



CHINA GLASS HOLDINGS LIMITED
中國玻璃控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 3300)

2025

ANNUAL REPORT



* For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Lyu Guo (*Chief Executive Officer*) (*redesignated as non-executive director on 30 September 2025*)

Mr. Lyu Yingcheng (*Chief Executive Officer*) (*appointed on 30 September 2025*)

Non-executive Directors

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

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

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

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

Mr. Xie Changqing (*appointed on 22 April 2025, and resigned on 30 September 2025*)

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

Mr. Lyu Guo (*redesignated on 30 September 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. Lyu Guo (*resigned on 30 September 2025*)

Mr. Lyu Yingcheng (*appointed on 30 September 2025*)

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

SENIOR MANAGEMENT

Mr. Ye Zhihui

Mr. Cai Guo

Mr. Fan Xingsheng (*appointed on 30 March 2026*)

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 (*resigned on 30 September 2025*)

Mr. Lyu Yingcheng (*appointed on 30 September 2025*)

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

Unit 2608, 26/F, West Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

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

Room 201, Floor 2, Block 1

No. 66 Sibao Road 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
Tiantai Law Firm

As to Bermuda Law
Appleby

PRINCIPAL BANKERS

China CITIC Bank
Shanghai Pudong Development Bank
China Construction Bank
Agriculture Bank of China
Hua Xia Bank
Bank of Communications
Ping An Bank
Bank of East Asia
Hengfeng Bank
Standard Chartered Bank

AUDITORS

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

INVESTOR RELATIONS CONSULTANT

Wonderful Sky Financial Group Holdings Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited: 3300

WEBSITE

www.chinaglassholdings.com

Financial Highlights

The summary of the results and the assets and liabilities of China Glass Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for each of the five years ended 31 December 2025 are extracted from the audited financial statements of this report and the Company’s 2021, 2022, 2023 and 2024 annual reports.

RESULTS (EXPRESSED IN RENMINBI (“RMB”))

	2025 RMB’000	The Group Year ended 31 December			
		2024 RMB’000 (Re-presented)	2023 RMB’000 (Unre-presented)	2022 RMB’000 (Unre-presented)	2021 RMB’000 (Unre-presented)
Continuing operations					
Revenue	1,457,908	1,460,289	5,307,924	4,327,196	5,065,048
Cost of sales	(944,188)	(1,061,637)	(5,008,413)	(3,689,007)	(3,331,345)
Gross profit	513,720	398,652	299,511	638,189	1,733,703
Other income	18,683	43,184	188,604	170,638	3,140
Distribution costs	(68,605)	(57,463)	(114,049)	(101,166)	(83,213)
Administrative expenses	(98,150)	(85,347)	(394,344)	(330,717)	(337,572)
Impairment gain/(losses) on receivables and contract assets	336	(2,161)	(953)	(23,853)	(566)
Other operating expenses	(95,702)	(44,010)	(141,875)	–	(13,440)
Profit/(loss) from operations	270,282	252,855	(163,106)	353,091	1,302,052
Finance costs	(160,103)	(149,243)	(389,964)	(267,713)	(232,802)
Net gain on acquisition of interests in a joint venture	–	–	33,628	–	–
Net gain on disposal of interests in a joint venture	–	–	98	–	–
Share of profit less losses of joint ventures	–	–	(31,280)	(60)	(56)
Profit/(loss) before taxation	110,179	103,612	(550,624)	85,318	1,069,194
Income tax	(8,630)	(25,967)	63,216	16,457	(267,247)
	101,549	77,645	(487,408)	101,775	801,947
Discontinued operations					
Loss for the year from discontinued operations	(5,739,995)	(1,041,621)	–	–	–
(Loss)/profit for the year	(5,638,446)	(963,976)	(487,408)	101,775	801,947

ASSETS AND LIABILITIES

	2025 RMB’000	The Group As at 31 December			
		2024 RMB’000	2023 RMB’000	2022 RMB’000	2021 RMB’000
Total assets	7,522,735	14,222,765	14,960,243	13,285,303	10,380,534
Total liabilities	(12,222,378)	(13,338,739)	(12,735,639)	(9,994,404)	(7,002,511)
Net (liabilities)/assets	(4,699,643)	884,026	2,224,604	3,290,899	3,378,023

Chairman's Statement

To shareholders,

In 2025, global economic growth momentum remained insufficient, with a notable divergence in the pace of economic recovery across regions. Against the backdrop of profound changes in the external environment and the continuous advancement of domestic supply-side structural reforms, the glass industry underwent a structural supply-demand reshaping. In this context, innovation-driven industrial upgrading and the gradual improvement of the industry's competitive landscape moved the supply-demand structure of the glass industry progressively towards dynamic equilibrium. The rapid growth of demand in certain emerging overseas markets brought new development opportunities to the industry.

The year 2025 was the most difficult operating environment and the most severe challenges the Company had faced since its establishment. Affected by the deep adjustment in the glass industry, market competition was exceptionally intense, and the challenges encountered by the Company exceeded expectations. In response to this situation, we focused on four main priorities, namely "credit repair, management optimisation, revenue enhancement and debt control, and quality and efficiency improvement". With the joint efforts of all employees, we succeeded in stabilising the core business fundamentals. Although the domestic business faced considerable pressure, we made solid progress in internationalisation: the Nigerian subsidiary maintained sound operations with stable performance growth; the Kazakhstan subsidiary achieved notable improvements in both operational efficiency and effectiveness; and the Egypt project advanced as planned, laying a more solid foundation for the Company's long-term development.

Looking ahead to 2026, the profound changes unseen in a century are accelerating, with significant uncertainties in economic growth persisting, and the low-growth trend is likely to continue. The Company will act in line with the guiding principle of "seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old", grasp the development trends of the domestic and international industries, optimise existing operations, and expand new growth drivers. With "technological innovation" as the primary driver and the "internationalisation strategy" as an important guide, we will promote the effective integration of technological innovation and capital investment, and accelerate the transformation of our development model from "scale expansion" to "quality and efficiency enhancement". In the process of internationalisation, the Company will steadfastly follow the path of "going global, integrating locally, and moving up the value chain", continuously consolidate its global market presence, and steadily raise its level of international operations, thereby opening up broader development space for the Company's strategic transformation and enduring prosperity.

On behalf of the Board, I would like to express my sincere gratitude to the shareholders and investors who have consistently cared for and supported the Company's development, as well as to all employees who have devoted their diligent efforts to the Company.

Tang Liwei
Chairman

Management Discussion and Analysis

MARKET REVIEW

In 2025, the global economy experienced low-growth divergence, further accentuating the trend toward regionalization in global industrial chains. Affected by the deep adjustment of the real estate sector and supply-demand structural imbalances, the domestic glass industry faced dual pressures on prices and costs, with overall profitability remaining at historically low levels. Guided by capacity control and “anti-involution” policies, the industry witnessed accelerated phase-out of outdated capacity. Products with cost and technological advantages benefited from policy tailwinds, and the industry’s competitive landscape accelerated its restructuring toward diversification and high-end development. Amidst this process, actively expanding into overseas markets has become a crucial strategic breakthrough path for enterprises.

Emerging overseas markets demonstrated strong demand resilience, becoming highlights of industry growth. The profound restructuring of the global industrial landscape has created significant development opportunities for leading enterprises with international operational capabilities.

BUSINESS REVIEW

Overview

The Group owned 15 float glass production lines, 2 photovoltaic rolled glass production lines, 3 offline Low-E coated glass production lines, 5 solar reflector mirror production lines, and one glass equipment and technology service company. The Group’s glass products cover clear glass, tinted glass, coated glass, energy-saving and new energy glass, primarily used in construction, automotive, solar power generation, home furnishing, and home appliance sectors.

In 2025, the Group, after comprehensively assessing the domestic market conditions, operating status, the conditions of the production lines, as well as the Group’s strategic and development plans, has progressively suspended the operation of three float glass production lines and one photovoltaic rolled glass line in the PRC. Among these, three production lines were suspended due to planned relocation or technological upgrades, and one production line was suspended due to expiration of its production quota. On the current domestic market outlook, the Group’s shift in strategic focus to the overseas market, there are currently no plans for the resumption of production of the suspended production lines in the PRC.

The Company has been solidly advancing its globalization strategy, establishing an industrial layout centered around Nigeria, Kazakhstan, and Italy along the “Belt and Road” route, covering glass manufacturing and equipment supply. In 2025, the Company’s Egypt project progressed as planned; simultaneously, the Company continued exploring other emerging markets with development potential, prudently evaluating new opportunities for international expansion.

Management Discussion and Analysis (continued)

Strategic Transformation

As at 31 December 2025, the management of the Group, having assessed the overall market conditions and the Group's liquidity positions, committed to a plan to sell its entire business in the Chinese Mainland (mainly comprising 15 glass production lines, hereinafter referred to as the "Chinese Mainland Operations" or the "Discontinued Operations") to provide the Group with an immediate cash inflow for settling its indebtedness. This plan followed the Group management's strategic decision to place greater focus on its overseas operations, representing the production, marketing and distribution of glass and glass products, as well as the development of glass production technology (the "Continuing Operations"). In accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Chinese Mainland Operations have been presented as discontinued operations in the consolidated financial statements, with the related assets and liabilities classified as held for sale.

The Group conducted impairment assessments on the non-current assets of the Discontinued Operations based on the principle of financial prudence. These provisions reflect the management's cautious assessment to state the non-current assets of the Discontinued Operations at the lower of cost and fair value less costs to sell, thereby optimising the Group's balance sheet structure and enabling a dedicated focus on the Continuing Operations with higher growth potential.

In light of the above, the Group is taking and entering into several initiatives to mitigate and manage its liquidity pressure. The Group is actively proceeding with the disposal plan of the Chinese Mainland Operations, which includes but is not limited to dismantling and selling removable assets from production lines with suspended operations, seeking government assistance for land repurchase or transferring land and buildings to other manufacturers, and liquidating certain companies to obtain cash inflow through asset disposals. Regarding debt management, the Group is continually negotiating with related lenders to extend and/or restructure the terms of bank loans and other borrowings that have fallen overdue. Furthermore, the Group is seeking potential strategic investors to obtain funds for operations and is committed to releasing the Company from guarantees provided to the Chinese Mainland Operations through direct repayment or by taking over the related borrowings, in order to further solidify the Group's financial foundation.

Production, Sales and Selling Prices

In 2025, the Group's continuing operations demonstrated strong market competitiveness and earnings resilience. Among these, the Group operates two high-quality float glass production lines in Nigeria and Kazakhstan, which operated stably during the reporting period. For the year ended 31 December 2025, these production lines produced a total of approximately 8.48 million weight boxes of various glass products, representing an increase of approximately 23% compared to the previous year. Sales volume reached approximately 7.82 million weight boxes, an increase of approximately 6% year-on-year. The overall average selling price was RMB143 per weight box, representing a decrease of approximately 3% compared to the previous year.

Raw Material Prices and Manufacturing Costs

In terms of soda ash, both the Nigerian and Kazakhstan markets were influenced by the global supply glut, resulting in a relatively favorable procurement environment. Regarding silica sand, local supply and demand in Nigeria remained balanced, with stable prices; whereas in Kazakhstan, quartz sand faced upward price pressure due to rising logistics costs and higher quality requirements. As for energy, Natural gas prices in Nigeria exhibit seasonal fluctuations; prices in Kazakhstan were primarily influenced by government regulation, showing an initial increase followed by a decline.

Management Discussion and Analysis (continued)

MAJOR WORKS IN 2025

In 2025, facing the dual challenges of deep industry adjustments and interim pressures on its credit standing, the Group proactively responded to the complex and changing internal and external environment. Focusing on four aspects including “credit repair, management optimization, revenue enhancement and debt control, quality and efficiency improvement,” the Group steadily advanced various operational arrangements. Overall operations demonstrated resilience, with significant progress made in key areas:

1. Deepened Global Presence, Robust Growth in Overseas Operations

Amidst intensified industry competition and market pressures, the Group leveraged its global footprint to mitigate the impact of volatility in any single market, resulting in outstanding overseas performance. Subsidiaries in Nigeria and Italy continued to contribute high levels of profitability, while the Kazakhstan subsidiary significantly enhanced its profitability. The Egypt project entered the substantive construction phase.

Overseas production lines achieved record highs in multiple indicators through the optimization of production processes and the improvement of operation and management, among which the process optimization of the Nigerian subsidiary achieved remarkable results, with various production indicators hitting record highs since its commissioning; the Kazakhstan subsidiary strengthened process and quality management, delivering a notable improvement in product quality; and leveraging the Group’s offline coating technology reserves and technical advantages of painted glass, they have developed several high-performance products, bolstering the competitiveness of its overseas operations.

2. Driving Innovation-led Growth, Transforming Product Portfolio

The Group continued to make strides in high-value-added products, successfully mass-producing new low-resistance online Home Appliance Low-E glass, a new-generation high-performance triple-silver offline Low-E glass, and “CNG Grey” body-tinted glass, among which “CNG Blue” high-performance energy-saving glass was selected for the China Building Materials Industry “Sanpin” (Variety, Quality, Brand) Typical Cases list; furthermore, breakthroughs in thin-sheet automotive glass, and the qualified performance of TCO conductive glass, which reflect the Group’s targeted innovative R&D and achievement transformation capabilities, effectively enhanced the value of existing assets and advanced the strategic transformation of the product portfolio.

3. Mitigating Debt Risks, Solidifying Foundation for Sustainable Operations

The Group made steady progress in credit repair and debt risk mitigation, achieving phased results. Regarding debt restructuring: the restructuring of the Group’s maturing offshore syndicated loan was completed on 13 November 2025, while the extension and rollover of maturing onshore loans also progressed in an orderly manner. In response to interim repayment pressures and potential risks, the Group proactively formulated an overall debt restructuring plan, maintaining intimate communication and negotiation with financial advisors, potential financiers, and various creditor types. Multiple measures were implemented concurrently to advance fund raising, optimize loan tenors, and facilitate debt restructuring. Regarding operational support: concurrently formulated and enhanced risk prevention plans. Measures such as centralized procurement management, workforce streamlining and optimization, cost reduction and efficiency enhancement, product portfolio transformation, and the orderly clearance and disposal of non-core assets were implemented to enhance operational efficiency and profitability; and strictly controlled unnecessary capital expenditures.

Management Discussion and Analysis (continued)

4. Enhancing Governance Structure, Strengthening Compliance and Safety Defenses

In terms of governance effectiveness and organizational development, by optimizing management layers and business processes, the Group has significantly enhanced the strategic coordination efficiency between headquarters and various business units. Furthermore, the performance-oriented assessment mechanism has been refined to ensure the deep alignment of human resource allocation with core business objectives, resulting in a flatter, more efficient organizational structure. Moreover, the Group consistently prioritized safe production and compliance management as fundamental development principles. Through systematic upgrades to the risk prevention system, the Group achieved accident-free, stable operations throughout the year. In 2025, the Group's ESG efforts were achieved with the industry's highest "A+" rating.

MARKET OUTLOOK

Looking ahead to 2026, the global economy seeks balance amidst a complex and volatile external environment. China's economy is expected to maintain a general principle of pursuing progress while ensuring stability. With coordinated macro-policy efforts and a gradual stabilization of the real estate market, the glass industry may usher in a critical window period for structural transformation and high-quality development.

In key overseas markets such as Nigeria, Kazakhstan, and Egypt, driven by accelerated urbanization, infrastructure construction, and industry localization policies, demand for architectural glass demonstrates considerable resilience. The global glass industry landscape is undergoing accelerated restructuring. Enterprises possessing cross-border operational capabilities, technological adaptability, and supply chain integrity are well-positioned to seize the initiative in the upcoming cycle.

Raw Material Price and Manufacturing Cost Forecast

The supply glut in the Nigerian soda ash market is expected to persist, potentially leading to further decreases in procurement costs. Procurement prices for mineral materials in Nigeria face upward pressure from exchange rate volatility and rising logistics costs. Natural gas procurement prices in Nigeria have a definite upward expectation. In Kazakhstan, soda ash prices are expected to show wide fluctuations. Quartz sand prices still face upward pressure driven by logistics costs, while prices for dolomite and feldspar are expected to remain stable through channel optimization. Natural gas prices in Kazakhstan, under governmental influence, are expected to remain stable without significant market-driven fluctuations.

WORK PLANS FOR 2026

1. Focus on Overseas Development, Embrace Emerging Market Opportunities

The Group will unswervingly pursue its internationalization strategy. Regarding the existing footprint, it will fully consolidate the sound operational advantages of subsidiaries such as those in Nigeria, Kazakhstan, and Italy, continuously enhancing product and service competitiveness through "industrial deepening + technological innovation" to solidify the foundation for international growth. It aims to evolve the existing operations from merely "going global" to and further to "going up" for achieving symbiotic development with host countries and partners, and sharing in the dividends of regional economic growth. Furthermore, it will accelerate the construction progress of the Egypt project and continue exploring potential growth opportunities in other emerging markets, deepening the "going global" strategy to inject new impetus into the Group's long-term development.

Management Discussion and Analysis (continued)

2. Adhere to Innovation-driven Approach, Accelerate Industrial Structural Transformation and Upgrading

The Group will center its efforts on core tracks and core products, base itself on production practices and market demands, and clarify the direction of innovation. It will promote the deep integration of technological R&D with industrial application, refine the “organization, system, talent, capital” four-in-one innovation support framework, strengthen R&D investment guarantees and assessment incentives, and stimulate the innovation vitality of member enterprises.

In terms of implementation pathways, it will uphold the dual combination of long-term technological reserves with short-term breakthroughs, accelerating product R&D and process innovation in key areas, and facilitating the transformation of R&D achievements into large-scale production. It will synergistically advance technological innovation and talent cultivation, building a technically proficient, echeloned technical team. Concurrently, based on the resource endowments and regional market characteristics of each member enterprise, it will promote differentiated industry chain development and continuously optimize the product structure. By strengthening the positioning of advantageous products and increasing the proportion of high-value-added products, it will inject sustained momentum into the enterprise’s transformation, upgrading, and core competitiveness enhancement.

3. Coordinate Fund Management, Focus on Promoting Credit Repair

The Group will firmly focus on the core task of credit repair, coordinating domestic and international fund resources, strengthening top-down linkage, and striving to steadily restore the credit. Simultaneously, the Group will coordinate and balance the development layout and debt control, continuously optimize the debt structure, orderly advance high-interest debt replacement, and strive to reduce overall financing costs, ensuring the Group’s long-term stable development.

4. Deepen Differentiated Management and Lean Operations, Enhance Sustainable Operation Capability

The Group will implement a differentiated management and control system centered on “enterprise classification, target classification, product classification.” Based on enterprise profitability and development positioning, it will benchmark first-class standards for profitable enterprises and consolidate their profitability; concentrate on product upgrading and cultivating advantages for transforming enterprises; and implement targeted measures for governance-focused enterprises to curb losses in a timely manner. Simultaneously, it will focus on cultivating “star products” to build a competitive, high-value-added product cluster.

The Group will continue to deepen the “KPI + Key Tasks + Innovation” management model, refine the assessment mechanism balancing incentives and constraints. It will also accelerate digital construction, establishing a digital platform for operation and management to enhance data-driven decision-making capabilities, promoting the transformation of management from digitalization to digital intelligent.

5. Improve Market-oriented Mechanisms and Talent System, Stimulate Enterprise Operational Vitality

The Group will deepen the market-oriented compensation incentive mechanism, improve the assessment and distribution system oriented towards performance contribution, enhance the precision of incentive constraints, and link compensation with performance, stimulating the enthusiasm and creativity of personnel at all levels. Concurrently, it will advance “position and headcount rationalization” and lean management of labor costs comprehensively, improving human resource allocation efficiency.

Management Discussion and Analysis (continued)

In terms of talent team building, it will adhere to the combination of internal cultivation and external introduction. By improving the dual-channel development mechanism for management and professional skills, it will optimize the age structure and professional composition of the cadre team, strengthen the talent reserve for key positions, and focus on introducing professionals in R&D, marketing, and international operations, striving to build a core team that is aligned in action and highly responsible, thereby providing solid support for the Group's high-quality development.

6. Strengthen Safety and Environmental Management, Implement Primary Responsibilities

The Group will consistently adhere to the red line of safety and environmental protection, strictly implement the safety and environmental responsibility system for all member enterprises, and solidify primary responsibilities. It will continue to advance the National Three-Year Action Plan for Tackling Fundamental Issues in Work Safety, enhance the effectiveness of hazard investigation and rectification, and ensure the safety situation remains stable and controllable. Adhering to green and low-carbon development concept, it will increase environmental protection investment, promote energy-saving and carbon-reducing technological transformations, raise the proportion of waste heat power generation and green electricity usage, and strive to achieve advanced ratings in environmental performance assessment.

7. Plan Medium-to-Long-Term Development, Steadily Promote Strategic Implementation

The Group will begin formulating its medium-to-long-term development plans on the basis of its full commitment to resolving credit risks and continuously improving operating performance. On the domestic front, leveraging regional comparative advantages, the Group will continue to optimize its production capacity layout and accelerate the transformation and upgrading of traditional production lines. On the overseas front, the Group will seize development opportunities in overseas markets, pivoting its strategic focus towards international expansion, and will prudently select emerging markets with development potential to cultivate new profit growth drivers.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately RMB5,738 million for the year ended 31 December 2024 to approximately RMB4,587 million for the year ended 31 December 2025, representing a decrease of approximately 20%. The decline in revenue was primarily driven by the combined effect of a 14% fall in average selling prices amid continued weak domestic glass demand and an 8% decrease in sales volume due to partial production suspensions at the Group's mainland China facilities.

Of which:

Revenue from continuing operations was mainly derived from outside Mainland China, comprising sales of float glass and processed products, as well as design and installation-related services. Driven by expanded export sales of continuing operations, sales volume rose 6% year-on-year, while average selling price fell 3% due to the scaling effect. As a result, revenue slightly decreased from RMB1,460 million to RMB1,458 million, representing a decrease of 0.16%.

Management Discussion and Analysis (continued)

Gross profit

The Group's gross profit decreased from RMB311 million for the year ended 31 December 2024 to RMB228 million for the year ended 31 December 2025. Gross profit margin decreased from 5.4% in 2024 to 5.0% in 2025,

Of which:

- Gross profit from continuing operations rose from RMB399 million to RMB514 million, with gross profit margin increasing from 27.3% to 35.2%. Leveraging first-mover advantages and accumulated localised operations, the Group has possessed strong bargaining power in the regional market. With a solid customer base and an order book dominated by long-term cooperation, demand volatility is relatively low.
- Gross loss from discontinued operations increased from RMB88 million to RMB286 million, and gross profit margin fell from -2.1% to -9.1%. The decline in the gross profit margin of the domestic segment was mainly attributable to the planned shutdown of several production lines, coupled with lower domestic product selling prices in the corresponding period.

Other income

The Group's other income increased from RMB133 million for the year ended 31 December 2024 to RMB168 million for the year ended 31 December 2025, which was mainly due to increase in net income from disposal of property, plant, and equipment. Other income from continuing operations decreased from RMB43 million to RMB19 million, while other income from discontinued operations increased from RMB90 million to RMB149 million.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2025 amounted to RMB599 million, representing an increase of 54% compared with RMB389 million for the year ended 31 December 2024.

Of which:

- Administrative expenses relating to continuing operations increased from RMB85 million to RMB98 million, representing an increase of 15%; and
- Administrative expenses relating to discontinued operations increased from RMB304 million to RMB501 million, representing an increase of 65%, primarily due to an increase in one-off expenses such as staff resettlement arising from the shutdown of production lines amid strategic contraction.

Impairment losses on the receivables and contract assets

The Group's impairment loss on trade receivables and contract assets for the year ended 31 December 2025 was approximately RMB237 million, representing a significant increase compared with the impairment loss of RMB18 million for the year ended 31 December 2024. This was mainly attributable to an increase of approximately RMB208 million in the provision for impairment resulting from the extended aging of certain other receivables in discontinued operations.

Management Discussion and Analysis (continued)

Finance costs

The Group's finance costs for the year ended 31 December 2025 amounted to RMB426 million, representing a decrease of 10% compared with RMB474 million for the year ended 31 December 2024. This was mainly attributable to lower interest on bank loans and other borrowings, bank fees and other finance costs.

The Group will continue to optimise its debt structure, reduce the size of interest-bearing liabilities, further ease its financial burden and improve its capital structure.

Other operating expenses

Other operating expenses incurred by the Group for the year ended 31 December 2025 amounted to approximately RMB4,277 million, increased significantly as compared to approximately RMB437 million for the year ended 31 December 2024, mainly due to the significant increase in impairment provisions for property, plant and equipment, and goodwill. Other operating expenses for continuing operations increased from RMB44 million to RMB96 million, while those for discontinued operations increased from RMB393 million to RMB4,182 million.

Loss for the year

For the year ended 31 December 2025, the Group recorded a loss of approximately RMB5,638 million, compared to the net loss of approximately RMB964 million for the year ended 31 December 2024, with the scale of losses further expanding. Such loss is primarily attributable to the sustained weakening of demand in the domestic glass market, driven by the deep adjustment in the PRC real estate sector and the slowdown in the photovoltaic industry, leading to an imbalance in the industry supply and demand structure and subjecting the industry to dual pressures on both selling price and production cost, which resulted in a significant decline in the gross profit margin of the Group's domestic products and causing certain domestic glass production lines of the Group to suspend production during the year ended 31 December 2025 and subsequently. Given the reason above, the Group made impairment provisions of approximately RMB4.237 billion for certain production lines, plant and equipment, right-of-use assets, as well as goodwill after comprehensive assessment of the market environment, conditions of operating production lines and the plan for the suspended production lines.

The Group's discontinued operations in the PRC have been classified as held for sale. In accordance with the requirements of accounting standards, comparative information for the two-year period relating to such discontinued operations is no longer presented separately from continuing operations in the statement of financial position, so as to clearly reflect the Group's sustainable development structure with its overseas business as the core.

Current assets

The Group's current assets increased by approximately 66% from RMB3,761 million as at 31 December 2024 to RMB6,237 million as at 31 December 2025, which was mainly due to the increase in assets held for sale.

Non-current assets

The Group's non-current assets decreased by approximately 88% from RMB10.4621 billion as at 31 December 2024 to RMB1.29 billion as at 31 December 2025, which was mainly due to the reclassify non-current assets as current assets.

Current liabilities

The Group's current liabilities increased by approximately 15% from RMB10.561 billion as at 31 December 2024 to RMB12.182 billion as at 31 December 2025, which was mainly due to an increase in liabilities relating to assets held for sales.

Management Discussion and Analysis (continued)

Non-current liabilities

The Group's non-current liabilities decreased by approximately 99% from RMB2.778 billion as at 31 December 2024 to RMB40 million as at 31 December 2025, which was mainly due to the reclassification of long-term bank loans and other borrowings to current liabilities.

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

As at 31 December 2025, the continuing operations cash on hand and at bank were RMB271 million (31 December 2024: RMB1.302 billion), of which 0.41% (31 December 2024: 61%) were denominated in RMB, 27.65% (31 December 2024: 9%) were denominated in United States Dollars ("USD"), 47.54% (31 December 2024: 8%) were denominated in Euro ("EUR"), 4.68% (31 December 2024: 20%) were denominated in Nigerian Naira, 6.58% (31 December 2024: 2%) were denominated in Hong Kong dollars ("HKD"), and 13.14% (31 December 2024: 0.25%) were denominated in Kazakhstani Tenge. Outstanding bank loans and other borrowings were RMB1.668 billion (31 December 2024: RMB9.917 billion), of which 41% (31 December 2024: 89.1%) were denominated in RMB, 57% (31 December 2024: 10.5%) were denominated in USD, and 2% (31 December 2024: 0.4%) were denominated in EUR. As at 31 December 2025, 18% (31 December 2024: 62%) of the outstanding bank loans and other borrowings bear interest at fixed rates while approximately 82% (31 December 2024: approximately 38%) bear interest at variable rates.

