Director(s)	Company/Name of Associated Corporation	Capacity	Total Number of Ordinary Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽²⁾
Mr. Lyu Guo	The Company	Beneficial owner	15,442,096 (L)	0.84%

Notes:

- (1) The letter “L” denotes the Director’s long position in such securities.
- (2) As at 30 June 2025, the total number of ordinary shares of par value HK\$0.05 each in the issued share capital of the Company (the “Shares” and each a “Share”) is 1,836,218,258.

Save as disclosed above, as at 30 June 2025, 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.

Other Information (continued)

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

So far as the Directors are aware, as at 30 June 2025, 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%
Mr. Zhao John Huan	Interest of a controlled corporation ⁽⁶⁾	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 ⁽⁷⁾	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 ⁽⁷⁾	416,424,621 (L)	22.68%
Bank of Communications Trustee Limited	Trustee ⁽⁸⁾	152,000,000 (L)	8.28%
Ms. Sze Tan Hung	Beneficial owner	127,998,000 (L)	6.97%
Mr. Tung Ching Sai	Interest of spouse ⁽⁹⁾	127,998,000 (L)	6.97%

Other Information (continued)

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) Exponential Fortune Group Limited 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) As at 30 June 2025, the total number of issued Shares is 1,836,218,258.

Save as disclosed above, as at 30 June 2025, 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.

Other Information (continued)

(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 Employees until such Shares are vested with the relevant Selected Employees 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 28 March 2025 (being the date of the annual report of the Company for the year ended 31 December 2024), 30 June 2025 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.

Other Information (continued)

The Share Award Scheme was originally set to expire on 12 December 2021. On 8 December 2021, the Board resolved to extend the term of the Share Award Scheme for another ten (10) years expiring on 12 December 2031, subject to any early termination as may be determined by the Board by a resolution of the Board. Save as the aforesaid, all other material terms of the Share Award Scheme remain unchanged and valid.

During the six months ended 30 June 2025, 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 18(b)(ii) to the unaudited interim financial report.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a public float of not less than 25% of the issued share capital of the Company as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2025 and up to the latest practicable date prior to the issue of this report.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2025, the Group employed a total of approximately 3,908 employees within and outside the PRC (31 December 2024: about 4,589 employees). The decrease in staff number of the Group as at 30 June 2025 as compared to 31 December 2024 was mainly attributable 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 the benefit schemes in line with local labour laws and regulations, respectively.

SUPPLEMENTAL INFORMATION OF CHIEF EXECUTIVE EMOLUMENT TO THE 2020 ANNUAL REPORT

In addition to the disclosures under the section headed "Directors' Emoluments" in the Report of the Directors and Note 8 to the consolidated financial statements as set out in the 2020 Annual Report, the Company would like to provide the following additional information in relation to the emolument of a chief executive who was not a Director:

Other Information (continued)

The remuneration of a chief executive of the Company (who is not a Director) for the year ended 31 December 2020 are set out below:

	For the year ended 31 December 2020				
	Directors' fees	Salaries, allowances and benefits in kind	Bonus	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chief executive Mr. Lyu Guo ^(Note 1)	—	1,046	—	39	1,085

Note: (1) Mr. Lyu Guo was appointed as the Chief Executive Officer of the Company on 15 June 2020.

CHANGES IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

During the Reporting Period and up to the date of this report, the Directors have confirmed that there is no information required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established with written terms of reference in compliance with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. The Audit Committee comprising Mr. Chen Huachen as chairman as well as Mr. Tang Liwei, Mr. Zhang Baiheng and Ms. Lan Haiqing as members, has reviewed, together with the participation of the Company's management and the external auditors, KPMG, the accounting principles and practices adopted by the Group, and has discussed operational, risk management and internal control, and financial reporting matters and systems of the Group, including the review of the unaudited interim report of the Group for the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the management of 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, successful 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.

Throughout the six months ended 30 June 2025, the Company applied the principles and complied with the applicable code provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the Directors. Confirmation has been received from all Directors that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

Other Information (continued)

INVESTOR RELATIONS AND COMMUNICATIONS

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Group's performance and development.

By Order of the Board
Tang Liwei
Chairman

Hong Kong, 27 August 2025

Review Report to the Board of Directors of China Glass Holdings Limited

(Incorporated in Bermuda with limited liability)



INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 50 which comprises the consolidated statement of financial position of China Glass Holdings Limited and its subsidiaries (together referred to as the "Group") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the interim financial report which describes that the Group incurred net loss of RMB318,743,000 for the six months ended 30 June 2025 and as at 30 June 2025, had net current liabilities of RMB7,179,129,000 and total bank loans and other borrowings amounting to RMB9,321,088,000. The Group is unable to repay a syndicated loan of RMB1,022,699,000 and other bank loans and borrowings of RMB273,155,000 due after the end of the reporting period and has triggered cross-default provisions of other current and non-current outstanding borrowings of the Group of RMB6,711,453,000. Therefore, the above loans and borrowings totaled RMB8,007,307,000 have become repayable on demand. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

KPMG

Certified Public Accountants

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

27 August 2025

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi ("RMB"))

Six months ended 30 June			
	Note	2025 RMB'000	2024 RMB'000
Revenue			
Cost of sales	4	2,153,490 (1,990,741)	2,683,496 (2,413,143)
Gross profit			
Other income	4(b)	162,749	270,353
Distribution costs	5	142,367 (59,750)	72,118 (50,464)
Administrative expenses		(177,038)	(177,787)
Impairment losses on receivables and contract assets		(30,698)	(16,718)
Other expenses		(95,638)	(19,438)
(Loss)/profit from operations		(58,008)	78,064
Finance costs	6(a)	(231,089)	(229,773)
Share of profits less losses of joint ventures		(1,345)	1,837
Loss before taxation		(290,442)	(149,872)
Income tax	7	(28,301)	12,984
Loss for the period		(318,743)	(136,888)
Attributable to:			
Equity shareholders of the Company		(258,451)	(119,006)
Non-controlling interests		(60,292)	(17,882)
Loss for the period		(318,743)	(136,888)
Loss per share (RMB yuan)			
Basic and diluted	8	(0.15)	(0.07)

The notes on pages 32 to 50 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 – unaudited

(Expressed in RMB)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Loss for the period	(318,743)	(136,888)
Other comprehensive income for the period (after tax and reclassification adjustments):		
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)	126	326
Items that may be reclassified subsequently to profit or loss:		
- exchange differences on translation of financial statements into presentation currency	59,656	(313,859)
Total comprehensive income for the period	(258,961)	(450,421)
Attributable to:		
Equity shareholders of the Company	(198,677)	(432,559)
Non-controlling interests	(60,284)	(17,862)
Total comprehensive income for the period	(258,961)	(450,421)

The notes on pages 32 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2025
(Expressed in RMB)

	Note	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	9	8,497,188	8,691,331
Other non-current assets		157,688	181,620
Investment properties		29,672	31,096
Right-of-use assets	10	620,951	633,791
Intangible assets		212,504	206,900
Goodwill		275,537	264,574
Interests in joint ventures		46,200	47,545
Equity securities designated at FVOCI		970	803
Deferred tax assets		401,155	404,456
		10,241,865	10,462,116
Current assets			
Inventories	11	1,059,394	1,220,776
Contract assets		69,263	37,063
Trade and bills receivables	12	389,700	334,396
Other receivables	13	454,279	457,293
Prepayments		239,383	216,288
Prepaid income tax		5,076	4,104
Assets held for sale		–	188,643
Cash at bank and on hand	14	1,017,474	1,302,086
		3,234,569	3,760,649
Current liabilities			
Trade and bills payables	15	1,270,823	1,122,161
Accrued charges and other payables	16	1,623,874	1,687,856
Contract liabilities		316,763	304,760
Bank loans and other borrowings	17	7,060,679	7,320,923
Lease liabilities		11,515	11,993
Income tax payable		130,044	113,032
		10,413,698	10,560,725
Net current liabilities		(7,179,129)	(6,800,076)
Total assets less current liabilities		3,062,736	3,662,040