As at 31 December 2025, the gearing ratio of continuing operations (total interest-bearing debts divided by total assets) was 0.84 (31 December 2024: 0.70). As at 31 December 2025, continuing operations' current ratio (current assets divided by current liabilities) was 0.34 (31 December 2024: 0.36). The Group recorded net current liabilities amounting to RMB5.945 billion as at 31 December 2025 (31 December 2024: RMB6.800 billion). The assets-liabilities ratio (total liabilities divided by total assets) of continuing operations was 1.08 as at 31 December 2025 (31 December 2024: 0.94).

CHARGED ASSETS

As at 31 December 2025, a syndicated loan of the Group amounting to RMB951,764,000 is secured by the Company's equity interests in certain subsidiaries and deposits of the continuing operations, and is guaranteed by other subsidiaries of the continuing operations; and a bank loan of EUR3,433,000 (equivalent to approximately RMB28,280,000) is secured by property, plant and equipment of the continuing operations.

For discontinued operations, certain properties, plant and equipment and construction in progress and inventories and land use rights of the Group with a carrying amount of approximately RMB 2.377 billion (31 December 2024: approximately RMB3.000 billion), and certain trade and bills receivables of the Group with a carrying amount of approximately RMB 50 million (31 December 2024: approximately RMB627 million) were pledged against certain bank loans with a total amount of approximately RMB 2.642 billion (31 December 2024: approximately RMB2.972 billion) as at 31 December 2025.

Management Discussion and Analysis (continued)

CONTINGENT LIABILITIES

- (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 non-compliance.

In May 2025, pursuant to an appeal made by Orda Glass against the imposed fine, the Specialised Interdistrict Administrative Offenses Court of the Kyzylorda Region fully annulled the fine imposed on Orda Glass and terminated the proceedings in the court. Under the Kazakhstan law, an appeal by the prosecutor may be filed within one year from the date on which the court decision entered into legal force. Any further stages of review are possible only upon completion of the appellate process. As of the date of this report, the management is not aware of any appeal filed by the Regional DOE.

Given that the right to appeal remains available to the authorities and the ultimate outcome cannot be determined, no provision has therefore been made in this report with respect to this matter.

- (b) As mentioned in Notes 3 to the financial information extracted from the consolidated financial statements, as of the end of the reporting period and up to the date of approval of these financial statements, the Group has defaulted certain bank loans and borrowings, which also triggered the cross-default provisions of other outstanding borrowings. The agreements of these bank loans and borrowings contain clauses regarding penalty interests to be charged when the bank loans and borrowings are overdue. The Group is actively negotiating with the lenders to extend and/or restructure the terms of the bank loans and borrowings that have fallen overdue. Subject to the result of the above negotiations, the Group considers that the amount of the penalty interests, if any, cannot be reliably estimated at the date of this report.

SIGNIFICANT ASSET IMPAIRMENT

During the financial year ended 31 December 2025, following a comprehensive assessment of the market environment, the operating conditions of the production lines in operation and management’s future plans for the suspended production lines, the Group recognised impairment provisions of approximately RMB4.2 billion for certain production lines, including impairment provisions of: (i) RMB3,931,416,000 for property, plant and equipment; (ii) RMB40,348,000 for right-of-use assets; (iii) RMB219,880,000 for goodwill; and (iv) RMB45,577,000 for other non-current assets.

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

During the year ended 31 December 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 had any significant investments.

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

Management Discussion and Analysis (continued)

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 31 December 2025, the Group employed a total of 3,261 employees within and outside the PRC (31 December 2024: 4,589 employees). Compared to 31 December 2024, the Group experienced a reduction in its workforce as of 31 December 2025. This was primarily attributable to implement resource consolidation and efficiency improvement for certain production lines in Mainland China, aimed at enhancing overall operational resilience amidst significant industry realignment. Adhering to the principle of putting people first, the Group has formulated a human resource adjustment plan. Through robust communication mechanisms and subsequent safeguard measures, the Group resolutely protected the rights and interests of employees while ensuring the continuous improvement of operational efficiency.

The Group ensures that the remuneration levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system.

The employees of the companies in the Group which were established in the PRC and overseas participate in benefit schemes in line with local labor laws and regulations, respectively. Details of staff costs and pension schemes are set out in Note 6(b) to the full set of the consolidated financial statements.

The employees of the subsidiaries of the Group established in the Chinese Mainland participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 16% of the employees' salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the Chinese Mainland, from the above-mentioned retirement schemes at their normal retirement age. Under these plans, no forfeited contributions can be used by the employers to reduce the existing level of contributions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (31 December 2024: Nil).

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Details of important events that have occurred since the end of the reporting period are disclosed in Note 37 to the consolidated financial statements.

EXCHANGE RATE RISK AND RELATED HEDGING

The Group's transactions and monetary assets were primarily denominated in RMB, EUR, USD, Nigerian Naira and Kazakhstani Tenge. Operating expenses and domestic sales of the Group's PRC subsidiaries were primarily denominated in RMB, operating expenses and sales of subsidiaries incorporated in Nigeria and Kazakhstan were primarily denominated in Nigerian Naira and Kazakhstani Tenge, and certain borrowings of the Group were denominated in RMB and USD. The Group was of the opinion that the future fluctuation of monetary assets would be closely associated with the development of the local economy. The Group's net assets, profits and dividends may be affected by the fluctuation of the exchange rate of RMB, USD, EUR, Nigerian Naira and Kazakhstani Tenge. As at 31 December 2025, the Group has not used any financial instrument for hedging.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's revenue from sales of goods or rendering of services (including the revenue from continuing operations and discontinued operations) attributable to the Group's five largest customers accounted for 14% of the Group's total sales for the year; and 25% of the Group's purchases were attributable to the Group's five largest suppliers. The Group's top five customers and suppliers are all independent third parties.

Report of the Directors

The board of directors (the “Board” or the “Directors”) of China Glass Holdings Limited (the “Company”) presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025.

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

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

PRINCIPAL ACTIVITIES

Details of the principal activities of the Group are set out in Note 18 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The consolidated income statement of the Group for the year ended 31 December 2025 and the state of the Company’s and of the Group’s assets and liabilities as at that date are set out in the consolidated financial statements on pages 103 to 106 and page 209 to 211.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (31 December 2024: Nil).

GROUP’S FIVE YEARS FINANCIAL SUMMARY

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

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of the financial statements. Details of movements in the reserves of the Company during the year are set out in Note 31(a) to the consolidated financial statements.

DONATIONS

The charitable or other donations of the Group were approximately RMB40,600 during the year ended 31 December 2025 (2024: RMB73,400).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2025 are set out in Note 31(c) to the consolidated financial statements.

As at 31 December 2025, the issued share capital of the Company was 1,836,218,258 ordinary shares of par value HK\$0.05 each (the “Shares” and each a “Share”). During the year ended 31 December 2025, there were no changes to the total number of Shares or the share capital structure of the Company.

PRE-EMPTIVE RIGHTS

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

DISCLOSURE PURSUANT RULES 13.19 AND 13.21 OF THE LISTING RULES

As disclosed in the Company’s announcement dated 20 August 2025, in respect of the facility agreement entered into with a syndicate of banks, represented by Standard Chartered Bank (Hong Kong) Limited as agent for certain loan facilities, the Company had been unable to repay the outstanding amount when it was due. The non-payment constituted an event of default under the facility agreement which could have a negative impact on the Group’s operations. As disclosed in the company’s announcement dated 14 November 2025, the Group had entered into a second deed of amendment and restatement with various parties to amend and restate the above-mentioned facility agreement to amend the relevant repayment date to on year from the effective date of the deed of amendment (i.e. 13 November 2025), which may be further extended for an additional period of not exceeding six months subject to fulfillment of certain conditions. For further information, please refer to the Company’s announcements dated 20 August 2025 and 14 November 2025.

DIRECTORS

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

Executive Directors

Mr. Lyu Guo (*Chief Executive Officer*) (*redesignated as non-executive director on 30 September 2025*)

Mr. Lyu Yingcheng (*Chief Executive Officer*) (*appointed on 30 September 2025*)

Non-executive Directors

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

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

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

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

Mr. Xie Changqing (*appointed on 22 April 2025, resigned on 30 September 2025*)

Mr. Lyu Guo (*redesignated on 30 September 2025*)

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

Report of the Directors (continued)

Independent Non-executive Directors

Mr. Zhang Baiheng
Mr. Chen Huachen
Ms. Lan Haiqing

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

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

Mr. Lyu Yingcheng, Mr. Tang Liwei, Mr. Xie Changqing and Mr. Yang Xinyu obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 29 September 2025, 22 April 2025, 22 April 2025 and 22 April 2025, respectively, and have confirmed that they understood their obligations as a Director.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the year ended 31 December 2025, none of the Directors or any entity connected with the Directors had any material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries and fellow subsidiaries was a party.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save and except for the share option scheme and the share award scheme disclosed on pages 187 to 188 of this report and Note 29 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors, their respective spouse or minor children, to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or in any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year ended 31 December 2025.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in Note 9 to the consolidated financial statements.

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

PERMITTED INDEMNITY PROVISION

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

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

As at 31 December 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 pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors	Company/Name of Associated Corporation	Capacity	Total Number of Ordinary Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽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 31 December 2025, the total number of issued Shares is 1,836,218,258.

Save as disclosed above, as at 31 December 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.

Report of the Directors (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 31 December 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 ⁽¹⁰⁾
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%
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%
Triumph Science & Technology Group Co., Ltd.	Beneficial owner/Interest of a controlled corporation ⁽⁷⁾	416,424,621 (L)	22.68%
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	109,704,000 (L)	5.97%
Mr. Tung Ching Sai	Interest of spouse ⁽⁹⁾	109,704,000 (L)	5.97%

Report of the Directors (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. Pursuant to Part XV of the SFO, Bengbu Huajin Holdings Co., Ltd. and United Strength Upward Limited are taken to be interested in the shares held by New Glory Management Limited.
- (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. Pursuant to Part XV of the SFO, 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.
- (6) Exponential Fortune Group Limited is owned as to 49% by Mr. Zhao John Huan. Pursuant to Part XV of the SFO, Mr. Zhao John Huan is taken to be interested in the 272,926,000 shares held by New Glory Fund L.P.
- (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. Pursuant to Part XV of the SFO, 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.
- (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 31 December 2025, the total number of issued Shares is 1,836,218,258.

Save as disclosed above, as at 31 December 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.

Report of the Directors (continued)

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) at its special general meeting held on 19 February 2016. Since the date of adoption of the Share Option Scheme, no share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme. The following is a summary of the principal terms of the rules of the Share Option Scheme:

(a) Who may join

The Board may at its discretion grant options to: (i) any executive Director, or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest (the “Invested Entity”); (ii) any non-executive Directors (including independent non-executive Directors) of the Company, any member of the Group or any Invested Entity; (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity (collectively, the “Qualified Participants” and each, a “Qualified Participant”).

(b) The purpose of the Share Option Scheme

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

(c) Subscription price

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

(d) Grant of option

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

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

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

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

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

(f) Timing for exercise of options

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

(g) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the date on which the Share Option Scheme is deemed to take effect in accordance with its terms. The Company's Share Option Scheme expired on 18 February 2026 (the "Expiry Date"). No further options will be granted after the Expiry Date, 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.

As at the date of this report, the Company has no existing and effective Share Option Scheme arrangements. The Company will consider adopting new share schemes at an appropriate time according to the needs of business development and market practices, and will strictly comply with the relevant provisions of the Listing Rules (in particular Chapter 17) and perform disclosure and approval procedures in a timely manner.

Report of the Directors (continued)

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 a 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, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee. In addition, where any grant of awarded shares is proposed to be made to any Director or any other person who is a connected person within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

(b) The purpose of the Share Award Scheme

The purposes of the Share Award Scheme are to recognise the contributions made by Selected Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

(c) Operation of the Share Award Scheme

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

(d) Life of the Share Award Scheme

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

(e) Grant of Awarded Shares

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

(f) Administration

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

(g) Scheme Limit

Pursuant to the Share Award Scheme, the Board shall not make any further award of awarded Shares which will result in the aggregate nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding ten (10) per cent. of the issued share capital of the Company at the time of such award. As at 31 December 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.

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

As at 1 January 2025 and 31 December 2025, there were no outstanding unvested awards granted to any Selected Employees under the Share Award Scheme. During the year ended 31 December 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 29(b) to the consolidated financial statements.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Executive Director

Mr. Lyu Yingcheng*(呂應成), aged 54, is the Executive Director, Chief Executive Officer and a Member of the Strategy Committee of the Company. Mr. Lyu is a Senior Economist, holding a postgraduate degree in Economics from the Party School of the Central Committee of the Communist Party of China and a Master of Engineering degree in Software Engineering from Huazhong University of Science and Technology. He had previously served as the principal person-in-charge of several subsidiaries of Triumph Science & Technology Group Co., Ltd. (a substantial shareholder of the Company), including Chairman, Executive Director, Legal Representative, Director and General Manager, with key positions including Secretary of the Party Committee, Chairman, Legal Representative and General Manager of China Yaohua Glass Group Co., Ltd., General Manager of Triumph Glass Holdings Co., Ltd., and Deputy General Manager and Chief Financial Officer of China Luoyang Float Glass Group Co., Ltd. With years of experience in the glass industry, he has extensive expertise in corporate strategic planning, operation management and financial management.

Report of the Directors (continued)

Non-executive Directors

Mr. Tang Liwei*(湯李煒), aged 52, is the Chairman of the Board, a Non-executive Director, the Chairman of the Strategy Committee, a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee of the Company. He joined the Group in April 2025. He holds a Master of EMBA degree from Shanghai University of Finance and Economics, and professional qualifications as a Senior Accountant and Certified Management Accountant (CMA) in the United States. He is currently a Member of the Party Committee and Executive Deputy General Manager of Triumph Science & Technology Group Co., Ltd. ("Triumph Group", a substantial shareholder of the Company). He has served as a Director, Deputy General Manager and Chief Accountant of Triumph Group, Director of the Finance Department and Assistant to the President of China Triumph International Engineering Co., Ltd. (an associate of Triumph Group), Executive Director of Triumph Glass Holdings Co., Ltd. (an associate of Triumph Group), and Chairman and Director of several subsidiaries of Triumph Group (associates of Triumph Group, all unlisted companies). He has over 30 years of rich experience in corporate management, investment and financing, and financial management.

Mr. Lyu Guo*(呂國), aged 62, is a Non-executive Director of the Company. He is a Researcher-level Senior Engineer. He graduated in 1984 with a bachelor's degree in Glass from Wuhan Institute of Building Materials Industry (now known as Wuhan University of Technology). He joined the Group in August 1984 and was re-designated from an Executive Director to a Non-executive Director on 30 September 2025. Prior to this, he served as an Executive Director, Chief Executive Officer and a Member of the Strategy Committee of the Company, and held positions including Chairman, Legal Representative, Director and General Manager of several subsidiaries of the Company. He is a bearer of the National May 1 Labor Medal, a Representative Figure of Reform and Opening up of the Building Materials Industry in Jiangsu Province, and was awarded the title of 2018 Excellent Entrepreneur in the National Building Materials Industry. He has over 30 years of extensive experience in corporate management in the glass industry. He currently serves as Vice President of the China Building Materials Federation, Vice President of the China Architectural and Industrial Glass Association, and President of the Glass Branch of the Jiangsu Provincial Building Materials Industry Association.

Mr. Yang Xinyu*(楊昕宇), aged 46, is a Non-executive Director and a Member of the Strategy Committee of the Company. He joined the Group in April 2025. He holds a Bachelor of Laws degree, a Master of Laws degree from Renmin University of China and a Doctor of Laws degree from the University of Manchester in the United Kingdom. He has served as a Consultant in the Securities Department of King & Wood Mallesons Beijing Office, and Secretary of the Board and Executive Vice President of China Southern Glass Holdings Co., Ltd. (a company listed on the Shenzhen Stock Exchange). He is currently a Managing Director of the Investment Management Department of Hony Capital.

Report of the Directors (continued)

Independent Non-executive Directors

Mr. Zhang Baiheng*(張佰恆), aged 64, is an Independent Non-executive Director, the Chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Company. He joined the Group in January 2005. He is a university graduate and a Senior Engineer. He was a pilot and district chief in the Sixth Flight College of the Air Force Command College of the Chinese People's Liberation Army from 1979 to 1981. From 1981 to 1985, he was a student and district chief at the Staff Officer Faculty of the Air Force Command College of the Chinese People's Liberation Army. From 1985 to 1996, he served as a staff officer at the Training Department of the Air Force Command College of the Chinese People's Liberation Army. He has extensive experience in the building materials industry, having served as Deputy Director of the China Building Materials Federation and Independent Director of Hainan Development Holdings Nanhai Co., Ltd. (a company listed on the Shenzhen Stock Exchange). He currently serves as Independent Director of Jiangsu Xiuqiang Glasswork Co., Ltd. (a company listed on the Shenzhen Stock Exchange), President of the China Architectural and Industrial Glass Association, and Member of the Party Committee and Special Vice President of the China Building Materials Federation.

Mr. Chen Huachen*(陳華晨), aged 47, is an Independent Non-executive Director and the Chairman of the Audit Committee of the Company. He joined the Group on 27 December 2012. He is a Chartered Financial Analyst. He graduated from the Capital University of Economics and Business in 2001 with a bachelor's degree in Accounting, and from the Faculty of Business of the Hong Kong Polytechnic University in 2006 with a master's degree in Accounting. He also holds an MBA degree awarded by Columbia Business School in 2009. He was a senior staff member at the Department of Public Offering Supervision of the China Securities Regulatory Commission from 2003 to 2007. After graduating from Columbia University, he returned to China and worked for UBS Securities Co., Limited as a Director in the Greater China Investment Banking Division from 2009 to 2011. He worked for Qiming Ventures Partners as a Partner from 2011 to 2012. He has ample experience in the capital market and financial related matters.

Ms. Lan Haiqing*(藍海青), aged 59, is an Independent Non-executive Director, the Chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee of the Company. She joined the Group on 31 December 2024. She graduated from Ocean University of China in 1988 and obtained a master's degree in 2000 from the Hotel Management Institute of Switzerland. She has over 30 years of experience in the real estate, hotel management, property management and education and training industries, and has accumulated extensive practical experience in corporate operation and strategic management. In February 2024, she was appointed as the Chairman of the board of directors of the Hemsley Fraser Group and Deputy Chairman of Brest Business School in June 2024. She was the Senior Vice President and Chairman of the Investment Committee of China Jinmao Holding Group from 2011 to 2018. She was the General Manager and Chairman of Wangfujing Hotel Management Company Limited between 2002 and 2010 and concurrently the Chairman of Sinochem International Property & Hotel Management Company Limited. She previously served as a non-executive director of Jinmao (China) Hotel Investments Management Company Limited (a company listed on the Stock Exchange before privatisation and delisting (stock code: 6139)) between April 2016 and June 2018. She also served as an independent non-executive director of China Carbon Neutral Development Group Limited (a company listed on the Stock Exchange (stock code: 1372)) from February 2024 to December 2024.

Report of the Directors (continued)

Senior Management

Mr. Ye Zhihui*(葉誌會), aged 55, is the Vice President of the Company and also a director of certain subsidiaries of the Company. He is a Senior Engineer. He graduated from Qiqihar Institute of Light Industry in 1994 with a bachelor's degree in Silicates. He joined the Weihai Glass Factory of the Group in July 1994 and has successively served as General Manager of several subsidiaries of the Group, with over 20 years of extensive experience in corporate management in the glass industry. In 2008, he participated in the development of complete set of technology and equipment for float on-line low-emission and TiO₂ series of composite film glass, which was awarded the first prize in the advancement category of the Building Materials Science and Technology Award and the second prize of the National Building Materials Industry Technological Innovation Award in 2017. He is the 2013 National Model Worker in the building materials industry and the 2019 National Outstanding Entrepreneur in the building materials industry.

Mr. Cai Guo*(蔡國), aged 53, is the Vice President of the Company, overseeing the Overseas Business Department of the Company. Mr. Cai holds a bachelor's degree. Mr. Cai joined Jiangsu Glass Factory of the Group in 1995. He has more than 20 years of professional experience and over 10 years of overseas working experience. He has long been responsible for international trade and overseas business management of the Group, with profound understanding and extensive experience in international market development and the operation and management of overseas projects.

Mr. Fan Xingsheng*(樊興生), aged 45, is the Vice President of the Company. Mr. Fan has been engaged in the glass industry since 2001. He has successively served as Director and General Manager of a number of subsidiaries under China Yaohua Glass Group Co., Ltd., as well as General Manager of the Float Glass Division of the Company and Director and General Manager of several subsidiaries of the Company. He possesses extensive experience in glass technology and comprehensive enterprise management.

Mr. Zhang Guan*(章貫), aged 43, is the Chief Financial Officer of the Company. Mr. Zhang joined the Group in 2024. He is a Senior Accountant and a Certified Tax Agent. He graduated from Wuhan University of Technology with dual bachelor's degrees in Financial Management and Computer Science and Technology. Mr. Zhang has successively served as the Chief Financial Officer of a number of subsidiaries under Kaisheng Technology Group Co., Ltd. (the principal shareholder of the Company), and has more than 20 years of extensive experience in financial management in the glass industry.

Ms. Jiao Yingchen*(焦穎辰), aged 43, is the Company Secretary of the Company, with over 15 years of professional experience in the company secretarial field and related areas for companies listed on the Stock Exchange. From 2016 to 2020, she served as the Company Secretary of China Baofeng (International) Co., Ltd. (stock code: 3966), a company listed on the Stock Exchange. She holds a Master of Corporate Governance degree from the Hong Kong Polytechnic University and a Bachelor of Economics degree from the University of Illinois at Urbana-Champaign in the United States. She is a Fellow of the Hong Kong Institute of Chartered Secretaries and Administrators and a Fellow of the Institute of Chartered Secretaries and Administrators in the United Kingdom and Ireland, holding continuous and professional corporate governance qualifications.

CONNECTED TRANSACTIONS

During the financial year ended 31 December 2025, the Group did not enter into any connected transaction which is subject to disclosure requirement pursuant to Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the financial year ended 31 December 2025, the Group had the following non-exempt continuing connected transactions under the Listing Rules which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules:

(1) Raw and Fuel Materials Procurement Framework Agreement

As announced by the Company on 21 October 2022 (the “2022 Announcement”), China Glass Investment Limited (“China Glass Investment”, as the purchaser and an indirect wholly-owned subsidiary of the Company) entered into a procurement framework agreement (the “Raw and Fuel Materials Procurement Framework Agreement”) with CNBM Triumph Mineral Resources Group Co., Ltd. (“Triumph Resources”, as the supplier), pursuant to which China Glass Investment engaged Triumph Resources to procure various types of raw and fuel materials which are commonly used and essential for the production of glass products, including but not limited to silica sand and soda ash (the “Raw and Fuel Materials”) for the manufacturing of glass products carried out by the Group.

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

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

The aggregate prices (including related fees and taxes) of the transactions contemplated under the Raw and Fuel Materials Procurement Framework Agreement are subject to the annual caps of RMB1,240,000,000, RMB1,200,000,000 and RMB1,200,000,000 for the year ended 31 December 2023, the year ended 31 December 2024 and the year ended 31 December 2025 respectively. During the year ended 31 December 2025, the Group purchased Raw and Fuel Materials amounting to approximately RMB33,107,800 (including related fees and taxes) from Triumph Resources for the Procurement Transactions (the “2025 Raw and Fuel Material Procurement Transactions”).

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

Triumph Science & Technology Group Co., Ltd. (“Triumph Group Company”, a substantial shareholder of the Company) is a connected person of the Company under the Listing Rules. Triumph Resources is an associate of Triumph Group Company under the Listing Rules. Accordingly, the Raw and Fuel Material Procurement Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As announced by the Company on 29 December 2025 and as approved by the independent shareholders of the Company on 11 February 2026, as the existing Raw and Fuel Materials Procurement Framework Agreement would expire on 31 December 2025, the Company, entered into a new procurement framework agreement with Triumph Resources on 29 December 2025, pursuant to which the Company engaged Triumph Resources to procure Raw and Fuel Materials for the manufacturing of glass products carried out by the Group for a term of three years ending 31 December 2026, 2027 and 2028.

Report of the Directors (continued)

(2) Products Supply Framework Agreement, Engineering Procurement Framework Agreement and Products Procurement Framework Agreement

As announced by the Company on 28 August 2024 (the “2024 Announcement”), the Company entered into (i) a products supply framework agreement with Triumph Group Company for the supply of certain glass products, namely float glass, rolled glass and deep-processed glass products by the Group to Triumph Group (the “Products Supply Framework Agreement”); (ii) an engineering procurement framework agreement with Triumph Group Company for the supply of certain engineering services, namely feasibility studies, project design, civil engineering planning, construction and installation services, and materials, equipment and facilities procurements by Triumph Group to the Group (the “Engineering Procurement Framework Agreement”); and (iii) a 2025 products procurement framework agreement with Triumph Group Company for the supply of certain glass products, photovoltaic modules, equipment and other spare parts by Triumph Group to the Group (the “Products Procurement Framework Agreement”).

Pursuant to the Products Supply Framework Agreement, members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the Products Supply Framework Agreement, which shall be valid until 30 September 2027. The annual caps for the Products Supply Framework Agreement are RMB62,000,000, RMB320,000,000, RMB330,000,000 and RMB260,000,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027 respectively. For the year ended 31 December 2025, the total amount of relevant product supplies (“2025 Product Supplies”) paid by members of Triumph Group to the Group was approximately RMB100,957 (inclusive of tax).

Pursuant to the Engineering Procurement Framework Agreement, members of the Group and Triumph Group will further enter into sub-agreements or other confirmation documents for each engineering project in accordance with the terms of the Engineering Procurement Framework Agreement, which shall be valid until 30 September 2027. The annual caps for the Engineering Procurement Framework Agreement are RMB470,000,000, RMB1,850,000,000, RMB2,200,000,000 and RMB1,830,000,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027 respectively. For the year ended 31 December 2025, the total amount of relevant engineering services (“2025 Engineering Services”) paid by members of the Group to Triumph Group was approximately RMB21,324,009 (inclusive of tax).

Pursuant to the Products Procurement Framework Agreement, members of the Group and Triumph Group will further enter into separate purchase orders or other confirmation documents for each order in accordance with the terms of the Products Procurement Framework Agreement, which shall be valid until 30 September 2027. The annual caps for the Products Procurement Framework Agreement are RMB5,500,000, RMB11,000,000, RMB16,000,000 and RMB15,500,000 for the period from 1 October 2024 to 31 December 2024, the year ending 31 December 2025, the year ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027 respectively. For the year ended 31 December 2025, the total amount of relevant product purchases (“2025 Product Purchases”) paid by members of the Group to Triumph Group was approximately RMB7,679,941 (inclusive of tax).

In recent years, the Group has actively implemented the medium and long-term development strategy of “Going Global”. Through international high-quality production capacity cooperation and global sales channel expansion, the Group is committed to expanding the scale of its overseas business and promoting its performance growth. Triumph Group's business covers the research and development, production and sales of deep-processed glass, photovoltaic modules and production line equipment.

Report of the Directors (continued)

Through the Products Supply Framework Agreement, the Group (as the upstream producer) may fully utilise its production capacity while simultaneously meeting the demand of Triumph Group (as the downstream customer), thereby expanding its sales channels and capturing the synergy between Triumph Group and the Group along the industry chain. The Products Supply Framework Agreement will establish a long-term strategic supply relationship covering a wide spectrum of glass products, which is expected to be mutually beneficial to both parties and contribute to the operational and business development of the Group.

The Group has historically entered into various engineering agreements with members of Triumph Group covering areas such as feasibility studies, production line planning and construction, production line upgrade, machinery procurement and installation, environmental protection system upgrades and production line cold repair. The Engineering Procurement Framework Agreement will offer flexibility to the Group in planning various engineering projects and will allow the Group to have better control over the timetables of such projects based on the development plan and the needs of the Group, thereby ensuring the continuity of the supplies of equipment and technical services.