The notes on pages 32 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position (continued)

at 30 June 2025

(Expressed in RMB)

	Note	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
Non-current liabilities			
Bank loans and other borrowings	17	2,260,409	2,596,017
Lease liabilities		62,447	65,188
Other non-current liabilities		7,614	4,974
Deferred tax liabilities		107,201	111,835
		2,437,671	2,778,014
NET ASSETS		625,065	884,026
CAPITAL AND RESERVES	18		
Share capital		85,951	85,951
Reserves		(19,576)	179,101
Total equity attributable to equity shareholders of the Company		66,375	265,052
Non-controlling interests		558,690	618,974
TOTAL EQUITY		625,065	884,026

The notes on pages 32 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 – unaudited

(Expressed in RMB)

	Attributable to equity shareholders of the Company											
	Share capital RMB'000	Share premium RMB'000	Shares held under share award scheme RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Exchange reserves RMB'000	Fair value reserve (non-recycling) RMB'000	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
Changes in equity for the six months ended 30 June 2024:												
Loss for the period	-	-	-	-	-	-	-	-	(119,006)	(119,006)	(17,882)	(136,888)
Other comprehensive income	-	-	-	-	-	-	(313,859)	306	-	(313,553)	20	(313,533)
Total comprehensive income	-	-	-	-	-	-	(313,859)	306	(119,006)	(432,559)	(17,862)	(450,421)
Capital injection from NCI of a subsidiary	-	-	-	-	-	-	-	-	-	-	175	175
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(237)	(237)
	-	-	-	-	-	-	-	-	-	-	(62)	(62)
Balance at 30 June 2024	85,951	1,493,494	(66,712)	20,769	40,785	(438,578)	(1,105,286)	(459)	1,055,803	1,085,767	688,354	1,774,121
Balance at 1 July 2024	85,951	1,493,494	(66,712)	20,769	40,785	(438,578)	(1,105,286)	(459)	1,055,803	1,085,767	688,354	1,774,121
Changes in equity for the six months ended 31 December 2024:												
Loss for the period	-	-	-	-	-	-	-	-	(757,573)	(757,573)	(69,515)	(827,088)
Other comprehensive income	-	-	-	-	-	-	(63,227)	85	-	(63,142)	6	(63,136)
Total comprehensive income	-	-	-	-	-	-	(63,227)	85	(757,573)	(820,715)	(69,509)	(890,224)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	129	129
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 32 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity (continued)

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

	Attributable to equity shareholders of the Company											
	Share capital	Share premium	Shares held under share award scheme	Capital reserve	Statutory reserve	Other reserves	Exchange reserves	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	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
Changes in equity for the six months ended 30 June 2025:												
Loss for the period	-	-	-	-	-	-	-	-	(258,451)	(258,451)	(60,292)	(318,743)
Other comprehensive income	-	-	-	-	-	-	59,656	118	-	59,774	8	59,782
Total comprehensive income	-	-	-	-	-	-	59,656	118	(258,451)	(198,677)	(60,284)	(258,961)
Balance at 30 June 2025	85,951	1,493,494	(66,712)	20,769	40,785	(438,578)	(1,108,857)	(256)	39,779	66,375	558,690	625,065

The notes on pages 32 to 50 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations		659,739	404,057
Income tax paid		(13,603)	(362)
Net cash generated from operating activities		646,136	403,695
Investing activities			
Payments for the purchase of property, plant and equipment and other non-current assets		(178,398)	(245,046)
Proceeds from disposals property, plant and equipment and right-of-use assets		297,551	11,734
Payment for acquisition of a subsidiary		–	(287,342)
Net (increase)/decrease in restricted deposits in relation to bills payables issued		(30,404)	53,607
Other cash flows generated from investing activities		16,372	19,810
Net cash generated from/(used in) investing activities		105,121	(447,237)
Financing activities			
Proceeds from bank loans and other borrowings		2,229,757	4,015,080
Repayment of bank loans and other borrowings		(3,089,960)	(2,980,300)
Capital element of lease rentals paid		(3,452)	(3,742)
Interest element of lease rentals paid		(2,338)	(2,699)
Net decrease/(increase) in restricted deposits in relation to bank loans drawn		263,788	(190,993)
Borrowing costs paid		(214,996)	(237,234)
Net cash (used in)/generated from financing activities		(817,201)	600,112
Net (decrease)/increase in cash and cash equivalents		(65,944)	556,570
Cash and cash equivalents at 1 January	14	628,341	773,693
Effect of foreign exchange rates changes		14,716	(176,252)
Cash and cash equivalents at 30 June	14	577,113	1,154,011

The notes on pages 32 to 50 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issue on 27 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the board of directors of the Company is included in pages 23 to 24.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

2 BASIS OF PREPARATION (continued)

For the six months ended 30 June 2025, the Group incurred net loss of RMB318,743,000. As at 30 June 2025, the Group had net current liabilities of RMB7,179,129,000. Total bank loans and other borrowings amounted to RMB9,321,088,000, and out of which RMB7,060,679,000 is due within 12 months at the end of the reporting period. After the end of the reporting period and up to the date of approval of this interim report, the Group has defaulted and is unable to repay borrowings due totalling RMB1,295,854,000, including a syndicated loan of RMB1,022,699,000 and other loans and borrowings of RMB273,155,000. The above defaults also triggered cross-default provisions of other outstanding borrowings of approximately RMB6,711,453,000, which represented bank loans and other borrowings of approximately RMB4,951,044,000 that are originally due within one year and approximately RMB1,760,409,000 that are originally due after one year as at the end of the reporting period, and resulted in the Group being under an immediate repayment obligation of such outstanding borrowings (Note 17(a) and Note 23).

These events or conditions indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

In light of the above, the Group is taking and entering into the following initiatives, among other things, to mitigate and manage the liquidity pressure:

- Continually negotiating with the bank syndicates and other related lenders to extend and/or restructure the terms of the syndicated loan and other borrowings that have fallen overdue as at the date of approval of this interim report. The Group has already successfully renegotiated the extension of overdue loans and borrowings of RMB80,000,000 as of the date of approval of this interim report;
- Actively negotiating with banks and other financial institutions on loans and borrowings where the cross-default provisions had been triggered to not to demand the Group for repayment of such borrowings before the original due dates, and to renew these bank loans and other borrowings when they fall due on the original due dates;
- Seeking potential strategic investors; and
- Actively negotiating with its largest shareholder, namely Triumph Science Technology Group Co., Ltd.* (“凱盛科技集團有限公司”, the “**Triumph Group**”) (a wholly-owned subsidiary of China National Building Materials Group Co., Ltd.* (“中國建材集團有限公司”), a central state-owned enterprise), which provided its financial assistance to the Group in the form of loans of RMB1,177,612,000 as at 30 June 2025 and in the form of trade and other payables due to the Triumph Group and its related parties of RMB1,253,777,000 as at 30 June 2025, to not require repayment of these amounts for the next twelve months.