The glass products supplied by the Group to Triumph Group under the Products Supply Framework Agreement will mainly include glass products such as ultra-white float glass, ultra-white rolled glass and online Transparent Conductive Oxide coated glass. The glass products supplied by Triumph Group to the Group under the Products Procurement Framework Agreement will mainly include (i) products which are not within the production scope of the Group, which allows the Group to enrich its product structure and, utilizing the overseas sales channels established by the Group, resell such products to its downstream customers to expand its income stream; and (ii) products used for the deep-processing business of the Group, which allows the Group to secure an additional source of supply to ensure the Group has sufficient quantities of such products if the Group's internal production output cannot satisfy the demand of the Group's deep-processing production lines at any given time, through which the Group can reliably increase its deep-processing capability.

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

The Independent Non-executive Directors of the Company have reviewed the aforesaid 2025 Raw and Fuel Material Procurement Transactions, 2025 Product Supplies, 2025 Engineering Services and 2025 Product Purchases (collectively, the "2025 Continuing Connected Transactions"). The Independent Non-executive Directors of the Company have confirmed that the 2025 Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Report of the Directors (continued)

The Company's auditor was engaged to report on the Group's 2025 Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor had issued its unqualified letter containing their findings and conclusions in respect of the 2025 Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company confirmed that nothing has come to their attention that causes them to believe that the 2025 Continuing Connected Transactions:

- (1) had not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group for such transactions;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) had exceeded the relevant annual caps for 2025 as disclosed in the respective 2022 Announcement and 2024 Announcement.

Save as mentioned above, there was no other disclosable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the year ended 31 December 2025.

The material related party transactions are set out in Note 32 to the consolidated financial statements. Save as disclosed above, all the related party transactions did not fall within the scope of non-exempted connected transactions under Chapter 14A of the Listing Rules which are required to comply with the annual reporting, annual review, announcement or independent shareholders' approval requirements.

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

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

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

During the year ended 31 December 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 Listing Rules during the year and up to the latest practicable date prior to the issue of this Annual Report.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme as set out above, no equity-linked agreements were entered into by the Company, or existed during the year ended 31 December 2025.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There have been no important events affecting the Group that have occurred since the end of the reporting period.

BUSINESS REVIEW

In accordance with Schedule 5 of the Companies Ordinance of Hong Kong, a fair review of the Group's business during the year, a description of the principal risks and uncertainties that the Group may be facing, and a discussion on the prospect of the Group's future business development are provided in the Chairman's Statement on page 5 and the Management Discussion and Analysis on pages 6 to 17 of this Annual Report.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Management Discussion and Analysis on pages 6 to 17 and the Group's Five Years Financial Summary on page 4 of this Annual Report.

Relationship with Employees

The Group understands that employees are valuable assets to the Group and have made valuable contributions to the success of the Group. Through diversity and humanistic management, the Group has established a close relationship of mutual trust and support between the Company and its staff, and created a positive, healthy and motivated corporate culture and work environment for its employees, and provides employees with a competitive remuneration mechanism. In addition, the Group is also constantly optimizing its human resources structure and continuously improving its management methods to fully mobilize the enthusiasm and initiative of employees.

Details of the Group's employees working environment are contained in the section headed "Environmental, Social and Governance Report" on pages 38 to 59 of this Annual Report.

Relationship with Customers

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

Details of the Group's pre-sales and after-sales service policies in relation to customers are contained in the section headed "Environmental, Social and Governance Report" on pages 38 to 59 of this Annual Report.

Report of the Directors (continued)

Relationship with Suppliers

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

Details of the Group's supplier management are contained in the section headed "Environmental, Social and Governance Report" on pages 38 to 59 of this Annual Report.

Environmental Policies and Performance

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

Details of the Group's environmental policies are contained in the section headed "Environmental, Social and Governance Report" on pages 38 to 59 of this Annual Report.

Compliance with Laws and Regulations

During the year ended 31 December 2025 and up to the date of this report, as far as the Company is aware, there is no material non-compliance with the relevant laws and regulations applicable to the Group that has a significant impact on the business and operations of the Group.

The applicable laws and regulations which have a significant impact on the business and operations of the Group are contained in the section headed "Environmental, Social and Governance Report" on pages 38 to 59 of this Annual Report.

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

During the year ended 31 December 2025, the Group did not have any material acquisitions and disposals, nor any significant investments.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

In 2026, with the in-depth adjustment of the domestic real estate industry, the glass industry will undergo further differentiation and adjustment. The Group has taken a number of measures to address the uncertainties faced by the industry, for further details, please refer to the subsection headed "Work Plans for 2026" on pages 9 to 11 of this Annual Report.

Report of the Directors (continued)

The Group is also subject to other financial risks, such as credit risk, liquidity risk, interest rate risk and currency risk, in the normal course of the Group's business. Particulars of financial risk management of the Group are set out in Note 34 to the consolidated financial statements.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company proactively promotes investor relations and facilitates communication through regular meetings with institutional investors and financial analysts to ensure two-way communication in respect of the Group's performance and development.

AUDITOR

The consolidated financial statements for the financial year ended 31 December 2025 have been audited by KPMG, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

By order of the Board

Tang Liwei

Chairman

Hong Kong, 30 March 2026

Environmental, Social and Governance Report

ABOUT THIS REPORT

Introduction

The Company is a leading flat glass manufacturer and a major coated glass manufacturer in China, focusing on the research and development, production and sales of a range of coated architectural glass, as well as energy-saving, environmental protection and new energy glass. Pursuant to the relevant requirements of Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited – Environmental, Social and Governance Reporting Guide (the “ESG Guide”), the Company will continue to disclose its Environmental, Social and Governance Report on an annual basis. In this Environmental, Social and Governance Report (the “ESG Report”), the Company has complied with the disclosure requirements of the “comply or explain” provisions set out in the ESG Guide. The contents that are closely related and most material to the business of the Company and its subsidiaries (the “Group”) are set out below:

Reporting Period and Scope

The information published in this ESG Report covers the period from 1 January 2025 to 31 December 2025. The ESG Report covers the relevant policies and performance of the Group.

Reporting Standards

The ESG Report has been prepared in accordance with the reporting principles of the ESG Guide:

- **Materiality:** The ESG Report identifies key stakeholders and incorporates them into the stakeholder engagement and materiality assessment process as the basis for determining the materiality of environmental, social and governance (“ESG”) issues.
- **Quantitative:** The ESG Report presents quantitative data on key environmental and social performance indicators.
- **Consistency:** Compared with the ESG Report in the Group’s 2024 Annual Report, there are no material adjustments to the methodologies or key performance indicators used. The Group will continue to use consistent methodologies to enable meaningful comparison of ESG data over time.
- **Balance:** The ESG Report follows the principle of balance to objectively present the Company’s ESG management performance.

Governance Structure

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

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

Environmental, Social and Governance Report (continued)

Stakeholder Engagement and Materiality

The Group is committed to creating sustainable growth and long-term value for its stakeholders. The Group maintains an open dialogue with its stakeholders to gather their views on ESG issues that may affect and matter most to them. The Group regularly engages with key stakeholders (including shareholders, employees, suppliers, customers and the community) through various channels to gauge their opinions and feedback on the Group's ESG performance and how the Group addresses ESG matters on an ongoing basis.

Key Stakeholders	Expectations and Concerns	Communication Channels
Shareholders	<ul style="list-style-type: none"> • Transparency of corporate and financial information • Corporate governance • Business compliance • Investment return 	<ul style="list-style-type: none"> • Shareholders' meetings • Websites of the Company and the Stock Exchange
Employees	<ul style="list-style-type: none"> • Employee remuneration and benefits • Career development • Training management 	<ul style="list-style-type: none"> • Meetings and briefings • Company policies • Employee training • Company activities
Suppliers	<ul style="list-style-type: none"> • Supplier selection • Sustainable supply chain 	<ul style="list-style-type: none"> • Business communication meetings • Company visits • Supplier vetting procedures
Customers	<ul style="list-style-type: none"> • Quality of products and services 	<ul style="list-style-type: none"> • Customer feedback • Business communication and meetings • Company visits
Community	<ul style="list-style-type: none"> • Environmental protection • Employment opportunities 	<ul style="list-style-type: none"> • Community activities • Feedback channels • Job fairs
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Support for high-tech enterprises 	<ul style="list-style-type: none"> • Meetings

I. WORK ENVIRONMENT

The Group implements the people-oriented philosophy and is committed to establishing a fair, impartial and effective recruitment, selection and appraisal mechanism. Meanwhile, based on medium and long-term strategic development goals, the Group actively reserves talents to ensure that each team possesses rich professional knowledge and innovative thinking to adapt to the ever-changing market environment, reflect talent value and exert incentive effects.

(I) Employment

The Group's employees are mainly located in Chinese Mainland, Hong Kong, Nigeria, Kazakhstan and Italy. Each subsidiary strictly complies with local laws and regulations, respects the cultures and customs of different countries and regions, and establishes standardized recruitment systems and talent selection mechanisms to maximize organizational efficiency and diversify the employee structure, while meeting the needs of stable operation and sustainable development of all members of the Group:

1. **Recruitment and Selection:** Through external public recruitment platforms, internal referrals and other channels, adhering to the principles of objectivity, fairness, equal competition and merit-based selection, the Group emphasizes the alignment of employees' ethics and skills with job requirements. A dedicated department formulates annual human resource demand plans based on annual production and operation strategic goals, or develops temporary employee demand and adjustment plans in response to major changes in production and operation, and carries out recruitment and selection in accordance with prescribed procedures.
2. **Training and Job Rotation:** Based on business development needs, the Group provides employees with opportunities and resources such as on-site inspections, technical seminars, external lecturers and training from external institutions, building a broad career development platform for employees. It encourages job rotation to promote cross-departmental collaboration and knowledge integration, and strives to cultivate versatile talents with comprehensive capabilities.
3. **Compensation and Benefits:** Committed to building a competitive remuneration and benefits system, the Group provides employees with diversified allowances such as transportation, communication, high-temperature, meal and holiday subsidies on the basis of paying full social insurance in accordance with the law. It implements the national statutory holiday system and grants paid leave such as annual leave, maternity leave, marriage leave and bereavement leave. Corresponding leave mechanisms are formulated according to different job natures. For example, production departments implement shift rotation systems, and leave for overseas staff is arranged in an integrated manner based on actual conditions, balancing employee needs and business operation needs.
4. **Performance Appraisal and Incentives:** The Group implements a performance-oriented incentive system and continuously optimizes performance appraisal indicators. It fully mobilizes employees' enthusiasm and initiative through mechanisms such as tiered appraisal and competitive job placement. It continuously monitors market changes, adjusts and improves incentive mechanisms to promote the common growth of employees and the Company.

Environmental, Social and Governance Report (continued)

As of 31 December 2025, the Group had 3,261 employees, of which 3,236 were full-time employees under employment contracts and 25 were part-time or temporary employees. The age group of employees is mainly 30–49 years old, covering production, sales, technology R&D and management teams.

The Group's year-end employee count decreased from the end of last year, with an annual employee turnover rate of approximately 35%. This was mainly due to integrate resources and efficiency improvement for some production lines in Chinese Mainland to enhance overall operational resilience amid the deep industry adjustment. Adhering to the people-oriented principle, the Group has formulated a human resource adjustment plan. Through sound communication mechanisms and follow-up support measures, the Group resolutely safeguarded employees' rights and interests while improving operational efficiency. The relatively high turnover rate of employees aged 60 and above during the year was mainly due to the fact that employees in this age group reached the statutory retirement age (60) and went through resignation procedures in a centralized manner during the year. This change is a normal human resource replacement and natural retirement process and does not constitute abnormal staff turnover risk.

The number and turnover rate of the Group's employees by age group, region and gender are set out below:

	Total Number of Employees	By Age				By Gender	
		Under 30	30–49	50–60	60 and Above	Male	Female
2025	3,261	961	1,426	851	23	2,774	487
2024	4,589	902	2,502	1,166	19	3,841	748
Turnover Rate for the year of 2025	35.0%	39.3%	29.6%	41.5%	200.0%	32.2%	47.6%

	By geographical region									
	Jiangsu	Shandong	Gansu	Shaanxi	Inner Mongolia	Fujian	Nigeria	Kazakhstan	Italy	Others
2025	629	588	713	69	233	175	300	330	100	124
2024	1,130	944	687	331	285	290	313	368	90	151
Turnover Rate for the year of 2025	45.1%	42.5%	23.5%	79.2%	19.7%	39.7%	8.0%	10.3%	10.7%	35.3%

Environmental, Social and Governance Report (continued)

(II) Health and Safety

The Group fully complies with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Regulations on Work Safety, as well as relevant local laws and regulations in Nigeria, Kazakhstan, Italy and Turkey. In accordance with the Work Safety Standardization Management System (GB/T33000–2016) and the Occupational Health and Safety Management System (ISO45001–2018), the Group has formulated corresponding internal management standards and safety management systems, setting out a series of required safety measures and operating practices. Through the construction of standardized work safety, the Group has achieved standardized management, intrinsically safe equipment and fixed operation environment.

The Group implements the safety management policy of "safety first, prevention first, comprehensive management", strengthens bottom-line thinking and red-line awareness. Through the establishment of a "first person responsible for safety management" system, with the work safety responsibility system as the core, the Group promotes full participation and whole-process control, clearly stipulating that the main person in charge of each production enterprise is fully responsible for the work safety of the unit, and the department supervisor is fully responsible for the work safety of the department. A special team designated by senior management conducts supervision through regular comprehensive inspections and special spot checks. Meanwhile, supplemented by a work safety reward and punishment mechanism, rewards and punishments are given for the effectiveness of safety hazard investigation. In the event of a fatal liability accident, the center assesses safety performance and sets up a special working group to pursue liability, so as to protect employees' lives and enterprise property safety, and build a long-term mechanism for work safety.

The Group's safety management measures mainly include:

1. **Risk Control:** Regular company-wide safety risk identification and assessment are carried out, and hierarchical and classified dynamic management is implemented. For major hazard sources (e.g., liquid ammonia tank areas, LNG vaporization stations), files are established and monitored in accordance with national standards and connected to regulatory authorities.
2. **Hazard Investigation and Governance:** Hazards are investigated through comprehensive inspections, professional inspections and other methods, and regular statistical analysis is conducted. For major hazards, governance plans are formulated, filed after acceptance, and relevant information is communicated to employees.
3. **Emergency Management:** An emergency response plan system (comprehensive plans, special plans, on-site disposal plans) is established, with regular drills and optimization. Emergency facilities and materials are equipped to ensure rapid response and scientific disposal in the event of an incident.
4. **Operational Safety:** Hazardous operations (work near high-voltage transmission lines, hot work, confined space entry, road closure operations, etc.) shall strictly go through work permit approval procedures, implement safety disclosure and on-site supervision, standardize the use of personal protective equipment, and eliminate "three violations" (illegal command, illegal operation, violation of labor discipline). Special operations involving hazardous chemical production, storage and use areas must comply with national standards.

5. **Training and Education:** A three-tier safety training system (plant-level, workshop-level, team-level) is implemented to ensure that employees are certified before taking posts. Special training is provided for new technologies and equipment to enhance emergency response, self-rescue and mutual rescue capabilities.

The Group's work-related accident rate for the full year of 2025 was lower than the industry standard. The total number of lost workdays due to work-related injuries was 521 days, a significant decrease from last year. The Group will further strengthen the concept of work safety and reduce the work-related injury rate. In 2025, there were no work-related fatalities in the Group (2024: nil; 2023: nil).

The Group strictly implements the relevant laws and regulations on the prevention and control of occupational diseases in relevant countries and regions, establishes and improves the internal occupational health management system, upholds the policy of "prevention first, combination of prevention and treatment", and strengthens and implements the main responsibilities of each production and operation unit. Through the establishment of a normalized safety training and health management mechanism, the Group organized multiple special safety training sessions throughout the year, carried out occupational disease hazard detection and special physical examinations at operation sites, and integrated occupational health and safety into daily management. In 2025, no cases of occupational diseases occurred among the Group's employees.

(III) Development and Training

The Group focuses on developing and cultivating market-oriented, globalized and young talents as key objectives, attaches importance to the improvement of employees' quality and relevant professional skills, organizes relevant training in a planned manner, invites professionals to hold training seminars, and provides employees with:

- (i) Orientation training for new employees;
- (ii) Skills training for in-service and transferred employees;
- (iii) Skills upgrading and technical backbone training for professional positions;
- (iv) Internal trainer training;
- (v) Special training for overseas staff;
- (vi) Comprehensive skills training for senior and middle management; and
- (vii) Learning and exchange opportunities such as academic seminars and overseas training for outstanding employees.

Environmental, Social and Governance Report (continued)

In 2025, the Group continued to deepen the concept of “unity and cooperation, mentoring new employees by senior ones”, strengthened the construction of the Group’s talent team, and focused on promoting the localization of employees in overseas subsidiaries. During the reporting period, phased results were achieved in the localization of employees in overseas subsidiaries, and the overall quality of the team steadily improved. In addition, the Group continued to improve the employee training system and promoted the normalized operation of training, providing solid talent support for the steady development of overseas business.

In 2025, the average training hours per male and female employee of the Group were equivalent, with a wide coverage of employee categories. The training completion status of each employee within the year, divided by employee category, is detailed as follows:

Category	By Employee Category			By Gender	
	Senior Management	Middle Management	General Staff	Male	Female
Number of Employees	58	380	2,823	2,774	487
Average Number of Trainees	52	364	2,638	2,621	433
Percentage of Employees Trained	90%	96%	93%	94%	89%
Average Training Hours	16.7	28.5	33.1	35.6	32.1

(IV) Employee Care

The Group continued to deepen employee welfare protection and occupational health management, effectively improving employees’ work enthusiasm, income level, physical and mental health. On the premise of strictly ensuring work safety, all units are encouraged to carry out cultural and sports activities and humanistic care in light of local characteristics, creating a positive corporate culture atmosphere and enhancing team cohesion and employee sense of belonging.

In terms of assistance for those in need, precise assistance is provided through superior trade unions and social public welfare channels, and various subsidies, relief funds and consolation materials are distributed to effectively reduce employees’ living burdens. In terms of welfare protection, the Group provides mutual love supplementary medical insurance, conducts post physical examinations and occupational health examinations in accordance with the system, and specially organizes health check-ups for female employees. For special seasons such as high temperature, heatstroke prevention materials are provided for front-line workers. Meanwhile, local policy benefits (only-child fees, model worker allowances, etc.) are effectively implemented, and the coverage of basic protection is continuously improved to convey corporate care.

In terms of corporate culture, all units carry out cultural, sports and spiritual activities in combination with traditional festivals and important nodes, such as “writing Spring Festival couplets and sending blessings”, intangible cultural heritage experience, front-line employee recuperation, cultural and sports competitions and Party member care activities, enriching employees’ cultural life, strengthening spiritual guidance, and enhancing their sense of mission and belonging.

In addition, adhering to the concept of green development, the Group implemented flue gas treatment, desulfurization and dust removal, coating tail gas and dust treatment renovation, and simultaneously promoted factory greening and working environment optimization, creating a healthy and comfortable production and office space, and effectively improving employees’ work experience and satisfaction.

(V) Labour Standards

The Group strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, applicable local laws of overseas subsidiaries and the core conventions of the International Labour Organization, clarifies employment prohibitions, guarantees equal employment and wage and working hour standards superior to minimum requirements, and ensures that business activities do not infringe on labour rights. The Group has established a whistleblowing mechanism, and its compliance supervision function has set up diversified complaint channels. Upon receipt of a report, a special investigation team will be immediately formed and the handling results will be made public. For any identified violations (such as wage arrears, forced labour), the infringer will be ordered to immediately stop the infringement and compensate the affected employees.

The Group conducts comprehensive self-examinations on employee employment from time to time to prevent and timely correct potential violations, and adheres to the following guidelines:

- (1) Recruit workers in accordance with the principles of fairness, openness and voluntariness, sign Labour Contracts in accordance with regulations, and no forced use of employees.
- (2) Pay workers' salaries and overtime pay not lower than the local minimum wage standard, as well as relevant benefits.
- (3) Abide by the provisions of China and relevant countries, and implement rest days and statutory paid holidays.
- (4) Recruit adults aged 18 and above, and strictly prohibit child labour and forced labour.
- (5) Adhere to the principle of diversity, no discrimination based on gender, age, religion, region, race, etc., and provide open and fair training and promotion opportunities for all employees.
- (6) Implement a comprehensive working hour system with reference to the Labour Law of the People's Republic of China and the laws and regulations of the countries where overseas production subsidiaries are located.

In 2025, there were no cases of violations of the above relevant laws, regulations and standards in the Group.

II. ENVIRONMENTAL PROTECTION

The Group actively practices the green development concept of Made in China 2025, systematically builds a green manufacturing system, plays a demonstration and leading role, continuously improves energy efficiency and comprehensive resource utilization capacity, and strives to build a green manufacturing benchmark enterprise.

(I) Environmental Management System

The Group firmly implements the government's laws, regulations, standards and policies on environmental protection. Each subsidiary formulates environmental management system guidelines, Environmental Protection Management System, Hazardous Waste Management Measures and other documents suitable for itself in accordance with local environmental laws, regulations, policies and actual conditions. At present, the Group has a sound environmental protection system, and each subsidiary has established an environmental management system. The Production Technology Department of the Group has a special environmental protection and energy-saving management team, and each subsidiary has a special environmental protection and energy-saving person in charge, responsible for the operation and management of environmental protection and energy-saving facilities of each subsidiary. The flue gas online monitoring systems installed by each subsidiary are all connected to environmental protection departments, establishing real-time online environmental monitoring to ensure emissions are lower than national and local emission standards.

The environmental management system of each subsidiary undergoes annual internal audit and third-party audit. Based on the audit results, the subsidiaries propose and implement improvement measures. The Group fully promotes ISO14001 environmental management system certification, and all subsidiaries have passed the certification.

(II) Environmental Protection Objectives

The Group strictly carries out work in accordance with the requirements of environmental impact assessment and clean production. For new construction projects, it strictly abides by the principle of "simultaneous planning and design, simultaneous implementation, simultaneous commissioning and operation" for environmental protection. It strictly supervises the normal operation of environmental protection facilities, actively implements capital investment in environmental protection, and develops a circular economy by increasing waste heat power generation, adding rooftop photovoltaic power generation, and wastewater recycling. It improves waste utilization rate by optimizing waste gas treatment facilities and processes; disposes of hazardous waste through qualified formal companies; and ensures the compliance discharge of waste gas, wastewater and waste residue by implementing the ISO14001 environmental management system. The Group will give play to the demonstration and leading role of advanced green manufacturing models and build a green manufacturing enterprise.

Environmental, Social and Governance Report (continued)

(III) Emission Management on Exhaust and Wastewater

The Group has formulated and continuously improved the Environmental Protection Management System in strict compliance with the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Solid Waste Pollution and other relevant laws and regulations. Combined with actual conditions, each subsidiary adheres to the policy of "prevention first, combination of prevention and treatment, comprehensive treatment", continuously optimizes environmental protection facilities and processes, improves the environmental management system, promotes clean production and resource recycling, and strives to achieve the coordinated unity of economic, social and environmental benefits.

The Group has adopted the following policies and measures for various emissions from flat glass production, such as the construction of integrated environmental protection facilities for flue gas desulfurization, denitrification and dust removal of glass furnaces. Meanwhile, the flue gas online monitoring system has been upgraded in accordance with the requirements of the new national standards, and the pollutant discharge permits have been renewed in strict accordance with relevant government regulations.

The Group has clarified emission management objectives, continuously promoted the standardized disposal of wastewater, hazardous waste and non-hazardous waste, ensuring an effective disposal rate of 100%. Through process control and resource utilization, the Group has achieved the reduction, recycling and harmless management of waste.

1. Exhaust Emission :

The Group is engaged in flat glass manufacturing. The waste gas discharged through chimneys, including particulate matter, sulfur dioxide, nitrogen oxides, etc., complies with the emission standard requirements of "particulate matter $\leq 30\text{mg}/\text{m}^3$, sulfur dioxide $\leq 200\text{mg}/\text{m}^3$, nitrogen oxides $\leq 400\text{mg}/\text{m}^3$ " in the Emission Standard of Air Pollutants for Glass Industry (GB26453-2022). Among them, Weihai, Shandong implements the local emission standard requirements of "particulate matter $\leq 20\text{mg}/\text{m}^3$, sulfur dioxide $\leq 100\text{mg}/\text{m}^3$, nitrogen oxides $\leq 200\text{mg}/\text{m}^3$ " in the Emission Standard of Air Pollutants for Building Materials Industry (DB37/2373-2018).

In 2025, subsidiaries in various regions complied with the following waste gas emission standards:

Subsidiary	Waste Gas Emission Standard	Emission Standard (Unit: mg/m^3)		
		Particulate Matter	Sulfur Dioxide	Nitrogen Oxides
Suqian, Jiangsu	Emission Standard of Air Pollutants for Glass Industry (GB26453-2022)	30	200	400
Dongtai, Jiangsu	Emission Standard of Air Pollutants for Glass Industry (GB26453-2022)	30	200	400
Weihai, Shandong	Emission Standard of Air Pollutants for Building Materials Industry (DB37/2373-2018)	20	100	200
Wuhai, Inner Mongolia	Emission Standard of Air Pollutants for Glass Industry (GB26453-2022)	30	200	400
Longyan, Fujian	Emission Standard of Air Pollutants for Glass Industry (GB26453-2022)	30	200	400
Yumen, Gansu	Emission Standard of Air Pollutants for Glass Industry (GB26453-2022)	30	200	400

Environmental, Social and Governance Report (continued)

The total emissions of air pollutants from subsidiaries in various regions are shown in the table below:

(Unit: tonne)

		2025									2025	2024
No.	Name of emissions	Suqian, Jiangsu	Dongtai, Jiangsu	Weihai, Shandong	Linyi, Shandong	Xianyang, Shaanxi	Wuhai, Inner Mongolia	Longyan, Fujian	Yumen, Gansu	Total	Total	
1	Sulphur Dioxide	12.30	84.66	53.21	0	0	31.42	6.10	98.82	286.51	353	
2	Nitrogen Oxides	19.90	259.56	215.22	0	0	146.67	4.70	276.92	922.97	1,170	
3	Particulate Matter	0.22	15.66	6.22	0	0	11.81	2.00	8.59	44.50	54	

In view of the fact that nitrogen oxides are generated at high temperature by fuel combustion in glass furnaces and sulfur dioxide is generated by sulfur in fuel and raw materials during glass production, each subsidiary of the Group strengthens the daily operation and maintenance of supporting flue gas treatment systems, including the operation and maintenance of desulfurization, denitrification, dust removal, online monitoring and other devices, to ensure the stability of the "dry desulfurization + ceramic integrated treatment facility" process or "semi-dry desulfurization + SCR denitrification" process, and the flue gas is discharged through chimneys after reaching the target. In case of any abnormality in the flue gas treatment system, standby treatment measures will be activated immediately to ensure that the proportion of stable compliance hours in a year is not less than 95%.

2. Wastewater Discharge :

Production wastewater is recycled for site spraying, road sprinkling, green seedling watering, etc. Domestic sewage is discharged to local sewage treatment plants for treatment after meeting the takeover standards of such plants. Online sewage testing equipment is installed in all subsidiaries. Each subsidiary continuously strengthens equipment operation and maintenance to ensure the stable operation of water supply and drainage systems and sewage online monitoring equipment, and wastewater is discharged up to standard.

3. Hazardous Wastes :

In 2025, the Group strictly followed the national hazardous waste management requirements and implemented standardized management of hazardous waste. A total of approximately 63 tonnes of hazardous waste (waste catalyst) was generated throughout the year, all of which were sent to qualified recycling units for recycling.

4. *Non-Hazardous Waste* :

In 2025, the Group generated a total of 100,849 tonnes of non-hazardous waste, mainly including desulfurization waste slag, furnace ash, domestic garbage, etc. Each subsidiary continues to strengthen the operation and maintenance of equipment, ensuring that the facilities in the raw material workshop, combined workshop and dust removal system operate in good condition and raw materials are conveyed in a fully enclosed manner. Dust particulate matter generated during raw material batching is fully collected by dust removers and recycled. waste refractory materials, waste tin slag, flue gas dust removal waste from furnaces, desulfurization waste slag from furnaces, tail mud, tail sand, etc. are uniformly collected and recycled by qualified units. Domestic garbage is collected and properly disposed of by sanitation departments every day.