The management of the Group is actively and continuously working on the above initiatives, and the directors of the Company consider if the Group will be successful, to a certain extent, on these initiatives, and together with the cashflow forecast prepared by the management of the Group for the twelve months from the end of the reporting period, the Group will be able to meet its liabilities as and when they fall due for the foreseeable future. Therefore, the directors of the Company are of the opinion that it is appropriate to prepare the Group's financial statements for the period ended 30 June 2025 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in this interim financial report.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*, issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by products and services. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five 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.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (continued)

(a) Disaggregation of revenue

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

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– sales of glass products	1,989,647	2,501,835
– revenue from service contracts	109,571	150,271
– sales of other products	54,272	31,390
	2,153,490	2,683,496
Disaggregated by geographical location of customers		
– The Chinese Mainland and Hong Kong (place of domicile)	1,292,586	1,921,999
– Nigeria	220,626	163,219
– Middle East	161,243	145,902
– Kazakhstan	95,863	64,775
– Other countries	383,172	387,601
	860,904	761,497
	2,153,490	2,683,496

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b).

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit/(loss). No intersegment sales have occurred for the six months ended 30 June 2025 and 2024. 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 timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation related services		Total	
	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition												
– point in time	732,652	1,153,320	405,459	374,406	434,206	430,096	417,330	544,013	54,272	31,390	2,043,919	2,533,225
– over time	–	–	–	–	–	–	–	–	109,571	150,271	109,571	150,271
Revenue from external customers and reportable segment revenue	732,652	1,153,320	405,459	374,406	434,206	430,096	417,330	544,013	163,843	181,661	2,153,490	2,683,496
Reportable segment gross (loss)/profit	(35,458)	(11,315)	10,339	67,548	135,906	129,602	17,421	42,779	34,541	41,739	162,749	270,353

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

5 OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Government grants	10,399	23,475
Interest income	16,372	19,635
Net gain on sale of raw and scrap materials	11,043	21,313
Net gain/(loss) on disposals of property, plant and equipment (Note)	102,730	(2,019)
Others	1,823	9,714
	142,367	72,118

Note: During the six months ended 30 June 2025, net gain on disposals of property, plant and equipment was mainly attributable to the completion of the disposal of a subsidiary's property, plant and equipment and right-of-use assets at the total consideration of RMB297,551,000. These assets were classified as assets held for sale as at 31 December 2024.

6 LOSS BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings	182,880	203,682
Interest on lease liabilities	2,338	2,699
Bank charges and other finance costs	47,324	33,552
Total borrowing costs	232,542	239,933
Less: amounts capitalised into property, plant and equipment (Note)	(17,139)	(5,574)
Net borrowing costs	215,403	234,359
Net foreign exchange loss/(gain)	15,686	(4,586)
	231,089	229,773

Note: The borrowing costs have been capitalised at 5.35% per annum for the six months ended 30 June 2025 (six months ended 30 June 2024: 5.87% per annum).

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

6 LOSS BEFORE TAXATION (continued)

(b) Other items

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of inventories (Note 11)	1,917,425	2,413,143
Depreciation and amortisation charge:		
– property, plant and equipment	331,142	302,824
– investment properties	1,424	1,383
– right-of-use assets	13,058	13,715
– intangible assets	8,778	9,221
Impairment losses on property, plant and equipment	–	12,864
Research and development costs (other than capitalised costs and related amortisation)	14,685	11,621

7 INCOME TAX

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current taxation		
The Chinese Mainland		
– Provision for the period	25,780	9,318
– Under/(over)-provision in respect of prior years	109	(118)
	25,889	9,200
Overseas		
– Provision for the period	3,754	4,920
	29,643	14,120
Deferred taxation		
– Origination and reversal of temporary differences	(1,342)	(27,104)
	28,301	(12,984)

The Company incorporated in Bermuda and the subsidiaries of the Group incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

The subsidiaries of the Group incorporated in Hong Kong are subject to the Hong Kong Profits Tax rate of 16.5% (six months ended 30 June 2024: 16.5%).

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% for the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX (continued)

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 2023 or 2024. These subsidiaries are also entitled to an additional tax deductible allowance amounting to 100% of the qualified research and development costs incurred for the six months ended 30 June 2025 and 2024.

Subsidiaries of the Group incorporated in Nigeria are subject to Nigeria Corporate Income Tax rate of 30% for the six months ended 30 June 2025 (six months ended 30 June 2024: 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.