(IV) Greenhouse Gas Emission Management

Greenhouse gas emissions from glass production include emissions from fuel combustion, carbon powder oxidation in raw material batching, raw material carbonate decomposition, net purchased electricity and other production processes. The Group targets to and fully implements the relevant emission requirements of the Action Plan for Carbon Peaking Before 2030 (Guo Fa [2021] No. 23), the 2024–2025 Action Plan for Energy Conservation and Carbon Reduction (Guo Fa [2024] No. 12), the Emission Standard of Air Pollutants for Glass Industry (GB26453–2022), the Emission Standard of Air Pollutants for Building Materials Industry (DB37/2373–2018), the Requirements for Carbon Emission Accounting and Reporting Part 7: Flat Glass Production Enterprises (GB/T32151.7-2023) and other laws, regulations and standards, combined with the Requirements for Environmental Management Systems and Guidance for Use (GB/T24001), by continuously improving the environmental protection responsibility mechanism, deepening the construction of environmental management systems, effectively preventing pollution and various public hazards, building a solid ecological security barrier, protecting and improving the ecological environment, protecting employees' health, strongly the construction of ecological civilization, and ensuring the effective implementation of the Group's environmental and greenhouse gas policies and the achievement of environmental performance goals.

In flat glass production, energy consumption is the main source of carbon emissions, and energy conservation is the main way to achieve carbon emission reduction. The main energy conservation and carbon reduction paths of the Group's subsidiaries include: replacing high-carbon inferior fuels with low-carbon clean fuels such as natural gas, waste heat recovery and power generation, promoting the application of oxygen-enriched combustion technology to increase oxygen ratio and strengthen combustion, etc. In addition, carbon dioxide emissions are controlled by controlling raw material quality, melting volume and energy efficiency level.

In 2025, the operation of the energy management system of the Group's operating subsidiaries complies with the requirements of the Requirements for Environmental Management Systems and Guidance for Use (GB/T24001), and the environmental management system is appropriate, sufficient and effective.

Environmental, Social and Governance Report (continued)

In accordance with the accounting standards and requirements of the Requirements for Carbon Emission Accounting and Reporting Part 7: Flat Glass Production Enterprises (GB/T32151.7-2023), the greenhouse gas emissions from glass production of the Group's subsidiaries in 2025 by region are as follows:

Unit: tCO ₂	Scope 1 Emission from Carbon Powder			Scope 2	Total Emissions in 2025
	Emission from Fossil Fuel Combustion	Oxidation in Raw Material Batching	Emission from carbonate decomposition of raw materials	Emission from net electricity purchase	
Suqian, Jiangsu	70,631	174	36,627	16,025	123,458
Dongtai, Jiangsu	176,798	377	78,299	9,559	265,034
Weihai, Shandong	370,192	0	94,036	38,210	502,438
Wuhai, Inner Mongolia	133,938	0	42,275	21,986	198,199
Longyan, Fujian	101,256	36,664	168	1,773	139,860
Yumen, Gansu	176,612	58	69,384	83,051	329,106

Note: The production lines of the Group in Linyi, Shandong and Shaanxi were suspended throughout the reporting period, so there are no relevant statistical data during this reporting period.

In 2025, the Group's greenhouse gas emission intensity rose slightly. This trend was mainly due to the suspension of production in some production bases, leading to a decrease in total output, which was reflected as an increase in emission intensity per unit output. The details are as follows:

	2025	2024	2023
Emission (tCO ₂)	1,558,096	2,030,163	1,533,912
Density (tCO ₂ /t)	0.68	0.62	0.65

The Group expects to systematically enhance its climate risk management capabilities by establishing a sound climate governance system, implementing the Board's decision-making responsibility for climate targets and management's performance appraisal. In view of the high energy consumption characteristics of the glass industry, the Group will identify risks and formulate response measures, strictly follow the Stock Exchange's climate-related disclosure framework, quantify the financial impact of climate scenarios, ensure that climate risk management is deeply integrated into the whole process of production, R&D and supply chain, and promote the transformation of the enterprise to a low-carbon benchmark.

(V) Low-Carbon Operation and Sustainable Development

The Group is committed to exploring the development path of a low-carbon economy, always taking energy conservation and environmental protection as core principles, and promoting the enterprise to move forward on the track of sustainable development. Based on existing foundations and technological innovation, the Group accelerates the elimination and upgrading of outdated processes and equipment, optimizes product structure and production processes through modern processes and advanced equipment, and promotes the rational adjustment of energy structure.

Environmental, Social and Governance Report (continued)

Meanwhile, the Group focuses on reducing energy consumption, improving labor productivity, strengthening environmental protection and comprehensive resource utilization in the production process. Centering on improving energy use efficiency and combined with refined energy-saving management, the Group achieves efficient and rational utilization of energy resources.

The Group targets to and fully implements the Energy Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Action Plan for Carbon Peaking Before 2030 (Guo Fa [2021] No. 23), the 2024–2025 Action Plan for Energy Conservation and Carbon Reduction (Guo Fa [2024] No. 12), the Norm of Energy Consumption Per Unit Product of Glass and Cast Stone (GB21340–2019) and other laws, regulations and standards, combined with the Requirements for Energy Management Systems and Guidance for Use (GB/T23331–2020), the Certification Requirements for Energy Management Systems Glass Enterprises (RB/T111-2024) and other laws, regulations and standards, by continuously deepening the construction of energy management systems, saving resources, conserving energy and reducing carbon, continuously improving energy utilization efficiency, and ensuring the effective implementation of the Group's energy policies and the achievement of energy performance goals.

In 2025, the operation of the energy management system of the Group's operating subsidiaries complies with the requirements of the Requirements for Energy Management Systems and Guidance for Use (GB/T23331–2020) and the Certification Requirements for Energy Management Systems Glass Enterprises (RB/T111-2024), and the energy management system is appropriate, sufficient and effective.

The consumption of various resources of the Group in the past three years is as follows:

Name of Energy	Unit	Total Consumption			Consumption Density		
		2025	2024	2023	2025	2024	2023
Coke Oven Gas	10,000 m ³	14,361	13,871	12,781	3.15	2.55	2.40
Petroleum Coke Powder	tonne	102,030	95,410	70,953	22.39	17.54	13.35
Fuel Oil	tonne	3,332	0	1,893	0.73	0.00	0.36
Natural Gas	10,000 m ³	25,560	40,758	32,676	5.61	7.49	6.15
Electricity	10,000 kWh	36,020	40,185	28,222	7.90	7.39	5.31
Nitrogen	10,000 m ³	8,846	23,119	19,876	1.94	4.25	3.74
Wooden Package	piece	121,964	382,971	247,147	26.76	55.94	46.49
Iron Package	tonne	591	1,457	1,138	0.13	0.21	0.21
Plastic Package	tonne	305	526	305	0.07	0.08	0.06
Water	10,000 tonnes	284	402	326	0.06	0.07	0.06

III. CORPORATE GOVERNANCE

(I) Product Responsibility

The Group insists on survival by quality and development by technology, putting “quality improvement” and “product upgrading” as the Group’s key work, and implementing whole-process quality control from “product design – product manufacturing – product after-sales service”. The Group’s headquarters realizes unified quality supervision and control through an information platform. All production subsidiaries implement the Enterprise Standard for High-Quality Products and Product Quality Inspection and Control Regulations stricter than national standards, and operate in strict accordance with the requirements of the Quality Management System (ISO9001–2015). Meanwhile, the Group’s headquarters conducts random quality inspections on online products and inventory products of each subsidiary from time to time, deeply understands customers’ real evaluations of product quality, and promptly organizes the production departments of subsidiaries to conduct analysis and rectification based on user feedback, realizing continuous improvement of quality control.

In 2025, all subsidiaries of the Group passed the annual audit by national product certification authorities, and no sold products were recalled due to safety and health reasons.

The Group has established a technology R&D department at its headquarters to enhance its capabilities in core technology R&D and innovation, and to further strengthen its independent R&D and fully proprietary intellectual property rights. At the same time, the Group has formulated a stringent core technology management system, centrally managing relevant technical personnel and documentation, and utilising legal channels such as patent applications to provide necessary protection for its core technologies and intellectual property rights.

(II) Supply Chain Management

The Group selects and reserves high-quality suppliers as partners to establish long-term strategic cooperative partnerships. It gains competitive advantages by improving upstream and downstream supply chain relationships and integrating and optimizing information flow, logistics and capital flow in the supply chain. Adhering to the principles of equal consultation and mutual benefit, the Group has a unified supplier management system, and forms a fair and impartial supplier evaluation system through various procurement methods such as bidding, negotiated tendering and exclusive supply, creating a good competitive environment for suppliers.

1. *Supplier Scale and Regional Distribution*

As of 31 December 2025, the Group purchased raw and fuel materials and production line equipment from 420 suppliers (evaluated qualified suppliers), including 239 raw material suppliers, nearly 19 fuel and energy suppliers, and 162 main production line equipment suppliers. All the above suppliers are independent third parties, of which 351 are located in China and 69 are located overseas (Nigeria, Turkey, Kazakhstan, Russia, etc.). Considering transportation costs and convenient procurement control, domestic suppliers are mostly concentrated in East China, North China, Northwest China and Southeast China around production subsidiaries. The Group can purchase required raw and fuel materials and spare parts for equipment from many other suppliers and does not rely on any specific supplier.

2. *Supplier Dynamic Management and Quality Control System*

To ensure stable production and product quality, the procurement of required raw and fuel materials and spare parts for equipment by the Group is carried out in accordance with the relevant procurement management requirements of the Company's Procurement Management Measures, Measures for the Administration of Bid Evaluation Experts and Expert Database and other system documents. Supplier selection is carried out in accordance with internal documents such as the System for Selection and Evaluation of Qualified Suppliers, and dynamic management is implemented for suppliers. Suppliers are evaluated through on-site inspections, questionnaire surveys, external sustainable development agents, stakeholder data, external databases, news reports, supply channels and other methods. According to the four categories of quality, supply capacity, delivery period and service, combined with multi-department evaluation, the supplier list is regularly updated every year in accordance with the four-standard management requirements, and the quality and consumption of raw materials, accessories and other materials supplied by each supplier are monitored monthly. Through the above strict measures, the Group ensures that all links of the supply chain meet standards and are safe.

3. *Green Supply Chain Integration and Environmental Supplier Screening*

The Group strictly standardizes procurement management. Especially for toxic, harmful, flammable and explosive dangerous materials, the whole procurement process must comply with relevant laws and regulations. For material categories with potential environmental risks, such as rubber, paint, chemical reagents, etc., relevant suppliers must regularly provide certifications such as ISO 9001:2015 and ISO 14001 to prove that their environmental and quality standards comply with regulations.

To enhance product competitiveness, on the premise of ensuring service level, the Group optimizes and integrates the supply chain in a timely manner, effectively combines suppliers, manufacturers, warehouses and users, strengthens the self-restraint mechanism of environmental protection, promotes the concept of green supply chain management, and realizes the continuity and stability of the supply chain. Especially for clean energy suppliers (waste heat power generation, photovoltaic power generation, natural gas, LNG, water treatment, etc.), the Group has established a standardized supplier review procedure, and selects qualified suppliers that meet national environmental protection and production safety requirements through strict process control.

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

To ensure sustainable procurement capacity, the Group regularly organizes internal procurement staff training, aiming to help relevant personnel fully understand the principles and practical applications of sustainable procurement, continuously improve the professional quality of procurement staff, strengthen the concept of sustainable procurement, and ensure that procurement activities strictly comply with relevant requirements in environmental protection, social responsibility and other aspects.

Environmental, Social and Governance Report (continued)

5. *Supplier Environmental Protection and Production Safety Standard Requirements*

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

- (1) Products provided by suppliers must meet national environmental protection and production safety requirements to ensure that the Group's production is harmless to the environment and achieves safe production. When looking for high-quality products and services, the Group considers human health and environmental factors in addition to reasonable prices;
- (2) Manufacturers of suppliers must strictly abide by national environmental protection policies and production safety requirements, have the environmental protection qualifications required by the state, and undertake due environmental protection responsibilities to ensure the stability and safety of supply;
- (3) Fuels of suppliers must be clean energy that meets environmental protection requirements, raw material sources are traceable, and main environmental protection indicators are implemented in accordance with the highest requirements;
- (4) When selecting supplier products, in addition to avoiding disposable products, focus on selecting products that meet the following conditions:
 - (a) More suitable for recycling, made of more recycled materials, less packaging and more durable;
 - (b) Comply with higher energy efficiency requirements;
 - (c) Adopt environmental protection technologies and/or low-pollution fuels;
 - (d) Less water consumption;
 - (e) Emit less irritating or toxic substances during installation or use, or produce less toxic substances or contain less toxic substances when disposed of.

Environmental, Social and Governance Report (continued)

(III) Pre-sales and After-sales Services

1. Customer Service

The Group always adheres to customer demand orientation, continuously improves the customer service system, and strives to improve service quality and customer experience.

- (1) **Product Information Service:** Through various methods such as early training, on-site guidance and telephone return visits, customers are informed of product performance, processing parameters and relevant precautions, customer needs are handled in a timely manner, customer service information and system construction are improved, customer service quality is improved, and sales services are diligently done well.
- (2) **Customer Procurement Experience:** Deeply promote the construction of marketing information systems, continuously upgrade customer procurement information service systems, improve the online order operation mechanism, and build a full-process integrated service platform. Meanwhile, strengthen industry market research, understand target market demand and development trends, dynamically adjust product positioning and structure in combination with the geographical advantages and production line layout of each subsidiary, give full play to product portfolio advantages, and provide customers with reasonable product solutions.
- (3) **Customer Information Protection:** Strictly implement the Confidentiality Management System, implement special personnel management for customer information, implement safe data storage, and prevent loss and leakage. Personnel associated with relevant information files must receive professional knowledge training and sign post confidentiality agreements. The Group's Compliance Supervision Department has a routine supervision and review process for customer information management to ensure effective protection of customer privacy.
- (4) **Innovation in Customer Cooperation and Service Models:** Continuously deepen strategic cooperation and collaboration with customers, keep up with market frontiers, steadily promote product differentiation and high-end development, implement diversified cooperation models for different types of customer groups, and achieve mutual benefit and common development. Meanwhile, continuously promote service model innovation, improve the omni-channel marketing system combining online orders and offline services, and improve customer purchase convenience and service experience. The Group always takes marketing service innovation as a development priority, and continuously promotes business model optimization and service capability improvement.

Environmental, Social and Governance Report (continued)

2. *Customer Satisfaction Survey*

In 2025, the Group continued to understand customers' feedback on the Company's overall perception, business cooperation experience and product quality through multi-level and multi-dimensional customer satisfaction surveys, and solved customers' concerned issues one by one. Customer satisfaction remained at a high level.

3. *After-sales Service*

The Group has established and optimized the After-sales Service Quality Management Measures, built a perfect customer complaint feedback and resolution mechanism, ensuring that customer complaints can be handled quickly and efficiently. During the reporting period, a total of 353 quality complaints occurred, much lower than last year. The Group's compliance supervision function continuously tracked product quality complaints, supervised and reviewed the complaint handling process and results to ensure fairness and impartiality; meanwhile, systematically sorted out the distribution, types and handling progress of quality complaints, put forward targeted improvement suggestions from packaging methods, storage and logistics control, production process optimization and other aspects, and promoted the continuous optimization of after-sales service processes. In 2025, the Group properly handled all complaints in strict accordance with established procedures, with a complaint handling completion rate of 100%.

(IV) **Anti-Corruption**

1. *Anti-Corruption Systems and Policies*

The Group strictly complies with the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Paris Convention for the Protection of Industrial Property, the United Nations Convention against Corruption and other relevant laws and regulations, as well as the Company's articles of association, Whistleblowing Management System, Accountability and Responsibility Pursuit System, Internal Audit Management System and other internal regulations. It always adheres to honest operation, establishes and improves the anti-corruption and anti-fraud management system, explicitly prohibits any form of bribery, kickbacks, benefit transfer, embezzlement and other acts, adopts a "zero-tolerance" attitude towards violators, and creates a clean, efficient and transparent business environment.

2. *Anti-Corruption Supervision and Implementation*

The Group promotes the effective implementation of anti-corruption work through the construction of a clean culture, improvement of whistleblowing mechanisms, internal audits and strengthened external supervision.

(1) Construction of a Clean Culture: Organize special anti-corruption training in a planned way, and convey the concept of honest practice to all employees through video conferences, promotional brochures, watching anti-corruption promotional films, typical case analysis and other forms, establish correct values, and improve legal awareness and moral concepts. The Company's management signs a commitment letter on integrity, law-abiding and incorruptibility, takes the lead in practicing clean policies, and forms a clean governance system of "top-down, full participation".

Environmental, Social and Governance Report (continued)

- (2) **Improvement of Whistleblowing Mechanism:** Set up special mailboxes, telephones, emails and other reporting platforms to encourage employees and partners to report any corrupt acts. The Group's compliance supervision function is responsible for investigation and handling, ensuring smooth reporting channels and protecting the rights and interests of whistleblowers.
- (3) **Strengthening of Internal Audit:** Strengthen the internal audit function, regularly carry out special business audits on key areas of operation, cultivate a work style of anti-corruption, and timely detect and correct potential risks.
- (4) **Strengthening of External Supervision:** For major businesses such as investment and operation, engage independent third-party institutions for audit and supervision, focusing on verifying potential corruption and fraud risks to ensure the effectiveness of the anti-corruption mechanism.

3. *Preventive Measures for Key Business Links*

- (1) **Bidding Supervision and Management:** In accordance with the Bidding Management System and Investment Management System, conduct all-round tracking and supervision of the bidding process to ensure compliance with procedures and standardized operations, and give full play to the role of compliance supervision.
- (2) **Contract Supervision and Management:** Legal specialists strengthen the routine management of contracts and the review of major contracts, effectively avoid legal risks, timely block potential risk points from the source and performance process, prevent behind-the-scenes operations, and guard against commercial bribery and conflicts of interest.
- (3) **Procurement Business Supervision:** Supervise and inspect the links of material procurement approval, incoming inspection, measurement, testing, warehousing and storage management, strengthen the supervision of key links such as procurement price and material quality control, avoid potential risks, and prevent collusion between suppliers and internal personnel to obtain improper benefits.
- (4) **Sales Business Supervision:** Supervise and inspect the links of sales price implementation, sales policy formulation, promotional product approval process, accounts receivable control, etc., guard against potential risks in sales business, and eliminate violations that damage the Company's interests.
- (5) **Supplier Clean Supervision:** Select preferred partners, strengthen the management of qualified suppliers, require suppliers to promise to abide by the law, be honest and self-disciplined, and comply with business ethics.

4. *Violation Handling and Accountability Mechanism*

The Group adopts a “zero-tolerance” attitude towards acts violating anti-corruption regulations. During the reporting period, a total of 3 reported cases were received, all of which were handled in a timely manner, with a 100% handling completion rate. For verified violations, corresponding disciplinary penalties will be given according to the severity of the circumstances to ensure the seriousness and effectiveness of the system. There were no concluded legal cases regarding corrupt practices brought against the Company.

Anti-corruption is a long-term work. The Group will continue to improve the anti-corruption management system, take preventive measures, build a clean line, and maintain a fair and clean business environment.

IV. COMMUNITY CONTRIBUTION

In 2025, closely centering on the concept of social responsibility, the Group deeply rooted in local development, actively participated in public welfare undertakings, practiced the concept of green development, participated in community construction and development in an all-round way, and was committed to promoting the coordinated development of economy, society and environment, demonstrating corporate responsibility and commitment.

1. *Honors and Social Responsibility Commitment*

Each subsidiary has won many industry and provincial honors in the fields of operation, green manufacturing, intelligent manufacturing and social responsibility, and its comprehensive strength and social recognition have been significantly improved. Weihai Subsidiary was rated as an innovation-leading enterprise in the Bohai Rim building materials industry, a green manufacturing demonstration enterprise, an advanced collective in the building materials industry of Shandong Province, passed the provincial-level specialization, refinement, differentiation and innovation review, and was rated as a provincial-level excellent intelligent manufacturing scenario and industrial internet platform; Dongtai Subsidiary won the titles of Jiangsu Advanced Intelligent Factory and National Building Materials Industry Excellent Intelligent Factory, and its green products were recognized as provincial-level new products. Taking honors as motivation, the enterprise actively fulfills social responsibilities and deeply participates in local economic and social development.

2. *Community Activities and Support*

Each subsidiary actively integrates into the local community and carries out diverse co-construction activities. The overseas Nigerian Subsidiary participated in public welfare activities such as primary and secondary school knowledge competitions and debate competitions in Ogun State, covering more than ten communities and tens of thousands of students, promoting cultural exchanges between China and Nigeria, and was recognized by the local government and embassies and consulates. Domestic enterprises actively participated in public services. Weihai Subsidiary set up a voluntary blood donation service team, organized voluntary blood donation, helped ensure local blood supply, and promoted the co-construction, sharing and coordinated development of enterprises and communities.

Environmental, Social and Governance Report (continued)

3. *Green Development and Public Welfare Undertakings*

The Group upholds the philosophy of giving back to the community and coordinates green development and public welfare support. In terms of green development, all subsidiaries have increased investment in environmental protection. The Dongtai Subsidiary has achieved ultra-low emissions of pollutants from production lines. The Suqian Subsidiary has invested funds in environmental treatment and factory greening. The Weihai Subsidiary has used incentive and subsidy funds to upgrade environmental protection facilities, sparing no effort to build a resource-conserving and environment-friendly enterprise. In terms of public welfare, the Nigerian Subsidiary provides quarterly community development funds. Domestic subsidiaries provide targeted assistance to employees in need and mobilize resources from various sources to earnestly fulfill social responsibilities and demonstrate the warmth of the enterprise.

Corporate Governance Report

China Glass Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) the board of directors (the “Board” or the “Directors”) and the management 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 development, strengthening the confidence of shareholders and investors, and enhancing shareholders’ value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2025, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the Directors. Upon specific enquiries, the Company has received confirmations from all Directors that they have complied with the required standards as set out in the Model Code during the financial year ended 31 December 2025.

The Company has in place written guidelines for employees’ dealings in the securities of the Company in its Guidance on the Code of Conduct for Dealing in the Securities of the Company, which are no less exacting than the Model Code.

THE BOARD OF DIRECTORS

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

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

The Board plans to hold at least four meetings a year to determine the overall strategic direction and objectives, approve interim and annual results, and discuss other significant matters relating to the Group’s business and operations. During the year ended 31 December 2025, a total of 4 regular meetings were held. Details of the Directors’ attendance at regular Board meetings are set out under “Attendance at Board and Board Committees Meetings, and General Meetings” in this report. Board meeting minutes/resolutions are kept by the Company Secretary and are available for inspection by the Directors.

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

Corporate Governance Report (continued)

Corporate Governance Functions

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

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

Board Composition

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

The Board members have no financial, business, family or other material relationships with each other. This balanced Board composition is designed to ensure a strong element of independence across the Board. The biographies of the Directors are set out on pages 27 to 29 of this Annual Report, demonstrating the diversity of knowledge, skills, expertise, experience and qualifications relevant to the Company's business and alignment with its strategic objectives. The Board possesses a diverse skillset covering glass industry knowledge/experience, materials science, strategic planning and risk management, business management, financial reporting/management, and legal/regulatory, as well as extensive experience in diversified businesses. This contributes to the critical functions of the Board and the Company's succession planning and ensures that the Directors devote sufficient time and make contributions to the Company commensurate with their roles and Board responsibilities.

Corporate Governance Report (continued)

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

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

Chairman and Chief Executive Officer

The Company strictly adheres to the principles of corporate governance by having the roles of Chairman and Chief Executive Officer (“CEO”) held by separate individuals. This ensures a segregation of the Board’s leadership from management’s executive responsibilities, thereby safeguarding the Board’s independence, enhancing oversight effectiveness, and enabling major decisions to be considered from multiple perspectives in a balanced manner. During the reporting period, the following significant changes occurred in the roles of Chairman and CEO:

- Chairman: Mr. Tang Liwei was appointed as the Chairman of the Board on 22 April 2025, succeeding Mr. Peng Shou. Mr. Tang is responsible for leading the Board, ensuring its effective functioning, and overseeing the deliberation of all major issues.
- CEO: Mr. Lyu Yingcheng was appointed as the CEO and an executive Director of the Company on 30 September 2025, succeeding Mr. Lyu Guo. Mr. Lyu is fully responsible for formulating the Company’s business strategy, overseeing day-to-day operations, and implementing Board decisions.

This structure, with separate roles, clearly delineates the Board’s supervisory responsibilities from management’s operational responsibilities, contributing to a balance of power and ensuring the Company’s long-term and stable development.

Appointments, Re-election and Removal of Directors

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

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

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

Corporate Governance Report (continued)

All non-executive Directors and independent non-executive Directors are appointed for a term of not more than three years, subject to the provisions for retirement by rotation at the Company's annual general meetings in accordance with the Bye-Laws and the CG Code.

To ensure that changes to the Board and the CEO can be planned and managed without undue disruption, the Board has adopted a Board Succession Planning Policy, which aims to set out plans for orderly succession for the appointment of Directors and the CEO.

Responsibilities, Accountabilities and Contributions of Directors

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

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

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

Delegation by the Board

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

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

Supply of and Access to Information

Board/Board Committees papers are circulated at least three days before regular Board/Board Committees meetings to enable Directors/Board Committees members to make informed decisions on matters to be raised at the meetings.

The CEO, the Chief Financial Officer ("CFO"), and the Company Secretary attend all regular Board meetings to advise on corporate governance, statutory compliance, accounting and financial, and business operations matters, as appropriate.

Corporate Governance Report (continued)

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

All Directors are also provided with monthly updates to provide a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties (including but not limited to their duties set out under Rule 3.08 and Chapter 13 of the Listing Rules).

Continuous Professional Development of Directors

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

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills, ensuring that their contribution to the Board remains informed and relevant, and that they stay updated on changes in applicable laws and regulations and the overall development of the Group's operations. All Directors confirmed their participation in continuous professional development during the year ended 31 December 2025, either by attending training courses or by reading materials relating to directors' duties and corporate governance.

BOARD COMMITTEES

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

Audit Committee

Members:

Independent Non-executive Directors	Mr. Chen Huachen (<i>Chairman</i>) Mr. Zhang Baiheng Ms. Lan Haiqing
Non-executive Director	Mr. Peng Shou (<i>resigned on 22 April 2025</i>) Mr. Tang Liwei (<i>appointed on 22 April 2025</i>)

The Audit Committee was established with written terms of reference in compliance with the CG Code. Mr. Chen Huachen (Chairman of the Audit Committee) possesses the appropriate professional qualifications and financial management expertise required under Rule 3.10(2) of the Listing Rules. The members of the Audit Committee have extensive management experience in the accounting profession and commercial sectors.

Corporate Governance Report (continued)

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

Full minutes of Audit Committee meetings are kept by the Company Secretary. For the year ended 31 December 2025, the Audit Committee met twice with the external auditors to discuss and review areas of concern and the risk management and internal control systems for the financial year ended 31 December 2024 and for the six months ended 30 June 2025. Details of committee members' attendance at Audit Committee meetings are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" in this report. The Audit Committee reviewed the independence of the external auditors and their reappointment, as well as the annual results announcement and annual report of the Group for the financial year ended 31 December 2024, and the interim results announcement and interim report for the six months ended 30 June 2025, before submission to the Board for adoption and publication. In reviewing the Company's interim and annual reports, and the Audit Committee's terms of reference and rules of procedure, the committee focused not only on the impact of changes in accounting policies and practices but also on compliance with accounting and financial reporting standards, the Listing Rules and legal requirements.