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.

A subsidiary of the Group incorporated in Italy is subject to Italy Corporate Income Tax rate of 27.9% (six months ended 30 June 2024: 27.9%).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the six months ended 30 June 2025 is based on the loss attributable to ordinary equity shareholders of the Company of RMB258,451,000 (six months ended 30 June 2024: loss attributable to ordinary equity shareholders of the Company of RMB119,006,000) 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 18(b)) (six months ended 30 June 2024: 1,684,218,000 ordinary shares) in issue during the six months ended 30 June 2025.

(b) Diluted loss per share

There are no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024. Hence, the diluted loss per share is the same as the basic loss per share for the six months ended 30 June 2025 and 2024.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group incurred capital expenditure on property, plant and equipment and construction in progress with a cost of RMB142,324,000 (six months ended 30 June 2024: RMB44,094,000). Items of property, plant and equipment with a net book value of RMB1,404,000 were disposed of during the period (six months ended 30 June 2024: RMB13,919,000). Total depreciation for the period of RMB331,142,000 included depreciation on plant and equipment not under production amounted to RMB88,268,000 which was recorded in "other expenses" (six months ended 30 June 2024: Nil).

Prepayments for property, plant and equipment are presented as "other non-current assets" in the consolidated statement of financial position.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

10 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, there were no addition or derecognition of right-of-use assets (six months ended 30 June 2024: additions of RMB850,000 and derecognition of RMB994,000).

11 INVENTORIES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Raw materials	277,878	405,731
Work in progress and finished goods	728,206	727,490
Racks, spare parts and consumables	145,478	164,340
	1,151,562	1,297,561
Less: write-down of inventories	(92,168)	(76,785)
	1,059,394	1,220,776

An analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold and used in service contracts	1,917,425	2,413,143
Write-down of inventories	73,316	–
	1,990,741	2,413,143

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

12 TRADE AND BILLS RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables due from:		
– third parties	523,160	430,374
– the Triumph Group and its related parties	594	1,371
	523,754	431,745
Less: loss allowance	(160,390)	(139,636)
Financial assets measured at amortised cost	363,364	292,109
Bills receivables	26,336	42,287
	389,700	334,396

Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to certain customers with good credit rating, depending on credit assessment carried out by management on an individual customer basis.

Ageing analysis

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	144,660	151,871
More than 1 month but less than 3 months	114,278	97,562
More than 3 months but less than 6 months	54,275	60,161
More than 6 months but less than 1 year	61,229	6,768
Over 1 year	15,258	18,034
	389,700	334,396

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

13 OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 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	115,394
	115,408	115,408
Deposits and other debtors:		
– receivables for relocation of production plants and government grants	106,087	109,087
– advances to third parties	196,068	193,545
– others	54,051	46,763
	356,206	349,395
Less: loss allowance	(201,954)	(192,499)
	154,252	156,896
Financial assets measured at amortised cost	269,660	272,304
Value added tax refundable/deductible	184,619	184,989
	454,279	457,293

Notes:

- (i) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- (ii) As at 30 June 2025, the amounts due from a non-controlling equity owner of a subsidiary of the Group are secured by the non-controlling equity owner's equity interests in this subsidiary. The amounts are non-interest bearing and have no fixed terms of repayment.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

14 CASH AT BANK AND ON HAND

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at bank and on hand in the consolidated statement of financial position	1,017,474	1,302,086
Less: time deposits and restricted deposits with banks	(440,361)	(673,745)
Cash and cash equivalents in the condensed consolidated cash flow statement	577,113	628,341

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 RMB742,098,000 (31 December 2024: RMB778,694,000).