The Audit Committee has reviewed with the Company's management and external auditors the accounting principles and practices adopted by the Group, and discussed the audit (including audit matters of the Group and reviewed its results, recommendations and statements) and the audit plan and strategy of the external auditors for the financial year ended 31 December 2025, as well as the Company's operations, risk management and internal controls, and financial reporting matters and the Group's structure. The Committee also reviewed with the Company's management the annual/interim results for 2024 and the six months ended 30 June 2025, the internal audit plan for 2025, the effectiveness of the Group's internal audit function, and the report on the Group's ethics and compliance supervision. The discussion also included, among other things, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. In summary, the Audit Committee has reviewed the Group's risk management (including but not limited to material environmental, social and governance ("ESG") risks) and internal control systems (covering all material control areas, including but not limited to financial, operational and compliance controls), and is of the view that the Group's risk management and internal control systems are effective and adequate, and the internal audit function remains effective.

Nomination Committee

Members:

Independent Non-executive Directors	Mr. Zhang Baiheng (<i>Chairman</i>) Ms. Lan Haiqing
Non-executive Directors	Mr. Peng Shou (<i>resigned on 22 April 2025</i>) Mr. Tang Liwei (<i>appointed on 22 April 2025</i>)

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

Corporate Governance Report (continued)

The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board; identifying individuals suitably qualified to become Board members and advising the Board; and making recommendations to the Board on the appointment or re-appointment of Directors and on Board succession planning. The Board shall consider the recommendations made by the Nomination Committee and agree to the appointment of its members, and recommend suitable candidates for election by the shareholders of the Company (the "Shareholders" and each a "Shareholder") at the annual general meeting to fill a casual vacancy or as an addition to the existing Board. During the year ended 31 December 2025, the Nomination Committee held two meetings to assess the independence of the independent non-executive Directors; review the structure, size, composition, diversity perspectives and skills matrix of the Board, as well as the effectiveness of the board diversity policy (the "Board Diversity Policy") and the policy for board succession planning (the "Board Succession Planning Policy") – the Nomination Committee confirmed that such policies are effective; and to make recommendations to the Board on the re-election of retiring Directors at the annual general meeting of the Company held on 23 June 2025. Pursuant to the Board Succession Planning Policy, the Nomination Committee should periodically review and monitor the term limits and/or planned retirement of each Director and the CEO. Details of the committee members' attendance at Nomination Committee meetings are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" in this report.

Pursuant to bye-law 99 of the Bye-Laws, Mr. Lyu Guo, Mr. Zhang Baiheng ("Mr. Zhang") and Mr. Chen Huachen ("Mr. Chen") should retire by rotation at the AGM and, being eligible, offered themselves for re-election at the AGM.

Mr. Zhang and Mr. Chen, who have served as independent non-executive Directors of the Company for more than nine years, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. Based on the independence guidelines set out in the Listing Rules, the Company considers Mr. Zhang and Mr. Chen to remain independent.

The Nomination Committee, having reviewed the composition of the Board, confirmed that Mr. Zhang and Mr. Chen are eligible for nomination under the Bye-Laws and the Board's nomination policy, and recommended to the Board that Mr. Zhang and Mr. Chen be nominated for re-election as Directors at the AGM. Mr. Zhang, being a member of the Nomination Committee, did not vote on his own nomination.

The nominations were made in accordance with the Bye-Laws and the nomination policy, taking into account the various diversity aspects set out in the Board Diversity Policy and considering: (i) Mr. Zhang's extensive and diversified business background and experience; (ii) Mr. Chen's professional qualifications as a Chartered Financial Analyst, his bachelor's and master's degrees in accounting, his extensive capital market experience and financial-related background – this nomination also satisfies the requirements of Rule 3.10(2) of the Listing Rules; and (iii) their contributions to the Board. The Nomination Committee considered that Mr. Zhang and Mr. Chen would continue to bring valuable contributions, business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Nomination Committee, with reference to the criteria set out in Rule 3.13 of the Listing Rules, was satisfied with the independence of Mr. Zhang and Mr. Chen.

Corporate Governance Report (continued)

The Board accepted the Nomination Committee's nomination and recommends that Mr. Zhang and Mr. Chen stand for re-election as Directors at the AGM. The Board believes that Mr. Zhang and Mr. Chen bring to the Board perspectives independent of management or other Directors, extensive and invaluable knowledge, skills and experience, and will continue to provide constructive challenge to management and other Directors. The Board resolved to recommend that Mr. Zhang and Mr. Chen be re-elected as Directors at the AGM; and considers that the re-election of Mr. Zhang and Mr. Chen as Directors is in the best interests of the Company and its Shareholders as a whole.

Pursuant to bye-law 102(B) of the Bye-Laws, the Board shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy or as an addition to the Board, provided that any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, the term of office for Mr. Tang Liwei ("Mr. Tang"), Mr. Xie Changqing ("Mr. Xie") and Mr. Yang Xinyu ("Mr. Yang"), who were appointed as non-executive Directors on 22 April 2025, together with Ms. Lan Haiqing ("Ms. Lan"), who was appointed as an independent non-executive Director on 31 December 2024, will last until the AGM, at which they are eligible for re-election (together with the proposed re-election of Mr. Lyu Guo, Mr. Zhang Baiheng and Mr. Chen Huachen, collectively referred to as the "Retiring Directors Standing for Re-election").

The Nomination Committee, having reviewed the composition of the Board, confirmed that Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan are eligible for nomination under the Bye-Laws and the nomination policy, and recommended to the Board that Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan be nominated for re-election as Directors at the AGM. The nominations were made in accordance with the Bye-Laws and the nomination policy, taking into account the various diversity aspects as set out in the Board Diversity Policy. The Nomination Committee, with reference to the criteria set out in Rule 3.13 of the Listing Rules, was satisfied with the independence of Ms. Lan.

The Board accepted the Nomination Committee's nomination and recommends that Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan stand for re-election as Directors at the AGM. The Board believes that Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan can bring their perspectives, skills and experience to the Board, and resolved to recommend that Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan be re-elected as Directors at the AGM. The Board considers that the re-election of Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan as Directors is in the best interests of the Company and its Shareholders as a whole. Mr. Tang, Mr. Xie, Mr. Yang and Ms. Lan did not vote on their respective nominations.

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

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

Corporate Governance Report (continued)

The Nomination Committee is responsible for reviewing the Board Diversity Policy, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring progress towards achieving these objectives. The Nomination Committee reviews the Board Diversity Policy and the measurable objectives at least annually to ensure the continued effectiveness of the Board. The Nomination Committee, having reviewed the Board's structure, size, composition, diversity overview and skills matrix (which includes the different knowledge, skills, expertise, experience and qualifications required for the Company's business and alignment with its strategic objectives, i.e., the Board possesses a diverse skillset covering glass industry knowledge/experience, materials science, strategic planning and risk management, business management, financial reporting/management, and legal/regulatory), considered that, given the existing Board members come from various business and professional backgrounds, the Board possesses a balanced mix of skills, experience, expertise and diverse perspectives appropriate to the Company's business growth needs in 2025. The Board conducted a review of the implementation and effectiveness of the Board Diversity Policy at its regular meeting in March 2025. The Board reviewed the Board's skills matrix, structure, size, composition and diversity perspectives, as well as the mechanisms used to ensure independent views and input are available to the Board (the "Independent Mechanisms", measures as set out in the policy). The Board is satisfied that the policy and the Independent Mechanisms have been properly implemented during 2025 and are effective.

Board Diversity Policy

1. Purpose

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

2. Policy Statement

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

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

Corporate Governance Report (continued)

3. Measurable Objectives

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

The Company is committed to achieving the following objectives and adopting the following measures to ensure board diversity:

- **Gender:** The Company adheres to the principle of "gradual progression and dynamic optimisation" to continuously increase the proportion of female Directors. The Nomination Committee will prioritise consideration of the qualifications of female candidates and systematically integrate gender balance considerations into the Board succession planning process, referencing international and local best practice recommendations. The Board will continue to strengthen the dual mechanisms of internal cultivation and external recruitment in the future. However, Director appointments will prudently account for practical factors such as the Company's strategic transformation needs, diverse shareholder expectations, and the supply and demand dynamics of the talent market, ensuring that decision-making quality and governance effectiveness remain paramount as gender diversity initiatives are steadily advanced.

To achieve gender diversity objectives, the Board succession policy will consider incorporating the following measures:

- (a) prioritising the recommendation of female candidates in the Director selection process, provided their qualifications are equivalent; and
 - (b) assessing the gender composition of the Board annually and dynamically setting phased improvement targets based on the cadence of term renewals and the readiness of the candidate pipeline.
- **Independence:** The Board will maintain a balanced composition of executive, non-executive and independent non-executive Directors to ensure a high degree of independence on the Board. Independent non-executive Directors shall possess sufficient calibre and vision for their views to carry weight. The Board will continuously assess the independence of each Director based on all relevant factors.

To ensure that independent views and input are available to the Board, the functions of non-executive Directors include, among others:

- (a) participating in Board meetings to bring independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- (b) taking the lead where potential conflicts of interest arise;

Corporate Governance Report (continued)

- (c) serving on the Audit, Remuneration, Nomination and other governance committees, if invited; and
- (d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

- **Knowledge, Skills and Experience:** The Board will continue to possess a balance of knowledge, skills and experience appropriate for the Company's business and operations. In light of the Group's strategic needs and the surrounding operating environment, the Company will from time to time provide relevant training to Directors to equip them with the attributes and competencies required for the Board.
- **Age:** A Board comprised of Directors with a range of ages and tenures can enhance diversity and mitigate succession risks. To achieve this objective, age is one of the factors the Nomination Committee will consider when identifying and recommending suitable Director candidates. The Nomination Committee may also from time to time identify and recommend younger Director candidates to build a pipeline of Board successors, while balancing the knowledge, skills and experience required for the Company's business and operations.

4. *Monitoring and Reporting*

The Nomination Committee will monitor the implementation of this Policy.

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

- a summary of this Policy, the measurable objectives set for implementing this Policy, and progress made towards achieving those objectives;
- how and when gender diversity on the Board will be achieved;
- the numerical targets and timelines set for achieving gender diversity on the Board; and
- measures adopted to develop a pipeline of potential successors to the Board to achieve gender diversity.

5. *Review of this Policy*

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

Corporate Governance Report (continued)

Nomination Policy

1. Purpose

- 1.1 The Nomination Committee (the “Nomination Committee”) shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings, or for the Board to appoint as Directors to fill casual vacancies, or as additions to the Board.
- 1.2 The Nomination Committee may nominate such number of candidates as it considers appropriate to be appointed or re-appointed at a general meeting, or to fill the required number of casual vacancies, or to nominate an appropriate number of candidates as additions to the Board.

2. Selection Criteria

- 2.1 The Nomination Committee will have reference to the following factors in assessing the suitability of a proposed candidate:
 - (a) reputation for integrity;
 - (b) experience in business strategy, management, legal and financial aspects;
 - (c) whether the proposed candidate can assist the Board in effectively performing its responsibilities;
 - (d) the diversity of perspectives, merits and contribution that the proposed candidate is expected to bring to the Board;
 - (e) commitment in terms of available time and relevant interest;
 - (f) diversity aspects of the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional expertise and qualifications, industry experience, skills, knowledge and length of service; and
 - (g) in the case of selection for independent non-executive Directors, the independence of the proposed candidate.

The above factors are for reference only and are not intended to be exhaustive or decisive. The Nomination Committee has the discretion to nominate any person it considers appropriate.

- 2.2 Proposed candidates will be required to submit necessary personal information in a prescribed form, along with a written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or relevant websites in connection with or related to their candidacy for election as a Director.
- 2.3 The Nomination Committee may request candidates to provide additional information and documents if considered necessary.

Corporate Governance Report (continued)

3. Nomination Procedures

- 3.1 The secretary of the Nomination Committee shall convene a meeting of the Nomination Committee and invite nominations of candidates from Board members, if any, for consideration by the Nomination Committee prior to its meeting. Alternatively, the Nomination Committee may approve such nomination by way of written resolution.
- 3.2 To fill a casual vacancy or appoint an additional Director, the Nomination Committee shall recommend candidates for the Board's consideration and approval. To recommend candidates for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation for election.
- 3.3 Until the circular to Shareholders is issued, the nominee shall not assume that he/she has been recommended by the Board for election at the general meeting.
- 3.4 Regarding the procedures for Shareholders to propose a person for election as a Director, pursuant to the Bye-Laws, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election as a Director at any general meeting unless a written notice of the intention to propose that person for election as a Director and a written notice by that person of his willingness to be elected are lodged at the Company's head office at least seven days before the date of the general meeting.

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

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

4. Confidentiality

Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or any staff member of the Company disclose any information to or entertain any enquiries from the public regarding any nomination or candidate before the Company issues the circular to Shareholders, as the case may be. Following the issuance of the circular, the Nomination Committee, the Company Secretary, or other staff member of the Company authorised by the Nomination Committee may answer enquiries from regulatory authorities or the public, but confidential information regarding nominations and candidates shall not be disclosed.

Remuneration Committee

Members:

Independent Non-executive Directors	Ms. Lan Haiqing (<i>Chairman</i>) Mr. Zhang Baiheng
Non-executive Directors	Mr. Peng Shou (<i>resigned on 22 April 2025</i>) Mr. Tang Liwei (<i>appointed on 22 April 2025</i>)

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

Corporate Governance Report (continued)

The primary duties of the Remuneration Committee include making recommendations to the Board on the overall remuneration policy and structure for all Directors and senior management of the Group, and on the establishment of a formal and transparent procedure for developing such remuneration policy; recommending the remuneration package for the executive Director(s) with reference to the Board's corporate goals and objectives; and making recommendations to the Board on the remuneration of non-executive Directors. During the year ended 31 December 2025, the Remuneration Committee held two meetings to assess the performance of the executive Director; review the annual performance appraisal and remuneration packages of the Group's senior management (including the executive Director who also serves as the CEO), particularly performance-related pay; and review the Remuneration Committee's terms of reference and rules of procedure and amendments (in line with the amended CG Code and Chapter 17 (Share Schemes) of the Listing Rules) before submitting them to the Board for adoption and publication. The emoluments of the executive Director were determined with reference to their duties, responsibilities, involvement in the Group's affairs, their performance, the Group's results and prevailing market conditions during the specified year(s). The Remuneration Committee also reviewed the fees for non-executive and independent non-executive Directors, which were determined with reference to their duties, responsibilities and involvement in the Company's affairs, skills, knowledge and performance, taking into account the Company's performance and profitability, as well as current market conditions for similar appointments; and confirmed that there would be no adjustment to these Directors' fees.

To attract, retain and motivate Directors and senior management to serve the Group, the Company maintains competitive remuneration levels based on relevant market conditions and corresponding to the performance of the Directors and senior management. Details of the remuneration paid to Directors and senior management for the year ended 31 December 2025 are set out in Note 9 and Note 32(d) to the consolidated financial statements. The Company has a formal and transparent policy to determine the remuneration packages of individual Directors and employees (including senior management). The Remuneration Committee noted the management report that there was no salary adjustment and annual performance bonus from 2024 to 2025.

Remuneration Policy

1. The Remuneration Committee is responsible for formulating the Company's remuneration policy and structure for Board approval, and for making recommendations to the Board on the Group's annual salary adjustments, annual performance bonuses, share options and share awards.
2. Remuneration for non-executive Directors is intended to ensure an appropriate level of compensation to attract and retain experienced and high-calibre individuals to oversee the Group's business and development. The remuneration of non-executive Directors (including directors' fees and discretionary bonuses) is reviewed annually by reference to companies of comparable business or scale in the market, and also with reference to the average annual remuneration of non-executive directors of Hang Seng Index constituent companies. Any adjustments are subject to Board approval. The annual review of non-executive Directors' fees aims to provide fair and reasonable compensation, considering the Directors' duties, the time commitment required to fulfil their roles, and the variable workload associated with their memberships on Board committees.
3. Non-executive Directors are eligible to participate in the share option schemes and share award scheme operated by the Company, or to receive other fringe benefits provided by the Company. Non-executive Directors do not have service contracts.

Corporate Governance Report (continued)

4. High-quality and dedicated employees are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talent, the Company's remuneration policy is based on the principles of providing equitable and market-competitive remuneration packages that support a performance culture and facilitate the achievement of strategic business goals. Therefore, the Company aims to pursue a competitive but not excessive remuneration policy.
5. Employees' remuneration packages (including those of the Company's executive Director and CEO, and senior management) comprise basic salary and performance-related pay components (including base salary, performance bonus and long-term incentives). Both components are benchmarked against local and regional companies of comparable business or scale in the market, and Hang Seng Index constituent companies. The proportion of basic salary to performance-related pay in employees' remuneration packages is reviewed annually based on the Group's performance.
6. The Remuneration Committee is responsible for reviewing the remuneration of Directors and senior management annually and making recommendations to the Board for its consideration. When conducting the annual pay review for the Company's executive Director and CEO, and senior management, the Remuneration Committee and the Board consider a number of factors, such as individual responsibilities and performance, economic and employment conditions, and the competitiveness of the job market.
7. Remuneration packages for Directors and employees are regularly reviewed in accordance with the Company's remuneration policy to ensure they remain competitive and aligned with the market, in order to attract and retain individuals with the relevant skills, knowledge and experience.
8. No Director or any of his/her associates participates in deciding his/her own remuneration. The CEO and senior management do not participate in the Remuneration Committee's discussions regarding their own pay reviews and performance awards. The Remuneration Committee consults the Chairman of the Board on the CEO's performance, and consults both the Chairman of the Board and the CEO on the individual performance of senior management.
9. Remuneration of individual Directors and senior management is disclosed in the Company's annual report.

The remuneration paid to members of senior management(1) for the year ended 31 December 2025, by band, is set out below:

Remuneration Band	Number of Individuals
RMB0 to RMB500,000	0
RMB500,001 to RMB1,000,000	5
Over RMB1,000,000	0

Note 1: Senior management refers to persons whose brief biographical details are required to be disclosed in the Company's annual report each year under paragraph 12 of Appendix D2 to the Listing Rules.

Corporate Governance Report (continued)

Strategy Committee

Members:

Non-executive Directors	Mr. Peng Shou (<i>Chairman, resigned on 22 April 2025</i>) Mr. Tang Liwei (<i>Chairman, appointed on 22 April 2025</i>) Mr. Zhao John Huan (<i>resigned on 22 April 2025</i>) Mr. Yang Xinyu (<i>appointed on 22 April 2025</i>)
Executive Director	Mr. Lyu Guo (<i>resigned on 30 September 2025</i>) Mr. Lyu Yingcheng (<i>appointed on 30 September 2025</i>)

The Strategy Committee is mainly responsible for reviewing the Company's medium and long-term strategies in accordance with its defined terms of reference. The Strategy Committee meets when necessary.

ATTENDANCE AT BOARD AND BOARD COMMITTEES MEETINGS, AND GENERAL MEETINGS

Name of Director	Meetings Attended/Held During the Year Ended 31 December 2025					
	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Annual General Meeting	Special General Meeting
Executive Director						
Mr. Lyu Guo (<i>CEO, redesignated as non-executive director on 30 September 2025</i>) ⁽¹⁾	2/2	–	–	–	1/1	1/1
Mr. Lyu Yingcheng (<i>CEO, appointed on 30 September 2025</i>) ⁽²⁾	2/2	–	–	–	–	–
Non-executive Directors						
Mr. Peng Shou (<i>Chairman, resigned on 22 April 2025</i>) ⁽³⁾	1/1	1/1	1/1	1/1	–	–
Mr. Tang Liwei (<i>Chairman, appointed on 22 April 2025</i>) ⁽⁴⁾	3/3	1/1	1/1	1/1	1/1	1/1
Mr. Zhao John Huan (<i>resigned on 22 April 2025</i>) ⁽⁵⁾	1/1	–	–	–	–	–
Mr. Yang Xinyu (<i>appointed on 22 April 2025</i>) ⁽⁶⁾	3/3	–	–	–	1/1	1/1
Mr. Zhang Jinshu (<i>resigned on 22 April 2025</i>)	1/1	–	–	–	–	–
Mr. Xie Changqing (<i>appointed on 22 April 2025, resigned on 30 September 2025</i>)	2/2	–	–	–	1/1	1/1
Mr. Lyu Guo (<i>redesignated on 30 September 2025</i>)	2/2	–	–	–	–	–
Independent Non-executive Directors						
Mr. Zhang Baiheng	4/4	2/2	2/2	2/2	1/1	1/1
Mr. Chen Huachen	4/4	2/2	2/2	2/2	1/1	1/1
Ms. Lan Haiqing	4/4	2/2	2/2	2/2	1/1	1/1

Corporate Governance Report (continued)

Notes:

- (1) Mr. Lyu Guo was redesignated as non-executive Director, and resigned as executive Director, CEO, member of the Strategy Committee and authorised representative;
- (2) Mr. Lyu Yingcheng was appointed as executive Director, CEO, member of the Strategy Committee and authorised representative;
- (3) Mr. Peng Shou resigned as Chairman of the Board, non-executive Director, Chairman of the Strategy Committee, member of the Audit Committee, member of the Nomination Committee and member of the Remuneration Committee;
- (4) Mr. Tang Liwei was appointed as Chairman of the Board, non-executive Director, Chairman of the Strategy Committee, member of the Audit Committee, member of the Nomination Committee and member of the Remuneration Committee;
- (5) Mr. Zhao John Huan resigned as non-executive Director and member of the Strategy Committee;
- (6) Mr. Yang Xinyu was appointed as non-executive Director and member of the Strategy Committee;

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Accountability and Financial Reporting

The Board is accountable to the Shareholders, while management is accountable to the Board. Management provides sufficient explanation and information to the Board to enable it to make informed assessments of the financial and other information placed before it for approval.

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the financial year ended 31 December 2025. They confirm that the financial statements contained in this report give a true and fair view of the results and state of affairs of the Group for the year under review, and are of the opinion that the financial statements have been prepared in accordance with statutory requirements and applicable accounting standards. The Directors aim to present a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in all shareholder communications. For details on the material uncertainties relating to the Group's going concern and their mitigation measures, please refer to Note 2(b) to the consolidated financial statements in this report.

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

Auditors and Auditors' Remuneration

The financial statements for the year ended 31 December 2025 have been audited by KPMG, whose term of office will expire upon the forthcoming annual general meeting of the Company. The Audit Committee has recommended to the Board that KPMG be nominated for appointment as the Company's auditor at the forthcoming annual general meeting.

There have been no changes in the Company's auditor in the past three years.

Corporate Governance Report (continued)

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

The statement of the Company's independent auditor regarding their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 96 to 102 of this Annual Report.

During the year under review, the total fee payable to KPMG for annual audit services and interim review was RMB9.32 million; and the fee payable to KPMG for non-audit services was RMB0.38 million. The Audit Committee has reviewed the non-audit services provided by the auditor and confirmed that, in the Audit Committee's opinion, these services do not affect the auditor's independence.

Risk Management and Internal Control

The Board has overall responsibility for evaluating and determining the nature and extent of risks it is willing to take in achieving the Company's strategic objectives, and for establishing and maintaining sound and effective risk management and internal control systems for the Group. The Audit Committee assists the Board in leading management and overseeing their design, implementation and monitoring of the risk management and internal control systems and the internal audit function. The Company has established a Compliance and Supervision Management Committee, composed of designated members of the Company's management, to lead the Compliance and Supervision Department. This committee assesses the likelihood of risks occurring during the fourth quarter of each year (regularly) and in specific situations such as significant environmental changes or emergencies (ad hoc), provides handling plans, supervises risk management procedures, and reports all findings and the effectiveness of the systems to the Audit Committee and the Board. The Board Office is the central management department for the Company's risk management and internal control systems, responsible for organising and coordinating daily risk management tasks, formulating risk management plans, conducting risk assessments, and establishing internal control systems.

The Group has developed and adopted a scientific risk management system covering various types of risks, including strategic, market, operational, financial, legal, environmental, social and governance risks. By identifying, assessing and responding to various risks, the Company ensures it can effectively manage these risks and promote its stable development. At the same time, the established internal control system is closely integrated with the risk management strategy, covering the review and assessment of the Company's various business processes and office functions, ensuring that key control points in each process are identified and effective control measures are in place. All departments and subsidiaries of the Group are required to carry out risk management under the guidance of the Compliance and Supervision Department, identifying, analysing and evaluating risks based on changes in the internal and external environment, and formulating corresponding management strategies. The Group's risk assessment is based on three dimensions: likelihood of occurrence, degree of impact, and urgency for improvement.

Corporate Governance Report (continued)

The Company has established a whistleblowing system to encourage employees and parties dealing with the Group to report, in confidence and anonymously, to the Company's Audit Committee, Compliance and Supervision Committee, and Compliance and Supervision Department, any conduct that harms the Company's interests, infringes upon employees' legitimate rights, or damages the Company's image and reputation in all aspects of the Group's production, operation, management and business; as well as to report possible misconduct under anti-corruption laws and related policies and systems, or raise concerns or dissatisfaction in connection therewith. The Group has also established an accountability system and procedures. This system applies to all departments, wholly-owned subsidiaries, holding companies, investee companies, and management at all levels of the Company. The principles followed in accountability are adherence to the principle that there are laws to abide by and rules to follow; the principle of seeking truth from facts and correcting mistakes if any; and the principles of commensurate responsibility with authority, and combining education with punishment, aiming to operate according to law, correct illegal acts if any, effectively safeguard the economic interests of the enterprise, and promote the sustainable, harmonious and healthy development of the Company.

During the year ended 31 December 2025, the Board authorised the Audit Committee to review annually the effectiveness of the Group's risk management, internal control systems and internal audit function. The Audit Committee has conducted a review of the effectiveness of the Group's risk management, internal control systems and internal audit function. The review covers the monitoring of all significant risks (including environmental, social and governance risks) with the aim of minimising the Group's overall business and operational risks.

During the year under review, the reviews by the Board and the Audit Committee included, among other things, the nature and severity of material risks to the Group for the financial year ended 31 December 2024 and the six months ended 30 June 2025, and measures to address the associated risks; management's continuous monitoring of the Company's risk management and internal control systems and assessment of the scope and effectiveness of its work; and the awareness that, since the last review, the Company had not encountered any significant risks that it was unable to manage. Through the efforts of the Group's management and employees, the Company's ability to respond to changes in the business and environment has further improved, and the Company's processes for financial reporting and compliance with the procedures stipulated in the Listing Rules remain effective. These reviews enable the Board to oversee, evaluate and determine the effectiveness of the Company's risk management and internal controls.

Internal Audit Function and its Effectiveness

The Group has constructed a dual-track internal audit framework integrating a "multi-dimensional committee system" and "segregation of supervisory responsibilities." This involves establishing four specialised committees (Pricing, Capital, Investment, and Technology) operating through a closed-loop process of "specialised approval → execution monitoring → compliance review." Concurrently, a checks-and-balances mechanism is established, with an independent Compliance and Supervision Department taking the lead in the audit function, supplemented by external audits covering engineering projects, financial statements, and system compliance through a triple-layer audit coverage.

The current system exhibits two structural advantages: clear delineation of responsibilities between specialised committees and functional departments (e.g., the Pricing Management Committee focuses on pricing strategies, the Technology Management Committee oversees R&D project initiation), and a robust "decision-execution-supervision" tripartite checks-and-balances mechanism. Overall, this framework has established foundational checks and balances effectiveness. The Group will strengthen talent management and cross-functional collaboration to enhance decision-making synergy.