15 TRADE AND BILLS PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables due to:		
– third parties	808,517	716,531
– the Triumph Group and its related parties	222,810	214,172
	1,031,327	930,703
Bills payables	239,496	191,458
Financial liabilities measured at amortised cost	1,270,823	1,122,161

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Due within 1 month or on demand	1,073,831	955,897
Due after 1 month but within 6 months	184,146	166,264
Due after 6 months but within 1 year	12,846	–
	1,270,823	1,122,161

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

16 ACCRUED CHARGES AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Amounts due to related parties:		
– the Triumph Group and its related parties (Note)	1,030,967	1,025,563
– a non-controlling equity owner of a subsidiary (Note)	56,644	56,641
	1,087,611	1,082,204
Accrued charges and other payables:		
– payables for construction and purchase of property, plant and equipment, land use rights and other non-current assets	257,577	299,189
– payables for staff related costs	92,186	98,576
– payables for dividends to non-controlling equity owners of subsidiaries	4,817	4,817
– payables for transportation expenses	4,894	10,441
– deposits	72,016	79,757
– others	55,657	50,876
	487,147	543,656
Financial liabilities measured at amortised cost	1,574,758	1,625,860
Payables for miscellaneous taxes	48,628	60,490
Provision for legal claims	488	1,506
	1,623,874	1,687,856

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

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

17 BANK LOANS AND OTHER BORROWINGS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current liabilities		
Bank loans:		
– pledged by bank bills	428,383	627,160
– secured and/or guaranteed (Note (i))	900,898	988,304
– unguaranteed and unsecured	1,673,283	1,320,787
	3,002,564	2,936,251
Borrowings from the Triumph Group		
– unguaranteed and unsecured (Notes (ii))	1,177,612	1,184,269
Long-term bank loans due within one year:		
– secured and/or guaranteed (Note (iii))	790,834	854,597
– unguaranteed and unsecured (Note 17(b))	1,066,351	1,129,124
	1,857,185	1,983,721
Long-term loans from other financial institutions due within one year:		
– secured and/or guaranteed (Note (iii))	1,023,108	1,216,472
– unguaranteed and unsecured	210	210
	1,023,318	1,216,682
	7,060,679	7,320,923
Non-current liabilities		
Bank loans:		
– secured and/or guaranteed (Note (iii))	1,140,749	1,219,228
– unguaranteed and unsecured	570,954	475,800
	1,711,703	1,695,028
Loans from other financial institutions:		
– secured and/or guaranteed (Note (iii))	548,706	900,989
	2,260,409	2,596,017
	9,321,088	9,916,940

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

17 BANK LOANS AND OTHER BORROWINGS (continued)

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 30 June 2025, 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 RMB1,104,336,000 (31 December 2024: RMB1,082,739,000).

- (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 1.60% to 2.85% (31 December 2024: 2.10% to 3.38%), 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 the Triumph Group and subsidiaries of the Group. As at 30 June 2025, the loans guaranteed by the Triumph Group is RMB258,144,000 (31 December 2024: RMB424,113,000).

As at 30 June 2025, 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 RMB3,730,906,000 (31 December 2024: RMB3,961,954,000).

(a) The Group's long-term bank loans and other borrowings are repayable as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year or on demand	2,880,503	3,200,403
After 1 year but within 2 years	1,217,878	1,086,592
After 2 years but within 5 years	918,048	1,353,286
After 5 years	124,483	156,139
	5,140,912	5,796,420

As mentioned in Notes 2 and 23, the Group has triggered the cross-default provisions of loans and borrowings due after one year of RMB1,760,409,000 after the end of the reporting period, which resulted in the Group being under an immediate repayment obligation of such borrowings. The above repayment schedule has not reflected such reclassification from non-current to current.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

17 BANK LOANS AND OTHER BORROWINGS (continued)

(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 bank loans and borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2025, none of the covenants relating to the bank loans and other borrowings had been breached except where the Group did not fulfil certain covenants in a bank loan agreement, and accordingly, the non-current portion of this bank loan amounted to RMB432,000,000 with the original contractual repayment dates beyond 30 June 2026 was reclassified as current liabilities.

(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 30 June 2025, the carrying amount of financial liabilities under these arrangements amounted to RMB277,449,000.

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 RMB269,749,000 are non-cash transactions.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

No final dividend in respect of the previous financial year has been approved and paid during the interim period (six months ended 30 June 2024: Nil).

(b) Equity-settled share-based transactions

(i) Share option scheme

The Company has a share option scheme (the "Share Option Scheme 2016") which has been approved by a special general meeting of shareholders of the Company on 19 February 2016. No share options were granted or exercised under the Share Option Scheme 2016 during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(ii) Share award scheme

On 12 December 2011, 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 of the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

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

	No. of shares held '000
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	152,000

During the six months ended 30 June 2025, no ordinary share was purchased for the Share Award Scheme (six months ended 30 June 2024: Nil). No shares have been awarded to any selected employee as at the date of this interim financial report.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions during the six months ended 30 June 2025:

(a) Transactions with the Triumph Group and its related parties

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Purchase of raw materials	18,472	111,736
Engineering services received	9,577	186,664
Sales of glass products	–	6,908
Services provided	164	6,153
Net decrease in guarantees received for the Group's bank loans and other borrowings	(165,969)	(390,688)
Net (decrease)/increase in borrowings from the Triumph Group and its related parties	(6,657)	80,088
Interest expenses in relation to borrowings from and payables due to the Triumph Group and its related parties	33,262	18,811

(b) Transactions with a joint venture of the Group

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Purchase of raw materials (excluding prepayments)	35,883	8,830

20 COMMITMENTS

At 30 June 2025, the outstanding capital commitments of the Group not provided for in the interim financial report were as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Commitments in respect of acquisitions of land and buildings, and machinery and equipment		
– contracted for	219,583	229,158
– authorised but not contracted for	160,244	438,217
	379,827	667,375

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in RMB unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair values 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 were not materially different from their fair values as at 31 December 2024 and 30 June 2025.

22 CONTINGENT LIABILITY

- (a) 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 noncompliance.

In May 2025, pursuant to an appeal made by Orda Glass against the imposed fine, the Specialized Interdistrict Administrative Offenses Court of the Kyzylorda Region fully annulled the fine imposed on Orda Glass and terminated the proceedings in the case. As of the date of the interim report, management of the Group is not aware that an appeal has been filed by the Regional DOE, although it has a right to do so. Management of the Group consider the outcome of the matter remains uncertain. No provision has therefore been made in this interim report with respect to this matter.

- (b) As mentioned in Notes 2 and 23, after the end of the reporting period and up to the date of approval of this interim report, the Group has defaulted a syndicated loan and certain other bank loans and borrowings, which also triggered the cross-default provisions of other outstanding borrowings. The agreements of these loans and borrowings contain clauses regarding penalty interests to be charged when the loans and borrowings are overdue. The Group is actively negotiating with the bank syndicates and lenders to extend and/or restructure the terms of the syndicated loan and other loans and borrowings that have fallen overdue. Subject to the result of these negotiations, the directors of the Company consider that the amount of the penalty interests, if any, cannot be reliably estimated at the date of this interim report.

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Group has defaulted and is unable to repay borrowings due totalling RMB1,295,854,000, including a syndicated loan of USD141,700,000 (equivalent to approximately RMB1,022,699,000) and other bank loans and borrowings of RMB273,155,000. The above defaults also triggered the cross-default provisions of other outstanding borrowings of approximately RMB6,711,453,000, which represented bank loans and other borrowings of approximately RMB4,951,044,000 that are originally due within one year and approximately RMB1,760,409,000 that are originally due after one year as at the end of the reporting period, and resulted in the Group being under an immediate repayment obligation of such outstanding borrowings. This interim financial report has not reflected the reclassification of the non-current bank loans and other borrowings to current arising from the triggering of the cross-default provisions. The Group is taking and entering into various initiatives, including proactively negotiating with the relevant banks and financial institutions, to mitigate and manage the liquidity pressure (see Note 2 for details).