Corporate Governance Report (continued)

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

Module	Core Control Functions	Effectiveness Evaluation
Pricing Decisions	<ul style="list-style-type: none"> • Tri-source information verification (consultancy data/specialised intelligence/departmental data) • Headquarters Pricing Management Committee collective decision-making mechanism 	<ul style="list-style-type: none"> • Monthly Pricing Management Committee meetings • price adjustments being promptly and efficiently submitted to the Price Management Committee for review and approval in response to price fluctuations
Capital Management	<ul style="list-style-type: none"> • Dual-layer approval (subsidiary review → headquarters Capital Committee re-check) • Payment authority matrix 	<ul style="list-style-type: none"> • 0 capital compliance incidents • Monthly Capital Management Committee meetings
Investment Control	<ul style="list-style-type: none"> • Full-cycle management (feasibility analysis → tender supervision → settlement audit) 	<ul style="list-style-type: none"> • Timely Investment Management meetings for case-by-case review
Production and R&D Control	<ul style="list-style-type: none"> • Standardise and supervise raw/fuel material quality and production processes • Closed-loop R&D management, establishing a complete output chain from "project initiation → cost control → patent application" • Technology frontier and standards upgrading 	<ul style="list-style-type: none"> • 100% compliance rate for product quality certifications
Inventory Control	<ul style="list-style-type: none"> • ERP system full-process traceability • Annual stocktake + third-party audit 	<ul style="list-style-type: none"> • Inbound and outbound goods accepted according to quality standards • Physical-ledger consistency
Fixed Assets Control	<ul style="list-style-type: none"> • Full-cycle management (covering complete process of procurement, acceptance, transfer, repair, disposal) • Annual asset inventory check • Dispose of idle and obsolete assets to avoid resource wastage 	<ul style="list-style-type: none"> • Comprehensive insurance coverage for critical assets • Physical-ledger consistency • Idle asset ratio below industry standard
Contract Review	<ul style="list-style-type: none"> • Contract standardisation • Dual legal review (internal and external) 	<ul style="list-style-type: none"> • 1,110 terms rectified annually, a year-on-year decrease of 18% • zero contract dispute cases
Corporate Culture Control	<ul style="list-style-type: none"> • Domestic and international cultural diversity • Employee diversity and staff care 	<ul style="list-style-type: none"> • 100% compliance rate for cultural promotion and development • Improvement in employee satisfaction rate • 100% coverage of employee non-discrimination policies

Corporate Governance Report (continued)

The current audit mechanism demonstrates notable strengths in process rigour, specifically reflected in two core advantages: Firstly, multiple control valves are installed at key business nodes, for example, investment projects must simultaneously pass through dual review checkpoints of profitability assessment and tender supervision, forming a risk prevention depth. Secondly, digital tools are comprehensively integrated, achieving 100% coverage of business processes through the ERP system, enhancing control precision. Furthermore, to support the national “dual carbon” policy and practice the Group’s “green transformation and upgrading” concept, the Group will deepen the systematic integration of environmental and social risks within the existing assessment framework, fully incorporating sustainable development factors into investment and production decision-making processes, further enhancing the forward-looking coverage of risk management and long-term risk resilience.

Audit System and its Effectiveness

The Group has constructed a multi-layered supervisory system to strengthen governance effectiveness. This includes: at the internal audit level, the Company continuously conducts compliance checks under the “Internal Audit Management System”, performing special in-depth reviews of engineering project compliance (covering key projects for 2024–2025) and conducting handover audits for key management positions. External audit integrates professional resources, with financial statements audited annually by the international firm KPMG, and project settlements adopting a dual control model combining “regional quota benchmarks + independent third-party audit.” Additionally, a full-channel anti-fraud protection network has been established, achieving 100% coverage of reporting channels through physical mailboxes, dedicated hotlines, and digital platforms. All cases investigated in 2025 were fully resolved.

This audit framework demonstrates three core advantages: First, internal and external audits form a strategic complement, with internal audit focusing on improving process compliance and external audit ensuring verification of financial data integrity. Second, the digital governance platform enables real-time visualisation of audit data, significantly enhancing regulatory timeliness. Third, the anti-fraud mechanism, combined with corporate culture shaping, effectively builds a line of defence for honest operations. To continuously strengthen supervisory effectiveness, two optimisation measures are recommended for further promotion: Firstly, deeply link audit results to the performance management system to promote synergy between governance outcomes and organisational goals. Secondly, systematically increase the proportion of preventive audits, improve monitoring coverage through forward-looking risk identification, and achieve strategic optimisation of audit resource allocation.

Corporate Culture Development and its Effectiveness

The Company has constructed a multi-layered cultural governance system to ensure the effective implementation of cultural concepts. At the governance structure level, the Board acts as the supreme decision-making body for corporate culture, formulating strategic cultural development directions. The General Management Department serves as the executive body, responsible for planning and implementing cultural development plans and conducting daily supervision and management. The cultural permeation system adopts a three-dimensional driving model – deepening cognitive understanding through regular company-wide training, strengthening emotional identification through collective competition activities and visits to “red education” bases, and achieving multi-touchpoint coverage using internal audio-visual platforms and official website visual communication, forming a complete closed loop of “education input – experience internalisation – sustained exposure.” At the incentive level, an anchoring mechanism for recognition is established, implementing annual appraisals to select outstanding individuals/teams/managers, while simultaneously adopting a dual-track incentive system of “commendation meetings + performance rewards,” directly linking the outcomes of cultural practice to personal development and material returns, effectively motivating full employee participation in cultural development. This mechanism possesses both strategic height and execution depth, achieving systematic cultural governance from concept promotion to behavioural transformation.

Corporate Governance Report (continued)

Internal Control Measures for Inside Information

The Company has implemented internal control procedures to ensure strict prohibition of unauthorised access to and use of inside information. The Company has formulated an Information Disclosure and Reporting System, which provides general guidance, procedures and systems for the Company's Directors, Company Secretary, senior management, senior officers and relevant employees regarding the handling of confidential and inside information, communication with (and disclosure of information to) Shareholders, investors, securities and financial analysts, and the media, monitoring information disclosure and responding to enquiries. The procedures and internal control measures for handling and releasing inside information are as follows:

For periodic reports (including results announcements), after completion of preparation, they are first submitted to the Audit Committee for review and audit. The Board will consider and approve periodic reports at its regular meetings. After approval by the Board, the Company Secretary (authorised by the Board) coordinates final confirmation with all personnel directly involved in preparing the reports and announcements. The Company Secretary then finalises the text and arranges for the announcement/report to be published on the Stock Exchange's "HKExnews" website and the "Investor Relations" section of the Company's website.

For non-periodic information disclosure, the Board, various professional committees under the Board, senior officers of the Company, responsible persons or information liaison officers of the headquarters and various departments, bases, subsidiaries, branches, and R&D centres, the Company's controlling shareholders, and other Shareholders holding 5% or more of the Company's shares, upon becoming aware of or knowing about major events requiring disclosure in a non-periodic manner as described in the Information Disclosure and Reporting System, should promptly notify the Company Secretary and the head of the Company's Board Office. The CFO, Company Secretary, and head of the Board Office review the compliance of the non-periodic information disclosure and consult with relevant legal advisors, accountants, and auditors. For matters requiring internal approval procedures, the Company Secretary is responsible for convening Board meetings or preparing Board written resolutions, and convening general meetings (if required) in accordance with the Listing Rules, laws, regulations, the Company's memorandum of association and new Bye-Laws. Approved non-periodic information disclosures must be submitted by the Company Secretary to the Board for consideration and approval. Subsequently, the Company Secretary (authorised by the Board) coordinates final confirmation with all personnel directly involved in preparing the non-periodic information disclosure, finalises the text, and arranges for the announcement to be published on the Stock Exchange's website and the Company's website. If necessary, the Company Secretary submits relevant announcements/disclosures to the Stock Exchange and/or other regulatory authorities and, after approval by the Stock Exchange and/or relevant regulatory authorities, arranges for the announcement to be published on the Stock Exchange's website and the Company's website. The Company may simultaneously disclose information to the public in the form of announcements and press releases (but not solely by press release). However, the content of both must be consistent, and press releases must not contain inside information not mentioned in the announcement.

If relevant information disclosure obligors of the Company have doubts about whether certain information involves a disclosure matter, they should promptly consult the Company Secretary. If further confirmation is needed, the Company Secretary consults the Company's legal advisors and/or the Stock Exchange.

Corporate Governance Report (continued)

Conclusion

In 2025, the Company carried out its production and operation activities in accordance with a scientifically sound and complete internal management and monitoring system. Issues identified during audits during the year were rectified and improved one by one through the adoption of effective preventive measures. The management system was implemented robustly, and supervisory and audit functions were effectively carried out.

Management has provided a confirmation to the Board on the effectiveness and adequacy of the risk management and internal control systems for the year ended 31 December 2025. The Board acknowledges its responsibility for the risk management and internal control systems and, with the support of the Audit Committee, reviews the effectiveness of these systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board and the Audit Committee consider the risk management and internal control systems to be effective and adequate. They also considered the adequacy of resources, staff qualifications and experience, training and budget of the Company in terms of accounting, internal audit and financial reporting functions, as well as those relating to the Company's environmental, social and governance ("ESG") performance and reporting. No significant areas of concern that might affect stakeholders, including Shareholders, were identified during the year under review.

COMPANY SECRETARY

The Company Secretary of the Company is Ms. Jiao Yingchen ("Ms. Jiao"). She was appointed as the Company Secretary and authorised representative of the Company on 9 June 2025, succeeding the previous Company Secretary who had resigned.

Ms. Jiao is a full-time employee of the Company, reporting to the CEO and CFO. She is responsible for advising the Board on compliance and corporate governance matters, ensuring that Board procedures are properly followed and Board activities are conducted effectively and efficiently, and arranging induction and continuous professional development for Directors. All Directors have access to the advice and services of Ms. Jiao on compliance, corporate governance and general Board matters. She received 15 hours of intensive continuing professional development training during the financial year ended 31 December 2025.

Ms. Jiao has over fifteen years of experience in company secretarial and related fields for companies listed on the Stock Exchange. She holds a Master's degree in Corporate Governance from The Hong Kong Polytechnic University and a Bachelor's degree in Economics from the University of Illinois at Urbana-Champaign, USA. She is a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (UK). Her detailed biography is set out on page 30 of this Annual Report.

SHAREHOLDERS' RIGHTS

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

(A) Right to Convene an SGM

Bye-Laws

- (i) Bye-law 62 sets out the position under the Bye-Laws for convening a meeting upon a shareholder requisition. Bye-law 62 provides that the Board may convene an SGM whenever it thinks fit. Subject to the provisions of the Companies Act 1981 of Bermuda, as amended from time to time (the "Companies Act"), an SGM shall also be convened on the requisition of Shareholders of the Company (the "Shareholders" and each a "Shareholder") holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at that date carrying the right to vote at general meetings of the Company. The requisition must state the purposes of the meeting, must be signed by the requisitionists and deposited at the Company's registered office at Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda (the "Bermuda Registered Office"), and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within twenty-one days from the date of deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

Companies Act

- (ii) Pursuant to Section 74 of the Companies Act, one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at that date carrying the right to vote at general meetings of the Company may requisition the directors of the Company (the "Directors" and each a "Director") to forthwith proceed duly to convene an SGM by depositing a written requisition at the Company's registered office.
- (iii) The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), must be signed by the requisitionists and deposited at the Bermuda Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- (iv) If the Directors do not within twenty-one days from the date of deposit of the requisition proceed duly to convene an SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an SGM, but any SGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition.
- (v) An SGM convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Corporate Governance Report (continued)

(B) *Right to Put Forward Proposals at General Meetings*

Companies Act

- (i) Sections 79 and 80 of the Companies Act permit certain Shareholder(s) to requisition the Company to give notice to Shareholders of any resolution intended to be moved at an annual general meeting of the Company (the "AGM") or to circulate a statement concerning any proposed resolution or business to be considered at a general meeting of the Company. Pursuant to Section 79 of the Companies Act, at the expense of the requisitionists (unless the Company otherwise resolves), it shall be the duty of the Company, on the requisition in writing of such number of Shareholders as hereinafter mentioned:
 - (a) to give to Shareholders entitled to receive notice of the next AGM, notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
 - (b) to circulate to Shareholders entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
- (ii) The number of Shareholders necessary for making the above-mentioned requisition to the Company is:
 - (a) any number of Shareholders representing not less than one-twentieth of the total voting rights of all Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
 - (b) not less than one hundred Shareholders.
- (iii) Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting. Notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

Corporate Governance Report (continued)

- (iv) Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give notice of any resolution or to circulate any statement. Pursuant to Section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in paragraph (B) (i) above unless:
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signatures of all the requisitionists) is deposited at the Company's Bermuda Registered Office:
 - (a.a) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - (a.b) in the case of any other requisition, not less than one week before the meeting; and
 - (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect to the procedures in paragraph (B) (i) above (i.e., giving notice of the resolution and/or circulating the statement).

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

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

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

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

Procedures for Sending Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by post to the Company's principal place of business in Hong Kong at Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, or by email to tina.jiao@chinaglassholdings.com.

Corporate Governance Report (continued)

Dividend Policy

1. Purpose

- 1.1 The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management through a sustainable dividend policy (the "Dividend Policy").
- 1.2 The Dividend Policy sets out guidelines for the Board to determine (i) whether to declare and pay dividends; and (ii) the level of dividends to be paid to Shareholders.
- 1.3 The Dividend Policy aims to allow Shareholders to participate in the Company's profits while enabling the Company to retain sufficient cash reserves for its working capital requirements and future development.
- 1.4 Under the Dividend Policy, provided the Group is profitable and without affecting the Group's current and future operations, the Company may declare and pay dividends to Shareholders.
- 1.5 The dividend payout ratio will vary from year to year. The Company does not assure the payment of any specific amount of dividends in any given period.

2. Factors for Consideration

- 2.1 The Board should consider the following factors in determining or recommending the frequency, amount and form of any dividends for any financial year/period:
 - a) the Group's actual and expected financial performance;
 - b) the retained earnings and distributable reserves of the Company and each member of the Group;
 - c) the Group's debt-to-equity ratio, return on equity, liquidity position and relevant financial covenants;
 - d) any restrictions on dividend payment that may be imposed by the Group's lenders;
 - e) the Group's business strategies, including expected working capital requirements, future expansion plans, investment needs and prospects to sustain long-term business growth;
 - f) general economic and financial conditions, the business cycle of the Group's business, and other internal or external factors that may affect the Company's business or financial performance and position; and
 - g) any other factors the Board deems appropriate.

3. Procedures for Declaration and Payment of Dividends

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

Corporate Governance Report (continued)

- 3.2 The declaration and/or payment of dividends in cash, scrip or other forms shall be determined by the Board in its sole discretion, in accordance with the Bye-Laws, the Companies Act, all applicable laws and regulations, and the factors mentioned above. No assurance is given that dividends will be paid in any specific amount for any given period.
 - 3.3 Any final dividend recommended by the Board must be approved by ordinary resolution at an AGM and shall not exceed the amount recommended by the Board.
 - 3.4 The Board may from time to time pay to Shareholders such interim or special dividends as it considers appropriate and justified by the Group's profits.
4. *Reporting*
- 4.1 The Dividend Policy will be disclosed annually in the Corporate Governance Report within the Company's Annual Report.
5. *Review of the Dividend Policy*
- 5.1 The Board will continue to review the Dividend Policy and reserves the sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy does not constitute a legally binding commitment by the Company regarding its future dividends and/or does not obligate the Company to declare dividends at any time or from time to time.

Shareholders Engagement

The Company recognises the importance of and places high priority on communication with its Shareholders. General meetings provide a good channel for communication and an opportunity for exchange of views between the Board and Shareholders. The Board has adopted a Shareholders' Communication Policy. To ensure its effectiveness, the Board regularly reviews this policy. The Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. Considering the various existing communication and engagement channels (as well as the arrangements set out in this report and the policy), the Board is satisfied that the policy has been properly implemented during 2025 and is effective.

To comply with the expanded paperless listing regime and the requirements for electronic dissemination of corporate communications under the amended Rule 2.07A of the Listing Rules, which became effective on 31 December 2023, the Board has adopted a revised Shareholders' Communication Policy (the "Revised Shareholders' Communication Policy").

Revised Shareholders' Communication Policy

1. *Purpose*
 - 1.1 The provisions set out in this Shareholders' Communication Policy (the "Policy") aim to ensure that the Company's Shareholders, including individual and institutional Shareholders (collectively, the "Shareholders"), and, where appropriate, the investment community in general, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and business plans, material business developments and corporate governance). This enables Shareholders to exercise their rights in an informed manner and allows Shareholders and the investment community to engage actively with the Company.
 - 1.2 For the purpose of this Policy, the investment community includes the Company's potential investors, as well as analysts who report and analyse the Company's performance.

Corporate Governance Report (continued)

2. General Policy

- 2.1 The Board of Directors (the “Board”) of the Company will maintain an ongoing dialogue with Shareholders and the investment community and will regularly review this Policy to ensure its effectiveness.
- 2.2 The primary channels for the Company to communicate information to Shareholders and the investment community are the Company’s financial reports (interim and annual reports), AGMs and other general meetings that may be convened. All disclosures submitted to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), as well as corporate communications and other corporate publications, are also made available on the Company’s website.
- 2.3 The Company ensures effective and timely communication of information to Shareholders and the investment community at all times. Any questions regarding this Policy should be directed to the Company Secretary of the Company (the “Company Secretary”).

3. Communication with Shareholders

Corporate Communications

- 3.1 Corporate communications refer to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the directors’ report and annual accounts together with a copy of the auditors’ report, the interim report, notices of meetings, circulars and proxy forms (including any “corporate communication” as defined in the Listing Rules).
- 3.2 Corporate communications sent to Shareholders are prepared in plain language and in both English and Chinese versions to facilitate Shareholders’ understanding. Shareholders may change their choice of language version (English and/or Chinese) or means of receipt (hard copy or electronic version).
- 3.3 To enhance communication efficiency and protect the environment, to the extent permitted by applicable laws and regulations, the Company disseminates corporate communications through the following electronic means: (i) sending corporate communications electronically to Shareholders; and (ii) posting corporate communications on the Company’s website (www.chinaglassholdings.com) and the Stock Exchange’s website (www.hkexnews.hk). Hard copies will only be sent to individual Shareholders upon request. Shareholders will receive notification of the publication of the website version of corporate communications by post or email (according to their selected preference).
- 3.4 Notwithstanding the above arrangements, actionable corporate communications (i.e., any corporate communications that involve requiring the Company’s securities holders to indicate how they wish to exercise their rights as securities holders) will, in addition to being posted electronically on the Company’s and the Stock Exchange’s websites, be (i) sent individually to Shareholders by electronic means; or (ii) sent in hard copy to Shareholders (only for those who cannot provide valid electronic contact information).
- 3.5 Shareholders are encouraged to provide, among other things, their email addresses to the Company to facilitate timely and effective communication.

Corporate Governance Report (continued)

Corporate Website

- 3.6 The Company's website (www.chinaglassholdings.com) features a dedicated Investor Relations section. Information posted on the Company's website is updated regularly.
- 3.7 Information sent by the Company to the Stock Exchange is promptly posted on the Company's website thereafter. Such information includes financial statements, results announcements, circulars, notices of general meetings and related explanatory documents, and other regulatory disclosures.
- 3.8 All press releases and newsletters issued by the Company or its subsidiaries are posted on the Company's website.
- 3.9 Speeches and presentations delivered by the Chairman of the Board, the CEO and senior executives are posted on the Company's website.

Shareholders' Meetings

- 3.10 Shareholders are encouraged to participate in general meetings or, if unable to attend, to appoint proxies to attend and vote on their behalf at the meetings.
- 3.11 Appropriate arrangements are in place for AGMs to encourage Shareholder participation.
- 3.12 The Company will monitor and periodically review general meeting procedures and make changes if necessary to ensure they meet Shareholders' needs.
- 3.13 Board members (especially chairmen of Board committees or their delegates), key management personnel and external auditors attend AGMs as appropriate to answer Shareholder questions.

Communication with the Investment Market

- 3.14 The Company will organise various activities from time to time, including holding investor/analyst briefings and one-on-one meetings, roadshows (local and international), media interviews, investor marketing activities, and industry-specific forums, to facilitate communication between the Company, Shareholders and the investment community.
- 3.15 Directors and employees of the Company, when contacting or communicating with investors, analysts, media or other external interested parties, must comply with the disclosure responsibilities and requirements under the Company's policy as set out in the Information Disclosure and Reporting System.

4. Communication with the Company

- 4.1 In addition to the Shareholder meetings and communication with the investment market mentioned above, the Company maintains ongoing and regular dialogue with Shareholders and stakeholders. Shareholders have various avenues to express their views on matters affecting the Company, and the Company will communicate with and seek feedback from Shareholders.

Corporate Governance Report (continued)

Company Secretary of the Company

- 4.2 Shareholders may at any time raise questions, request publicly available information, and provide opinions and suggestions to the Directors and management of the Company. Such questions, requests and opinions may be sent to the Company Secretary by post to Unit 2608, 26/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, or by email to tina.jiao@chinaglassholdings.com. Institutional investors and analysts may contact the Company Secretary by post to the same address or by email to tina.jiao@chinaglassholdings.com.

Share Registrar of the Company

- 4.3 Shareholders with any questions about their registered shareholdings should direct them by post to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or visit https://www.computershare.com/hk/zh/online_feedback.

5. *Shareholder Privacy*

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

6. *Publication of this Policy*

- 6.1 This Policy is available on the Company's website. This Policy is reviewed and updated by the Board at least annually to ensure its effectiveness, maintain high standards of communication with Shareholders, and reflect current best practices.

At each general meeting, the chairman of the meeting proposes separate resolutions for each substantially separate issue, including the election of each individual Director.

The Board and senior management maintain communication with the Company's Shareholders and investors through various channels, including the Company's general meetings. In 2025, Directors (including chairmen and/or members of Board committees) and the Company's external auditors attended the 2025 AGM and were available to answer questions. Regarding the SGM held on 8 August 2025 in a hybrid format (physical and virtual), the Independent Board Committee (the "IBC", comprising all independent non-executive Directors, who are chairmen of respective Board committees, established to advise independent Shareholders), other Board members (including the Chairman), and the independent financial adviser (the "IFA", appointed by the Company to advise the IBC and independent Shareholders) attended the meeting and were available to answer questions. Registered and non-registered Shareholders participating in the virtual meeting were counted towards the quorum and could vote and submit questions related to the proposed resolutions via the online platform. To support Shareholders speaking at the meeting, the Company arranged telephone facilities for them to call in during the Q&A session. Details of Directors' attendance at general meetings in 2025 are set out under "Attendance at Board and Board Committees Meetings, and General Meetings" in this report. The 2026 AGM (the "2026 AGM") will be held on 25 June 2026. The notice of the 2026 AGM will be published and issued to Shareholders at least 21 clear days before the 2026 AGM (as required by the Listing Rules).

Corporate Governance Report (continued)

The Board believes that effective investor relations help lower the cost of capital, improve market liquidity for the Company's shares, and build a more stable shareholder base. Therefore, the Company is committed to maintaining a high level of corporate transparency and timely disclosure of corporate information to Shareholders, investors and analysts to enable them to make optimal investment decisions. Keeping Shareholders informed of the Group's corporate strategies and business performance is one of the Board's key missions. During the year under review, the Company held investor and analyst conferences following the release of results announcements, where the Company's executive Directors and senior management attended to answer questions about the Group's performance.

The Company's website (www.chinaglassholdings.com) contains corporate information, interim and annual reports, announcements and circulars issued by the Company, as well as updates on the Group's latest developments, providing Shareholders, other stakeholders and investors with comprehensive, accessible news and up-to-date information about the Group.

An updated and consolidated version of the Company's Memorandum of Association and new Bye-Laws is available on the Company's website and the Stock Exchange's website (www.hkexnews.hk). The new Bye-Laws were adopted in 2022.

EMPLOYEES DIVERSITY

Employees Diversity Policy

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

1. *Purpose*

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

2. *Policy Statement*

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

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

Corporate Governance Report (continued)

3. Measurable Objectives

The Company is committed to achieving the following objectives and adopting the following measures to ensure employee diversity:

- The Company's recruitment process is fair and non-discriminatory to ensure that a diverse range of candidates can be identified and selected. The Company considers each candidate against objective criteria (including but not limited to educational background, professional expertise and qualifications, industry experience, skills and knowledge), while also referring to the Company's actual business and operational needs. The Company's recruitment complies with applicable local legislation and codes of practice.
- All employees and job applicants shall be treated with dignity and respect. The Company does not tolerate discrimination or harassment based on age, gender, colour, nationality, language, religion, marital status, physical and mental ability, political affiliation, sexual orientation, socio-economic status, or other personal characteristics.
- The Company's commitment to diversity and non-discrimination applies equally to employee development and promotion decisions. The Company strives to build a management team diverse in terms of gender, educational background and experience. The Company continuously invests in its employee management development programmes to support their career development and prepare them for management positions. Employees are selected from across the Group to participate in such career development programmes based on a non-discriminatory assessment of their performance and potential.
- One of the most significant diversity issues the Group faces is gender. Addressing gender diversity is crucial from an ethical perspective and has social and economic impacts beyond the workplace. To this end, we will set formal group-wide gender diversity targets and will report annually in the Corporate Governance Report (as set out in the Company's Annual Report) on our progress towards achieving these targets.
- The Company will implement a series of measures to support its gender diversity objectives for employees (including senior management*), including reviewing the gender ratio of employees from time to time with reference to the Company's actual business and operational needs, providing incentives such as maternity leave and benefits for female employees, and offering management development programmes designed specifically for high-potential female employees.
- Directors and senior management of the Company should proactively implement diversity initiatives to ensure fairness and diversity in personnel management, including recruitment, promotion, training and awards.
- Employees who believe they are experiencing discrimination or harassment should immediately report their concerns to the Company's Compliance and Supervision Committee and the Compliance and Supervision Department to prevent and eliminate workplace discrimination and harassment.

Corporate Governance Report (continued)

4. *Monitoring and Reporting*

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

The Corporate Governance Report will annually disclose the gender ratio of all employees (including senior management*), and a summary of plans or measurable objectives set for achieving employee gender diversity. If there are any factors or circumstances that make achieving gender diversity across the entire workforce more challenging or less relevant, those factors or circumstances will also be disclosed in the Corporate Governance Report.

5. *Review of this Policy*

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

Note: Senior management refers to the same category of persons mentioned in the Company's Annual Report, whose identities are required to be disclosed under paragraph 12 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Employee Diversity Report

The Group has established a systematic employee rights protection mechanism and achieved tangible results: in the recruitment process, it strictly adheres to the principles of "objectivity, fairness, equal competition, merit-based selection, internal priority," taking moral character as the primary consideration. The "Recruitment Management System" ensures no gender discrimination. In 2025, the gender ratio at all employee levels within the Group was consistent with the overall employee structure.

To protect gender equality, the Group strictly complies with the "Labour Law," "Employment Promotion Law," "Law on the Protection of Women's Rights and Interests," and overseas regulations. It simultaneously implements three key measures: establishing a gender discrimination reporting and case-filing mechanism (2025: zero reported cases); adopting an open review system for internal promotion processes (i.e., the Human Resources department organises a review panel, final approval by the CEO); and ensuring transparency in internal recruitment through public announcements on the bulletin board for all employees. Although the proportion of male employees is higher due to the characteristics of the glass manufacturing industry, the gender ratio remained stable during the period of total employee reduction from 2024 to 2025. No structural barriers affecting gender diversity emerged, demonstrating the effectiveness of the current mechanism.

Corporate Governance Report (continued)

As at 31 December 2025, the gender ratio of all employees of the Group (including senior management) and the comparative figures for the same period are as follows:

Total Number of Employees of the Group	By Gender		By Employment Nature			
	Total *	Male	Female	Full-time	Part-time	Temporary
As at 31 December 2024						
Number	4,589	3,841	748	4,532	15	42
Percentage	100%	83.7%	16.3%	98.8%	0.3%	0.9%
As at 31 December 2025						
Number	3,261	2,774	487	3,236	13	12
Percentage	100%	85.1%	14.9%	99.2%	0.4%	0.4%

Note:

* Total includes full-time, part-time, and temporary employees.

As part-time employees and temporary workers account for a relatively small proportion and have higher turnover, the Company's progress towards gender diversity targets is measured using only full-time employees. As at 31 December 2025, the gender ratio of the Group, categorised by employee category, age, and region, is as follows:

By Employee Category					
	Gender		Executives	Managers	General Employees
As at 31 December 2024	Male	Number	121	459	3,215
		Percentage	87%	87%	83%
	Female	Number	18	68	651
		Percentage	13%	13%	17%
	Numbers of employees*			139	527
As at 31 December 2025	Male	Number	51	192	2,508
		Percentage	81%	83%	85%
	Female	Number	12	40	433
		Percentage	19%	17%	15%
	Numbers of employees*			62	232

Corporate Governance Report (continued)

By Gender					
	Gender		Under 30 Years	30 to 49 Years	50 Years and Above
As at 31 December 2024	Male	Number	725	1,935	1,135
		Percentage	82%	78%	96%
	Female	Number	157	537	43
		Percentage	18%	22%	4%
	Numbers of employees*		882	2,472	1,178
As at 31 December 2025	Male	Number	464	1,328	959
		Percentage	87%	77%	97%
	Female	Number	71	386	28
		Percentage	13%	23%	3%
	Numbers of employees*		536	1,714	987

By Region							
	Gender		China (incl. HK)	Kazakhstan	Nigeria	Italy	Turkey
As at 31 December 2024	Male	Number	3,078	340	294	71	12
		Percentage	82%	92%	94%	89%	100%
	Female	Number	681	28	19	9	0
		Percentage	18%	8%	6%	11%	0%
	Numbers of employees*		3,759	368	313	80	12
As at 31 December 2025	Male	Number	2,063	324	285	74	6
		Percentage	83%	91%	97%	80%	75%
	Female	Number	424	33	9	18	2
		Percentage	17%	9%	3%	20%	25%
	Numbers of employees*		2,487	356	293	92	8

Independent Auditor's Report



TO THE SHAREHOLDERS OF CHINA GLASS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Glass Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 103 to 212, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to Note 2(b) to the consolidated financial statements, which indicates that the Group incurred a loss of RMB5,638,446,000 for the year ended 31 December 2025, and had net current liabilities of RMB5,945,090,000 and net liabilities of RMB4,699,643,000 as of the end of the reporting period. In addition, the Group has defaulted certain bank loans and other borrowings and the defaults also triggered cross-default provisions of other outstanding bank loans and other borrowings, which resulted in the Group being under an immediate repayment obligation of such outstanding borrowings. Furthermore, as of the end of the reporting period the Group has committed to a plan to sell its entire business in the Chinese Mainland (the Discontinued Operations as defined in Note 2(b)) and shift its strategic focus to overseas operations (the Continuing Operations as defined in Note 2(b)). The Group's ability to fund the repayment obligation heavily relies on its ability to dispose of the Discontinued Operations, renegotiate with related banks and other financial institutions, and obtain debt or equity financings from banks or other financial institutions or strategic investors. As stated in Note 2(b), these facts and circumstances, along with other matters as set forth in Note 2(b), indicate that material uncertainties exist which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessing potential impairment of property, plant and equipment and goodwill of the Continuing Operations

Refer to Notes 13 and 17 to the consolidated financial statements and the accounting policies of Notes 2(f) and 2(m) (ii).

The Key Audit Matter

As at 31 December 2025, the Group's property, plant and equipment in the consolidated statement of financial position, mainly comprising plant and buildings, and machinery and equipment used in the Group's overseas subsidiaries, and goodwill in relation to acquisitions allocated to the respective overseas operations in the design and installation related service and operations in glass production and sales, amounted to carrying value of RMB976,963,000 and RMB53,570,000, respectively.

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

How the matter was addressed in our audit

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

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

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (CONTINUED)

The Key Audit Matter

Management considered that there were indicators of potential impairment of property, plant and equipment at 31 December 2025 because the CGUs are expected to be affected by the lost of synergies from the Discontinued Operations, consequently, management prepared impairment assessments of these CGUs by assessing their recoverable amounts using value in use calculations based on discounted cash flow forecasts.

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

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

How the matter was addressed in our audit

- engaging our internal valuation specialists, on a sample basis of the CGUs, to evaluate the discount rates adopted in the discounted cash flow forecasts by comparing them with similar entities in the same industry;
- performing sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts and the discount rates applied and assessing the impact of changes in the key assumptions and the discount rates to the conclusions reached in the impairment assessments and whether there were any indicators of management bias in the process; and
- assessing the disclosures in the consolidated financial statements in respect of the impairment assessment of property, plant and equipment and goodwill with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Valuation of disposal group held for sale

Refer to Notes 2(b), 8 and 13 to the consolidated financial statements and the accounting policies of Notes 2(m) (ii) and 2(y).

The Key Audit Matter

As at 31 December 2025, the Group has committed to a plan to sell its entire business in the Chinese Mainland, which has been classified as a disposal group and written down to its fair value less cost to sell based on estimates of the discounted cash flow forecasts and market transactions for similar assets adjusted for relevant factors.

We identified the assessment of the value of the disposal group held for sale as a key audit matter due to the high level of judgement involved, and the significant carrying amounts of the assets and liabilities associated with the disposal group.

How the matter was addressed in our audit

Our audit procedures to assess valuation of disposal group held for sale included the following:

- obtaining an understanding of the management's classification of the disposal group held for sale, and assessing whether the assets and liabilities meet the criteria to form a disposal group with reference to the requirements of the prevailing accounting standards;
- with the assistance of our internal valuation specialists, on a sample basis, evaluating the appropriateness of the methodology used by management with reference to the requirements of the prevailing accounting standards and the reasonableness of the discount rates adopted in the discounted cash flow forecasts and the comparable transactions and adjustment factors, by comparing them with similar transactions and entities in the same industry;
- evaluating the reasonableness of the key assumptions adopted, on a sample basis, including future sales volumes, future unit selling prices and unit costs, used in the discounted cash flow forecasts, by comparing with the historical results, economic and industry data, and market information and quoted prices for similar assets;
- performing sensitivity analyses on the key assumptions adopted in the discounted cash flow forecasts and the discount rates applied and assessing the impact of changes in the key assumptions and the discount rates to the conclusions reached and whether there was any indication of management bias in the process; and
- assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the disposal group held for sale with reference to the requirements of the prevailing accounting standards.

Independent Auditor's Report (continued)

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

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have been engaged to perform an assurance engagement on the disclosed continuing connected transactions that forms part of the other information and provide a separate assurance practitioner's conclusion thereon.

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wan Chi Yau, Charles (practising certificate number: P05058).

KPMG

Certified Public Accountants

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

30 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000 (Restated) (Note)
Continuing operations			
Revenue	4	1,457,908	1,460,289
Cost of sales		(944,188)	(1,061,637)
Gross profit	4(b)	513,720	398,652
Other income	5	18,683	43,184
Distribution costs		(68,605)	(57,463)
Administrative expenses		(98,150)	(85,347)
Impairment gain/(loss) on receivables and contract assets	34(a)	336	(2,161)
Other operating expenses	6(c)	(95,702)	(44,010)
Profit from operations		270,282	252,855
Finance costs	6(a)	(160,103)	(149,243)
Profit before taxation	6	110,179	103,612
Income tax	7	(8,630)	(25,967)
Profit from continuing operations		101,549	77,645
Discontinued operations			
Loss from discontinued operations, net of tax	8	(5,739,995)	(1,041,621)
Loss for the year		(5,638,446)	(963,976)
Attributable to:			
Equity shareholders of the Company			
– continuing operations		101,549	77,645
– discontinued operations		(4,994,651)	(954,224)
		(4,893,102)	(876,579)
Non-controlling interests			
– discontinued operations		(745,344)	(87,397)
Loss for the year		(5,638,446)	(963,976)
Basic and diluted earnings/(loss) per share (RMB yuan)			
– continuing operations	12	0.06	0.05
– discontinued operations		(2.97)	(0.57)

Note: The restatement of comparative information is attributable to the discontinued operations as disclosed in Note 8. The notes on pages 111 to 212 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000 (Restated) (Note)
Loss for the year		(5,638,446)	(963,976)
Other comprehensive income for the year (after tax and reclassification adjustments):	11		
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	417
Items that may be reclassified subsequently to profit or loss:			
– exchange differences on translation of financial statements into presentation currency		54,651	(377,086)
Total comprehensive income for the year		(5,583,669)	(1,340,645)
Attributable to:			
Equity shareholders of the Company			
– continuing operations		156,200	(299,441)
– discontinued operations		(4,994,533)	(953,833)
		(4,838,333)	(1,253,274)
Non-controlling interests			
– discontinued operations		(745,336)	(87,371)
Total comprehensive income for the year		(5,583,669)	(1,340,645)

Note: The restatement of comparative information is attributable to the discontinued operations as disclosed in Note 8.

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	13	976,963	8,691,331
Other non-current assets	13	194,147	181,620
Investment properties	14	–	31,096
Right-of-use assets	15	2,200	633,791
Intangible assets	16	49,225	206,900
Goodwill	17	53,570	264,574
Interests in joint ventures	19	–	47,545
Equity securities designated at FVOCI		–	803
Deferred tax assets	30(b)	9,564	404,456
		1,285,669	10,462,116
Current assets			
Inventories	20	260,639	1,220,776
Contract assets	21(a)	25,990	37,063
Trade and bills receivables	22	77,845	334,396
Other receivables and prepayments	23	75,108	673,581
Prepaid income tax	30(a)	–	4,104
Cash at bank and on hand	24(a)	270,975	1,302,086
Assets held for sale	8	5,526,509	188,643
		6,237,066	3,760,649
Current liabilities			
Trade and bills payables	25	109,291	1,122,161
Accrued charges and other payables	26	202,302	1,687,856
Contract liabilities	21(b)	131,539	304,760
Bank loans and other borrowings	27	1,668,119	7,320,923
Lease liabilities	28	557	11,993
Income tax payable	30(a)	3,444	113,032
Liabilities associated with assets held for sale	8	10,066,904	–
		12,182,156	10,560,725
Net current liabilities		(5,945,090)	(6,800,076)
Total assets less current liabilities		(4,659,421)	3,662,040

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Statement of Financial Position (continued)

At 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Bank loans and other borrowings	27	–	2,596,017
Lease liabilities	28	629	65,188
Other non-current liabilities		14,336	4,974
Deferred tax liabilities	30(b)	25,257	111,835
		40,222	2,778,014
NET (LIABILITIES)/ASSETS		(4,699,643)	884,026
CAPITAL AND RESERVES	31		
Share capital		85,951	85,951
Reserves		(4,659,232)	179,101
Total (equity – deficit)/equity attributable to equity shareholders of the Company		(4,573,281)	265,052
Non-controlling interests		(126,362)	618,974
TOTAL (EQUITY – DEFICIT)/EQUITY		(4,699,643)	884,026

Approved and authorised for issue by the board of directors on 30 March 2026.

Tang Liwei
Chairman

Lyu Yingcheng
Director

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in RMB)

Attributable to equity shareholders of the Company

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

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2025

(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 reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity/ (equity - deficit)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 31 (c))	(Note 31 (d) (i))	(Note 31 (d) (ii))	(Note 31 (d) (iii))	(Note 31 (d) (iv))	(Note 31 (d) (v))	(Note 31 (d) (vi))	(Note 31 (d) (vii))				
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
Loss for the year	-	-	-	-	-	-	-	-	(4,893,102)	(4,893,102)	(745,344)	(5,638,446)
Other comprehensive income	-	-	-	-	-	-	54,651	118	-	54,769	8	54,777
Total comprehensive income	-	-	-	-	-	-	54,651	118	(4,893,102)	(4,838,333)	(745,336)	(5,583,669)
Balance at 31 December 2025	85,951	1,493,494	(66,712)	20,769	40,785	(438,578)	(1,113,862)	(256)	(4,594,872)	(4,573,281)	(126,362)	(4,699,643)

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000 (Restated) (Note)
Operating activities			
Profit/(loss) before taxation			
– Continuing Operations		110,179	103,612
– Discontinued Operations	8(a)	(5,388,578)	(1,109,554)
Adjustments for:			
Depreciation and amortisation	6(d)	498,456	640,811
Net gain on disposals of property, plant and equipment	5	(96,047)	(2,579)
Net loss on disposal of interest in a joint venture		–	238
Impairment losses on property, plant and equipment	6(c)	3,931,416	400,060
Impairment losses on right-of-use assets	6(c)	40,348	–
Impairment losses on goodwill	6(c)	219,880	36,935
Impairment losses on other non-current assets	6(c)	45,577	–
Impairment losses on receivables and contract assets	34(a)	236,906	17,503
Interest income	5	(23,003)	(44,873)
Insurance claims income	5	(346)	(13,592)
Interest expenses and other finance costs	6(a)	415,921	488,573
Share of profits less losses of joint ventures	8(a)	1,747	3,935
Changes in working capital:			
Decrease/(increase) in inventories		571,644	(256,219)
Decrease/(increase) in contract assets		11,073	(10,635)
(Increase)/decrease in trade and bills receivables		(8,470)	75,794
Decrease in other receivables and prepayments		83,808	58,429
Increase in trade and bills payables		273,695	525,675
Increase/(decrease) in accrued charges and other payables		58,990	(53,013)
Decrease in contract liabilities		(77,841)	(16,461)
Cash generated from operations		905,355	844,639
Income tax paid	30(a)	(20,558)	(51,956)
Net cash generated from operating activities		884,797	792,683

The notes on pages 111 to 212 form part of these financial statements.

Consolidated Cash Flow Statement (continued)

For the year ended 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000 (Restated) (Note)
Investing activities			
Payments for the purchase of property, plant and equipment and other non-current assets		(33,401)	(187,125)
Payments for the purchase of right-of-use assets		(125,954)	(51,136)
Proceeds from disposals of property, plant and equipment and right-of-use assets		332,817	71,711
Payment for acquisitions of subsidiaries, net off cash acquired		–	(287,342)
Capital injection from NCI of a subsidiary		–	175
Payment for development of intangible assets		(9,560)	(23,550)
Net (increase)/decrease in restricted deposits in relation to bills payables issued	24(a)	(87,888)	8,054
Interest received		23,003	44,873
Net cash generated from/(used in) investing activities		99,017	(424,340)
Financing activities			
Proceeds from bank loans and other borrowings	24(b)	4,324,607	6,834,016
Repayment of bank loans and other borrowings	24(b)	(5,738,706)	(6,383,498)
Capital element of lease rentals paid	24(b)	(7,879)	(8,781)
Interest element of lease rentals paid	24(b)	(4,580)	(5,147)
Borrowing costs paid	24(b)	(434,067)	(522,073)
Net decrease/(increase) in restricted deposits in relation to bank loans drawn	24(a)	473,981	(244,646)
Net cash used in financing activities		(1,386,644)	(330,129)
Net (decrease)/increase in cash and cash equivalents		(402,830)	38,214
Cash and cash equivalents at 1 January	24(a)	628,341	773,693
Effect of foreign exchange rate changes		10,438	(183,566)
Less: cash and cash equivalents reclassified to assets held for sale	24(a)	(84,498)	–
Cash and cash equivalents at 31 December	24(a)	151,451	628,341

Note: The restatement of comparative information is attributable to the discontinued operations as disclosed in Note 8.

The notes on pages 111 to 212 form part of these financial statements.

Notes to the Financial Statements

(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 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group’s interests in joint ventures.

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

For the year ended 31 December 2025, the Group incurred total net loss of RMB5,638,446,000, including net loss of RMB5,739,995,000 incurred by the operations in the Chinese Mainland.

During the year ended 31 December 2025, the domestic glass market experienced sustained weakening of demand, driven by the deep adjustment in the Chinese Mainland's real estate sector and the slowdown in the photovoltaic related industries, leading to an imbalance in the industry supply and demand structure and subjecting the glass industry to dual pressures on both selling prices and production costs. This resulted in the continuous decline in the Group's gross margin of its domestic glass products and reaching an unsustainable level where the Group has decided to suspend several major production lines in the Chinese Mainland. As at the date of approval of these consolidated financial statements, among the 15 production lines in the Chinese Mainland, the Group has suspended 10 of them, including eight float glass production lines (mainly for the production of clear glass products, painted glass products, coated glass products, energy saving and new energy glass products) and two photovoltaic rolled glass lines (mainly for the production of photovoltaic glass products).

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

As at 31 December 2025, the Group had total net current liabilities of RMB5,945,090,000 and total net liabilities of RMB4,699,643,000. Total bank loans and other borrowings amounted to RMB7,787,440,000, and out of which RMB7,442,440,000 is due within 12 months or on demand at the end of the reporting period. As of the end of the reporting period, the Group has defaulted bank loans and other borrowings of RMB23,871,000, of which all are related to Discontinued Operations. The above default at the end of the reporting period has also triggered cross-default provisions of other outstanding borrowings of approximately RMB5,851,882,000, which represent bank loans and other borrowings of approximately RMB3,630,042,000 that are originally due within one year and approximately RMB2,221,840,000 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 (see Note 27). The balance of bank loans and other borrowings at 31 December 2025 that are in default and cross-default amounted to RMB5,875,753,000, of which RMB716,355,000 and RMB5,159,398,000 are related to the Continuing Operations and the Discontinued Operations, respectively.

As at 31 December 2025, the management of the Group has assessed the overall market conditions and the Group's liquidity positions, and committed to a plan to sell its entire business in the Chinese Mainland (mainly comprising of the above-mentioned 15 glass production lines, and here below referred to as the "Chinese Mainland Operations" or the "Discontinued Operations") to provide the Group with an immediate cash inflow for settling its indebtedness.

The plan to dispose of the Chinese Mainland Operations is followed by the Group management's strategic decision to place greater focus on its overseas operations, representing the production, marketing and distribution of glass and glass products, designing and installation of glass production lines, and the development of glass production technology operated by its overseas subsidiaries. Upon disposal of the Chinese Mainland Operations, the Company and subsidiaries holding the overseas operations constitute the continuing operations (referred to as the "Continuing Operations").

The Chinese Mainland Operations have been presented as discontinued operations in the consolidated financial statements in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations and the comparative figures of the consolidated statement of profit or loss and corresponding notes have been restated to show the discontinued operations separately from continuing operations, and the assets and liabilities of the Chinese Mainland Operations, being the disposal group, are classified as held for sale at 31 December 2025.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

These facts and circumstances indicate 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 of the Group:

- Actively proceeding with the disposal plan of the Chinese Mainland Operations, which includes but not limited to the following actions:
 - for production lines which suspended operations, to dismantle and sell removable assets;
 - seek government assistance for land repurchase, or transfer the land and buildings to other manufacturers;
 - for production lines still in operation, seek the possibility to restructure along with selling of entire or majority equity interests in the related subsidiaries in the Chinese Mainland;
 - liquidate certain companies to obtain cash inflow through disposing of assets during the process.
- Releasing the Company from guarantees provided to the bank loans and other borrowings of the Chinese Mainland Operations (see Note 27) through directly repaying on behalf of the Chinese Mainland Operations or take over the related borrowings;
- Seeking potential strategic investors to obtain fund to repay bank loans and other borrowings and support working capital for operations;
- Continually negotiating with related lenders to extend and/or restructure the terms of the bank loans and other borrowings that have fallen overdue. As of the date of approval of these consolidated financial statements, the Group has already successfully renegotiated the extension of overdue loans and borrowings of RMB326,180,000;
- Actively negotiating with banks and other financial institutions on loans and borrowings where the cross-default provisions have been triggered to not 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; and
- Actively negotiating with its largest shareholder, namely Triumph Science Technology Group Co., Ltd.¹ (“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.¹ (“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 RMB414,000,000 as at 31 December 2025 and in the form of trade and other payables due to the Triumph Group and its related parties of RMB2,068,742,000 as at 31 December 2025, to not require repayment of these amounts for the next twelve months.

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

The management of the Group is actively and continuously working on the above initiatives, and the directors of the Company consider if the Group is successful in these initiatives, and together with the cashflow forecast prepared by the management of the Group, 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 year ended 31 December 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 these consolidated financial statements.

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements 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.

(d) Subsidiaries and non-controlling interests

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(e) Joint ventures

A joint venture is an arrangement which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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

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

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

(f) Goodwill

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in securities

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

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 34(e). These investments are subsequently accounted for as follows, depending on their classification.

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

(h) Investment properties

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

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

(i) Property, plant and equipment

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

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

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

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

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

(j) Intangible assets (other than goodwill)

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets

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

(i) As a lessee

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

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(i) As a lessee (continued)

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

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

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

(ii) As a lessor

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

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

(l) Trade and other receivables

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

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

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

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

Measurement of ECLs

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

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

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

Significant increases in credit risk

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

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

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past contractual due date.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

Credit-impaired financial assets

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

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

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

Write-off policy

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

(ii) Impairment of other non-current assets

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

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(iii) *Credit losses from financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 2(m) (i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(iv) *Interim financial reporting and impairment*

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Inventories

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

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Contract assets and contract liabilities

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

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

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

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

(p) Cash and cash equivalents

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

(q) Interest-bearing borrowings

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

(r) Employee benefits

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(ii) Share-based payments

– Share options granted to employees under the share option scheme

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(ii) Share-based payments (continued)

– Shares granted to employees under the share award scheme

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

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(iii) Termination benefits

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

(s) Trade and other payables

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

(t) Income tax

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

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

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

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

(u) Provisions and contingent liabilities

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

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

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income

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

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

(i) Revenue from contracts with customers

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

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

(a) Sale of goods

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

(b) Service contracts

Design, purchasing and installation service

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

Any variation work scope not included in a service contracts are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

(b) Service contracts (continued)

The Group's service contracts include payment schedules which require stage payments over the service period once milestones are reached. To the extent that the difference in timing arises for reasons other than the provision of finance, no financing component is deemed to exist. Otherwise, the Group has taken advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 2(u).

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(ii) *Revenue from other sources and other income (continued)*

(c) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expenses.

(d) *Dividends*

Dividend income from unlisted equity investments is recognised when the Group's right to receive payment is established.

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from an investment in equity securities designated as at FVOCI are recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, financial assets (other than investments in subsidiaries and joint ventures) and investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, right-of-use assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted for.

(z) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view of resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if operation had been discontinued from the start of the comparative year.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Related parties

- (a) *A person, or a close member of that person's family, is related to the Group if that person:*
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) *An entity is related to the Group if any of the following conditions applies:*
- (i) The entity and the Group are members of the same group;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ab) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products, or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) *Going concern*

Note 2(b) contains information about the judgements made by the directors of the Company in concluding that although there are material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, considering the initiatives the management of the Group is actively and, continuously working on, the directors of the Company are of the opinion that it is appropriate to prepare the Group's consolidated financial statements 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 these consolidated financial statements.

(ii) *Determine whether an arrangement contains a lease*

The Group enters into a series of finance lease agreements pursuant to which the Group sells certain machineries to the lessors and leases them back from the lessors over the lease period simultaneously. The lease period of such lease arrangements usually exceed one year. After the lease period, the Group has a right to purchase those machineries back from lessors with a minimum nominal value. The risk and awards incident to owning those machineries are not substantially changed before and after the finance lease agreement, and the substance of those finance lease agreements is to obtain loans from the lessors secured by those machineries. As a result, the Group recognises the consideration from sales of machineries as secured loans and does not derecognise those machineries from its consolidated financial statements.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty

Notes 17 and 34(e) contain information about the assumptions and their risk factors relating to impairment of goodwill and fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Valuation of disposal groups

As at 31 December 2025, the Group has committed to a plan to sell its entire business in the Chinese Mainland, which has been classified as disposal groups and written down to their fair value less cost to sell based on estimates of the discounted future cash flow forecasts and market transactions for similar assets adjusted for relevant factors. Changes in these estimates could have a significant impact on the calculation of fair value less cost to sell and could result in additional fair value change or reversal of fair value change in future periods, where applicable.

(ii) Expected credit loss for of receivables and contract assets

The management maintains an allowance for trade receivables, other receivables and contract assets for expected credit losses resulting from the expected credit risk of the customers and debtors to make the required payments. The management bases the expected credit losses on the ageing of the individual receivable balance, customer and debtor credit-worthiness, historical collection and write-off experience, and existing market conditions as well as forward looking estimates. If the financial condition of the customers or debtors were to deteriorate, actual write-offs would be higher than estimated.

(iii) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Note 2(m) (ii). The carrying amounts of long-lived assets are reviewed in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment annually or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (continued)

(iv) Deferred tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account the individual group companies' future business plans. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

Taking into account the disposal plan of the Chinese Mainland Operations as mentioned in Note 2(b), the Group is principally engaged in the production, marketing and distribution of glass and glass products, the development of glass production technology, and the provision of services related to the design and installation of glass production lines, operated by its overseas subsidiaries. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

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

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	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	1,114,877	1,088,946	3,129,030	4,276,663	4,243,907	5,365,609
- Revenue from service contracts	202,601	305,944	-	660	202,601	306,604
- Sales of other products	140,430	65,399	-	-	140,430	65,399
	1,457,908	1,460,289	3,129,030	4,277,323	4,586,938	5,737,612

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 4(b) (i) and 4(b) (ii) respectively.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2025 (2024: Nil customer). Details of concentrations of credit risk arising from customers are set out in Note 34(a).

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

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is Euro ("EUR") 40,826,000 (approximately RMB321,733,000) (2024: EUR38,418,000, approximately RMB289,122,000). This amount represents revenue expected to be recognised in the future from the design and installation service contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 24 months (2024: next 12 to 24 months).

(b) Segment reporting

The Group manages its businesses by products and services. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Clear glass products: this segment produces, markets and distributes clear glass products.
- Painted glass products: this segment produces, markets and distributes painted glass products.
- Coated glass products: this segment produces, markets and distributes coated glass products.
- Energy saving and new energy glass products: this segment produces, processes, markets and distributes energy saving and new energy glass products, such as 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 Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit/(loss). No intersegment sales have occurred for the years ended 31 December 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 the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	2025											
	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation related service		Total	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
	RMB'000	(Note 8) RMB'000	RMB'000	(Note 8) RMB'000	RMB'000	(Note 8) RMB'000	RMB'000	(Note 8) RMB'000	RMB'000	(Note 8) RMB'000	RMB'000	(Note 8) RMB'000
Disaggregated by timing of revenue recognition												
- Point in time	484,161	1,080,078	184,796	691,271	418,991	461,637	26,929	896,044	140,430	-	1,255,307	3,129,030
- Over time	-	-	-	-	-	-	-	-	202,601	-	202,601	-
Revenue from external customers and reportable segment revenue	484,161	1,080,078	184,796	691,271	418,991	461,637	26,929	896,044	343,031	-	1,457,908	3,129,030
Reportable segment gross profit/(loss)	124,038	(268,604)	114,369	(99,185)	209,362	11,696	(5,908)	70,538	71,859	-	513,720	(285,555)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results (continued)

	2024											
	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Design and installation related service		Total	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 8)		(Note 8)		(Note 8)		(Note 8)		(Note 8)		(Note 8)
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Disaggregated by timing of revenue recognition												
- Point in time	395,442	1,823,409	216,175	755,121	474,561	540,281	2,768	1,157,852	65,399	-	1,154,345	4,276,663
- Over time	-	-	-	-	-	-	-	-	305,944	660	305,944	660
Revenue from external customers and reportable segment revenue	<u>395,442</u>	<u>1,823,409</u>	<u>216,175</u>	<u>755,121</u>	<u>474,561</u>	<u>540,281</u>	<u>2,768</u>	<u>1,157,852</u>	<u>371,343</u>	<u>660</u>	<u>1,460,289</u>	<u>4,277,323</u>
Reportable segment gross profit/(loss)	<u>39,785</u>	<u>(204,939)</u>	<u>79,506</u>	<u>15,817</u>	<u>192,578</u>	<u>69,608</u>	<u>761</u>	<u>31,147</u>	<u>86,022</u>	<u>660</u>	<u>398,652</u>	<u>(87,707)</u>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Geographic information

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

	Revenue from external customers							
	Continuing Operations		Discontinued Operations (Note 8)		Total		Specified non-current assets	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The Chinese Mainland (place of domicile)	130,728	66,831	2,610,331	3,842,697	2,741,059	3,909,528	-	8,751,583
Hong Kong	-	-	-	-	-	-	477	1,506
	130,728	66,831	2,610,331	3,842,697	2,741,059	3,909,528	477	8,753,089
Nigeria	439,196	402,747	45	166	439,241	402,913	93,444	127,015
Kazakhstan	237,921	146,879	67	71	237,988	146,950	900,806	873,772
United States	85,602	104,809	32	221	85,634	105,030	-	-
Russia	64,667	51,150	147	87	64,814	51,237	-	-
Yemen	-	-	62,760	11,307	62,760	11,307	-	-
Tajikistan	59,111	35,687	-	-	59,111	35,687	-	-
Saudi Arabia	6,682	4,678	51,927	42,790	58,609	47,468	-	-
Ghana	48,774	92,985	9,127	4,989	57,901	97,974	-	-
Uzbekistan	54,188	48,300	-	-	54,188	48,300	-	-
Italy	19,119	12,267	122	366	19,241	12,633	141,366	175,678
Other countries	311,920	493,956	394,472	374,629	706,392	868,585	140,012	127,303
	1,327,180	1,393,458	518,699	434,626	1,845,879	1,828,084	1,275,628	1,303,768
	1,457,908	1,460,289	3,129,030	4,277,323	4,586,938	5,737,612	1,276,105	10,056,857

As at 31 December 2025, non-current assets of RMB4,442,379,000 located in the Chinese Mainland are related to the Discontinued Operations and have been reclassified to assets held for sale.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

5 OTHER INCOME

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)
Net (loss)/gain on disposals of property, plant and equipment (Note)	(3)	(3)	96,050	2,582	96,047	2,579
Net gain on sale of scrap materials	790	4,231	22,688	21,533	23,478	25,764
Interest income	14,497	43,118	8,506	1,755	23,003	44,873
Government grants	–	–	13,278	39,752	13,278	39,752
Rental income from investment properties	–	–	3,068	2,364	3,068	2,364
Insurance claims income	–	–	346	13,592	346	13,592
Other gain/(loss)	3,399	(4,162)	5,462	8,002	8,861	3,840
	18,683	43,184	149,398	89,580	168,081	132,764

Note : During the year ended 31 December 2025, net gain on disposals of property, plant and equipment of discontinued operations was mainly attributable to the completion of the disposal of a subsidiary's property, plant and equipment and right-of-use assets at a total consideration of RMB297,551,000 which were classified as assets held for sale as at 31 December 2024 (see Note 8(d)).

6 PROFIT/LOSS BEFORE TAXATION

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

(a) Finance costs

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings (Note 24(b))	145,023	153,506	211,960	257,096	356,983	410,602
Interest on lease liabilities (Notes 15 and 24(b))	35	56	4,545	5,091	4,580	5,147
Bank charges and other finance costs (Note 24(b))	2,184	8,688	74,900	102,783	77,084	111,471
Total borrowing costs	147,242	162,250	291,405	364,970	438,647	527,220
Less: amounts capitalised into property, plant and equipment*	–	–	(22,726)	(38,647)	(22,726)	(38,647)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

6 PROFIT/LOSS BEFORE TAXATION (CONTINUED)

(a) Finance costs (continued)

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Net borrowing costs	147,242	162,250	268,679	326,323	415,921	488,573
Net foreign exchange loss/(gain)	12,861	(13,007)	(2,426)	(1,829)	10,435	(14,836)
	160,103	149,243	266,253	324,494	426,356	473,737

* The borrowing costs of the Discontinued Operations have been capitalised at a rate of 3.63% per annum for the year ended 31 December 2025 (2024: 5.91% per annum).

(b) Staff costs

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Salaries, wages, other benefits and termination benefits	148,543	133,767	456,525	407,246	605,068	541,013
Contributions to defined contribution retirement plans	2,586	2,609	36,481	44,141	39,067	46,750
	151,129	136,376	493,006	451,387	644,135	587,763

The employees of the subsidiaries of the Group established in the Chinese Mainland participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 16% of the employees' salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the Chinese Mainland, from the above-mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant salaries, subject to a cap of monthly relevant salaries of Hong Kong dollar ("HK\$") 30,000.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

6 PROFIT/LOSS BEFORE TAXATION (CONTINUED)

(b) Staff costs (continued)

The employees of the subsidiaries of the Group established outside of the Chinese Mainland and Hong Kong participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby these subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

The Group has no further significant obligation for payment of other retirement benefits beyond the above contributions.

(c) Other operating expenses

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Impairment losses on property, plant and equipment (Note 13)	46,290	44,010	3,885,126	356,050	3,931,416	400,060
Impairment losses on right-of-use assets (Note 15)	-	-	40,348	-	40,348	-
Impairment losses on goodwill (Note 17)	49,412	-	170,468	36,935	219,880	36,935
Impairment losses on other non-current assets	-	-	45,577	-	45,577	-
Expenses in relation to dismantling and removal of property, plant and equipment	-	-	40,187	-	40,187	-
	95,702	44,010	4,181,706	392,985	4,277,408	436,995

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

6 PROFIT/LOSS BEFORE TAXATION (CONTINUED)

(d) Other items

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Cost of inventories # (Note 20)	944,188	1,061,637	3,414,585	4,365,030	4,358,773	5,426,667
Depreciation and amortisation charge: #						
– property, plant and equipment (Note 13)	114,808	102,237	337,689	488,959	452,497	591,196
– investment properties (Note 14)	–	–	2,849	2,848	2,849	2,848
– right-of-use assets (Note 15)	1,162	1,574	27,337	26,683	28,499	28,257
– intangible assets (Note 16)	6,240	5,005	8,371	13,505	14,611	18,510
Research and development costs # (other than capitalised costs and related amortisation)	5,453	4,359	7,724	39,573	13,177	43,932
Auditors' remuneration						
– audit services	9,320	9,395	–	–	9,320	9,395
– non-audit services	380	–	–	–	380	–

Cost of inventories of continuing operations and discontinued operations includes RMB166,995,000 (2024: RMB176,057,000 (restated)) and RMB482,926,000 (2024: RMB786,595,000 (restated)), respectively, for the year ended 31 December 2025 relating to staff costs, research and development costs and depreciation and amortisation charges, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Current taxation (Note 30(a))						
<i>The Chinese Mainland</i>						
– Provision for the year	–	–	19,837	23,059	19,837	23,059
– Under/(over)-provision in respect of prior years	–	–	109	(958)	109	(958)
	–	–	19,946	22,101	19,946	22,101
<i>Overseas</i>						
– Provision for the year	9,821	11,978	–	–	9,821	11,978
	9,821	11,978	19,946	22,101	29,767	34,079
Deferred taxation (Note 30(b))						
– Origination and reversal of temporary differences	(1,191)	13,989	331,471	(90,034)	330,280	(76,045)
	8,630	25,967	351,417	(67,933)	360,047	(41,966)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

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

	Continuing Operations		Discontinued Operations (Note 8)		Total	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000
Loss before taxation	110,179	103,612	(5,388,578)	(1,109,554)	(5,278,399)	(1,005,942)
Expected tax on loss before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii), (iii), (iv), (v), (vi) and (vii))	52,675	65,869	(1,192,413)	(270,329)	(1,139,738)	(204,460)
Tax effect of non-deductible expenses	17,034	19,678	12,356	2,672	29,390	22,350
Tax effect of unused tax losses and temporary differences not recognised	24,475	2,871	1,199,612	102,769	1,224,087	105,640
Derecognition of deferred tax previously recognised	–	–	315,490	79,001	315,490	79,001
Tax concessions (Notes (iv), (v) and (viii))	(85,554)	(62,451)	16,263	18,912	(69,291)	(43,539)
Under/(over)-provision in respect of prior years	–	–	109	(958)	109	(958)
Income tax	8,630	25,967	351,417	(67,933)	360,047	(41,966)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

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

Notes:

Continuing Operations:

- (i) The Company is not subject to any income tax pursuant to the rules and regulations of Bermuda.
- (ii) The Company and subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% (2024: 16.5%).
- (iii) 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.
- (iv) Subsidiaries of the Group incorporated in Nigeria are subject to Nigeria corporate income tax rate of 30% for the year ended 31 December 2025 (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.
- (v) A subsidiary of the Group incorporated in Kazakhstan is subject to Kazakhstan corporate income tax rate of 20% (2024: 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.
- (vi) A subsidiary of the Group incorporated in Italy is subject to Italy corporate income tax rate of 27.9% (2024: 27.9%).

Discontinued Operations:

- (vii) 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% (2024: 25%).
- (viii) 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 years ended 31 December 2025 and 2024.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

8 DISCONTINUED OPERATIONS

As disclosed in Note 2(b), management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, following a strategic decision to place greater focus on the Group's overseas operations. The Chinese Mainland Operations was not previously classified as held for sale or as a discontinued operation. The comparative consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

At 31 December 2025, the Group reclassified assets and liabilities of Discontinued Operations to assets held for sale and liabilities associated with assets held for sale. Before such reclassification, as detailed in Note 13, impairment losses on non-current assets of the Discontinued Operations amounting to RMB4,141,519,000 were recognised in profit or loss, including impairment losses on property, plant and equipment, right-of-use assets, goodwill and other non-current assets of RMB3,885,126,000, RMB40,348,000, RMB170,468,000 and RMB45,577,000, respectively. As a result, non-current assets of the Discontinued Operations were stated at lower of cost and fair value less costs to sell.

(a) Results of discontinued operations

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	3,129,030	4,277,323
Cost of sales		(3,414,585)	(4,365,030)
Gross loss	4(b)	(285,555)	(87,707)
Other income	5	149,398	89,580
Distribution costs		(64,928)	(70,768)
Administrative expenses		(500,545)	(303,665)
Impairment losses on receivables and contract assets	34(a)	(237,242)	(15,342)
Other operating expenses	6(c)	(4,181,706)	(392,985)
Loss from operations		(5,120,578)	(780,887)
Finance costs	6(a)	(266,253)	(324,494)
Net loss on disposal of interest in a joint venture		-	(238)
Share of profits less losses of joint ventures		(1,747)	(3,935)
Loss before taxation	6	(5,388,578)	(1,109,554)
Income tax	7	(351,417)	67,933
Loss for the year from discontinued operations		(5,739,995)	(1,041,621)
Attributable to:			
Equity shareholders of the Company		(4,994,651)	(954,224)
Non-controlling interests		(745,344)	(87,397)
Loss for the year from discontinued operations		(5,739,995)	(1,041,621)
Basic and diluted loss per share (RMB yuan)		(2.97)	(0.57)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

8 DISCONTINUED OPERATIONS (CONTINUED)

(b) Cash flows from generated from/(used in) discontinued operations

	2025 RMB'000	2024 RMB'000
Net cash generated from operating activities	420,919	374,502
Net cash generated from/(used in) investing activities	293,911	(423,208)
Net cash used in financing activities	(868,411)	(49,772)
	<hr/>	<hr/>
Net cash flows for the year	(153,581)	(98,478)

(c) Assets and liabilities of discontinued operations held for sale

At 31 December 2025, the non-current assets of Discontinued Operations held for sale were stated at the lower of carrying amount and fair value less costs to sell, comprising the following assets and liabilities:

	Note	2025 RMB'000
Assets		
Property, plant and equipment	13	3,588,383
Other non-current assets		60,689
Investment properties	14	28,247
Right-of-use assets	15	562,894
Intangible assets	16	156,368
Goodwill	17	–
Interests in joint ventures	19	45,798
Equity securities designated at FVOCI		970
Deferred tax assets	30(b)	2,805
Inventories	20	394,894
Trade and bills receivables	22	228,334
Other receivables and prepayments	23	197,636
Prepaid income tax	30	6,865
Cash at bank and on hand	24(a)	252,626
		<hr/>
Assets held for sale		5,526,509

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

8 DISCONTINUED OPERATIONS (CONTINUED)

(c) Assets and liabilities of discontinued operations held for sale (continued)

	Note	2025 RMB'000
Liabilities		
Trade and bills payables	25	1,212,424
Accrued charges and other payables	26	2,425,180
Contract liabilities	21	95,380
Bank loans and other borrowings	27	6,119,321
Lease liabilities	28	68,316
Income tax payable	30	121,558
Deferred tax liabilities	30(b)	24,725
		<hr/>
Liabilities associated with assets held for sale		10,066,904
		<hr/>
Net liabilities for sale		(4,540,395)

(d) Assets held for sale in 2024

In November 2024, a subsidiary which had previously ceased operation has received an expropriation notice from the local government, in which the local government has committed to purchase all of this subsidiary's property, plant and equipment and right-of-use assets (land use rights). Accordingly, the carrying amounts of the related property, plant and equipment and right-of-use assets of RMB183,432,000 and RMB5,211,000, respectively, were reclassified as assets held for sale as at 31 December 2024. The transaction had been completed during the year ended 31 December 2025 (see Note 5).

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025				Total RMB'000
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	
Executive director					
Mr. Lyu Yingcheng (appointed on 30 September 2025)	–	241	–	28	269
Non-executive directors					
Mr. Tang Liwei (appointed on 30 September 2025)	1	–	–	–	1
Mr. Yang Xinyu (appointed on 22 April 2025)	–	–	–	–	–
Mr. Lyu Guo (appointed on 30 September 2025) (Note)	944	–	–	–	944
Mr. Peng Shou (resigned on 22 April 2025)	–	–	–	–	–
Mr. Zhao John Huan (resigned on 22 April 2025)	–	–	–	–	–
Mr. Zhang Jinshu (resigned on 22 April 2025)	–	–	–	–	–
Mr. Xie Changqing (appointed on 22 April 2025 and resigned on 30 September 2025)	–	–	–	–	–
Independent non-executive directors					
Mr. Zhang Baiheng	229	–	–	–	229
Mr. Chen Huachen	229	–	–	–	229
Ms. Lan Haiqing (appointed on 31 December 2024)	229	–	–	–	229
	1,632	241	–	28	1,901

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS (CONTINUED)

	2024				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive director					
Mr. Lyu Guo	–	1,089	–	–	1,089
Non-executive directors					
Mr. Peng Shou	1	–	–	–	1
Mr. Zhao John Huan	–	–	–	–	–
Mr. Zhang Jinshu	1	–	–	–	1
Independent non-executive directors					
Mr. Zhang Baiheng	229	–	–	–	229
Mr. Chen Huachen	229	–	–	–	229
Mr. Wang Yuzhong (resigned on 31 December 2024)	229	–	–	–	229
	<u>689</u>	<u>1,089</u>	<u>–</u>	<u>–</u>	<u>1,778</u>

Note : The emoluments of Mr. Lyu Guo, being an executive director before 30 September 2025 and a non-executive director after 30 September 2025 were presented in the line item under "Non-executive directors".

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2024: one) is a director whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other four (2024: four) individuals is as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,898	2,744
Retirement scheme contributions	228	374
	<u>3,126</u>	<u>3,118</u>

The emoluments of the four (2024: four) highest paid non-director individuals of the Group fell within the band of HK\$Nil to HK\$1,000,000.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

11 OTHER COMPREHENSIVE INCOME

	2025			2024		
	Before tax amount RMB'000	Tax expense RMB'000 Note 30(b)	Net-of-tax amount RMB'000	Before tax amount RMB'000	Tax expense RMB'000 Note 30(b)	Net-of-tax amount RMB'000
Discontinued Operations:						
Equity securities designated at FVOCI – net movement in fair value reserve (non-recycling)	168	(42)	126	556	(139)	417
Continuing Operations:						
Exchange differences on translation of financial statements into presentation currency	54,651	–	54,651	(377,086)	–	(377,086)
Other comprehensive income	54,819	(42)	54,777	(376,530)	(139)	(376,669)

12 EARNINGS/LOSS PER SHARE

(a) Basic earnings/loss per share

Continuing Operations:

The calculation of basic earnings per share of the Continuing Operations for the year ended 31 December 2025 is based on the profit attributable to ordinary equity shareholders of the Company of RMB101,549,000 (2024: the profit attributable to ordinary equity shareholders of RMB77,645,000 (restated)) 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 29(b)) (2024: 1,684,218,000 ordinary shares (after taken into account the ordinary shares held under the Share Award Scheme)) in issue during the year, which are the same as ordinary shares issued at 1 January 2025 and 2024.

Discontinued Operations:

The calculation of basic loss per share of the Discontinued Operations for the year ended 31 December 2025 is based on loss attributable to ordinary equity shareholders of the Company of RMB4,994,651,000 (2024: the loss attributable to ordinary equity shareholders of RMB954,224,000 (restated)) 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 29(b)) (2024: 1,684,218,000 ordinary shares (after taken into account the ordinary shares held under the Share Award Scheme)) in issue during the year, which are the same as ordinary shares issued at 1 January 2025 and 2024.

(b) Diluted earnings/loss per share

There are no dilutive potential shares outstanding during the years ended 31 December 2025 and 2024. Hence, the diluted earnings/loss per share is the same as the basic earnings/loss per share for the years ended 31 December 2025 and 2024.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

13 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

	Plant and buildings RMB'000	Machinery and equipment RMB'000	Motor vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:					
At 1 January 2024	3,887,459	6,372,037	38,719	2,077,602	12,375,817
Additions	23,875	44,054	1,857	113,766	183,552
Reclassification to inventories	–	(52,045)	–	–	(52,045)
Reclassification to assets held for sale	(75,779)	(43,990)	(2,037)	(138,027)	(259,833)
Transfer in/(out)	8,464	(940,225)	279	557,956	(373,526)
Disposals	(65,847)	(41,131)	(4,250)	(50,674)	(161,902)
Exchange adjustments	(75,151)	(90,801)	(422)	(5,923)	(172,297)
At 31 December 2024 and 1 January 2025	3,703,021	5,247,899	34,146	2,554,700	11,539,766
Additions	57,893	74,277	567	169,552	302,289
Transfer in/(out)	242,312	(908,446)	(50)	300,605	(365,579)
Disposals	(2,768)	(60,562)	(7,800)	(4,865)	(75,995)
Exchange adjustments	4,273	2,370	56	4	6,703
Reclassification to assets held for sale (Note 8)	(3,306,509)	(3,674,753)	(14,601)	(3,019,996)	(10,015,859)
At 31 December 2025	698,222	680,785	12,318	–	1,391,325
Accumulated depreciation and impairment losses:					
At 1 January 2024	831,758	1,546,506	22,477	39,260	2,440,001
Charge for the year (Note 6(d))	118,573	468,446	4,177	–	591,196
Reclassification to assets held for sale	(58,747)	(15,722)	(1,932)	–	(76,401)
Transfer out	(44,512)	(376,018)	–	47,004	(373,526)
Written back on disposals	(61,719)	(27,732)	(3,221)	–	(92,672)
Impairment losses (Note 6(c))	128,193	163,924	–	107,943	400,060
Exchange adjustments	(7,599)	(32,425)	(199)	–	(40,223)
At 31 December 2024 and 1 January 2025	905,947	1,726,979	21,302	194,207	2,848,435
Charge for the year (Note 6(d))	129,307	319,375	3,815	–	452,497
Transfer out	–	(425,693)	–	60,114	(365,579)
Written back on disposals	(1,262)	(22,671)	(3,935)	–	(27,868)
Impairment losses (Note 6(c))	1,090,592	1,031,059	–	1,809,765	3,931,416
Exchange adjustments	2,052	725	160	–	2,937
Reclassification to assets held for sale (Note 8)	(2,018,556)	(2,335,316)	(9,518)	(2,064,086)	(6,427,476)
At 31 December 2025	108,080	294,458	11,824	–	414,362
Carrying amount:					
At 31 December 2024	2,797,074	3,520,920	12,844	2,360,493	8,691,331
At 31 December 2025	590,142	386,327	494	–	976,963

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 December 2025, property certificates of certain properties reclassified as assets held for sale with aggregate carrying amount of RMB393,718,000 (31 December 2024: RMB631,276,000 of discontinued operations) are yet to be obtained.

Prepayments for property, plant and equipment where the related items are yet to be received at the end of the reporting period are presented as "other non-current assets" in the consolidated statement of financial position.

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, following a strategic decision to place greater focus on the Group's overseas operations. As a result, property, plant and equipment of RMB3,588,383,000 were reclassified to assets held for sale as at 31 December 2025.

At 31 December 2025, the Group reclassified assets and liabilities of the Discontinued Operations to assets held for sale and liabilities associated with assets held for sale. Before such reclassification, impairment losses on non-current assets amounting to RMB4,141,519,000 were recognised in profit or loss, including impairment losses on property, plant and equipment, right-of-use assets, goodwill and other non-current assets of RMB3,885,126,000, RMB40,348,000, RMB170,468,000 and RMB45,577,000, respectively. Accordingly, taking into accounts of the impairment losses, the carrying amounts of property, plant and equipment, right-of-use assets and other non-current assets of RMB3,588,383,000, RMB562,894,000 and RMB60,689,000 are reclassified as assets held for sale as at 31 December 2025. The Group used market approach to estimate the recoverable amounts for production lines which ceased operations as of the end of the reporting period or those have planned to cease operation immediately after the year end. For production lines which are expected to be in operations, the Group used discounted cash flows, taking into account the future sales volumes, future unit selling prices and unit costs, and applied a risk-adjusted discount rate. The fair value on which the recoverable amount is based on is categorised as level 3 measurement. Significant unobservable inputs mainly relate to discount rates ranging from 11.36% to 11.68%.

In addition, the management of the Group forecasts that the financial performances of overseas operations will be significantly affected by the lost of synergies with the Group's plan to sell its entire business in the Chinese Mainland. Forecasts for overseas operations were adjusted as of the end of the reporting period and resulted in impairment losses of property, plant and equipment and goodwill amounting to RMB46,290,000 and RMB49,412,000, respectively. The management of the Group performed impairment assessments as at 31 December 2025 based on discounted cash flow analysis with a discount rate adopted at 28.52%.

The above impairment losses were recognised and included in "other operating expenses" (see Note 6(c)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 INVESTMENT PROPERTIES

	RMB'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2024	52,394
Reclassification to assets held for sale (Note 8)	(52,394)
	-
Accumulated depreciation:	
At 1 January 2024	18,450
Charge for the year (Note 6(d))	2,848
At 31 December 2024 and 1 January 2025	21,298
Charge for the year (Note 6(d))	2,849
Reclassification to assets held for sale (Note 8)	(24,147)
At 31 December 2025	-
Carrying amount:	
At 31 December 2024	31,096
At 31 December 2025	-

The Group holds investment properties under operating leases to earn rental income or for capital appreciation. The existing leases typically run for an initial period of 5 to 7 years. Lease payments are usually increased every 2 years to reflect market rentals. None of the existing leases includes variable lease payments.

According to the property valuation reports issued by independent qualified valuers, the fair value of investment properties located in the Chinese Mainland are determined using market value approach and the aggregate fair value of the Group's investment properties at 31 December 2025 is RMB35,946,000 (2024: RMB97,449,000).

Undiscounted lease payments under operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	1,867	1,845
After 1 year but within 5 years	776	2,643
	2,643	4,488

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

14 INVESTMENT PROPERTIES (CONTINUED)

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and all of the investment properties were reclassified to assets held for sale as at 31 December 2025.

15 RIGHT-OF-USE ASSETS

The reconciliation of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	Leasehold land held for own use RMB'000	Plant, machinery and equipment RMB'000	Other properties leased for own use RMB'000	Total RMB'000
Cost:				
At 1 January 2024	648,429	79,972	34,116	762,517
Additions	51,136	–	672	51,808
Reclassification to assets held for sale	(25,039)	–	–	(25,039)
Disposals	–	–	(1,432)	(1,432)
Exchange adjustments	(5,703)	–	(140)	(5,843)
At 31 December 2024 and 1 January 2025	668,823	79,972	33,216	782,011
Disposals	–	–	(1,942)	(1,942)
Exchange adjustments	–	–	400	400
Reclassification to assets held for sale (Note 8)	(666,611)	(79,972)	(22,136)	(768,719)
At 31 December 2025	2,212	–	9,538	11,750
Accumulated depreciation and impairment losses:				
At 1 January 2024	120,561	15,773	9,568	145,902
Charge for the year (Note 6(d))	19,004	5,634	3,619	28,257
Reclassification to assets held for sale	(19,828)	–	–	(19,828)
Written back on disposals	–	–	(438)	(438)
Exchange adjustments	(5,573)	–	(100)	(5,673)
At 31 December 2024 and 1 January 2025	114,164	21,407	12,649	148,220
Charge for the year (Note 6(d))	17,423	5,634	5,442	28,499
Written back on disposals	–	–	(1,942)	(1,942)
Impairment losses (Notes 6(c) and 13)	40,348	–	–	40,348
Exchange adjustments	–	–	250	250
Reclassification to assets held for sale (Note 8)	(169,723)	(27,041)	(9,061)	(205,825)
At 31 December 2025	2,212	–	7,338	9,550
Carrying amount:				
At 31 December 2024	554,659	58,565	20,567	633,791
At 31 December 2025	–	–	2,200	2,200

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

15 RIGHT-OF-USE ASSETS (CONTINUED)

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and right-of-use assets with carrying amounts of RMB562,894,000 were reclassified to assets held for sale as at 31 December 2025.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

Continuing Operations:

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Depreciation charge of right-of-use assets by class of underlying asset:			
– Other properties leased for own use	(ii)	1,162	1,574
Interest on lease liabilities (Note 6(a))		35	56
Expenses relating to short-term leases and leases of low-value assets		1,641	336

Discontinued Operations:

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Depreciation charge of right-of-use assets by class of underlying asset:			
– Leasehold land held for own use	(i)	17,423	19,004
– Plant, machinery and equipment	(ii)	5,634	5,634
– Other properties leased for own use	(ii)	4,280	2,045
Interest on lease liabilities (Note 6(a))		4,545	5,091
Expenses relating to short-term leases and leases of low-value assets		2,424	2,885

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 24(c) and 28, respectively.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

15 RIGHT-OF-USE ASSETS (CONTINUED)

(i) Leasehold land held for own use

Leasehold land held for own use represented land use rights premiums paid by the Group for land situated in the Chinese Mainland. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities. The lease terms ranges from 13 years to 55 years. At 31 December 2025, land use right certificates of certain land use rights reclassified as assets held for sale with aggregate carrying value of RMB55,393,000 (31 December 2024: RMB56,589,000) are yet to be obtained from the Discontinued Operation.

(ii) Other leases

The Group leases production plant, machinery and office equipment and properties under operating leases expiring from 1 to 11 years. Certain leases include an option to purchase the leased assets at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

16 INTANGIBLE ASSETS

	Non-competition agreement RMB'000	Technical-know-how RMB'000	Customer relationships RMB'000	Float glass production capacity RMB'000	Total RMB'000
Cost:					
At 1 January 2024	79,442	304,388	2,571	71,651	458,052
Additions	–	23,550	–	–	23,550
Exchange adjustments	(3,371)	(3,460)	(109)	–	(6,940)
At 31 December 2024 and 1 January 2025	76,071	324,478	2,462	71,651	474,662
Additions	–	9,560	–	–	9,560
Exchange adjustments	7,175	6,921	232	–	14,328
Reclassification to assets held for sale (Note 8)	–	(251,612)	–	(71,651)	(323,263)
At 31 December 2025	83,246	89,347	2,694	–	175,287
Accumulated amortisation and impairment losses:					
At 1 January 2024	79,442	173,614	1,328	–	254,384
Charge for the year (Note 6(d))	–	9,484	252	8,774	18,510
Exchange adjustments	(3,371)	(1,699)	(62)	–	(5,132)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

16 INTANGIBLE ASSETS (CONTINUED)

	Non-competition agreement RMB'000	Technical-know-how RMB'000	Customer relationships RMB'000	Float glass production capacity RMB'000	Total RMB'000
At 31 December 2024 and 1 January 2025	76,071	181,399	1,518	8,774	267,762
Charge for the year (Note 6(d))	–	10,722	258	3,631	14,611
Exchange adjustments	7,175	3,254	155	–	10,584
Reclassification to assets held for sale (Note 8)	–	(154,490)	–	(12,405)	(166,895)
	<u>83,246</u>	<u>40,885</u>	<u>1,931</u>	<u>–</u>	<u>126,062</u>
Carrying amount:					
At 31 December 2024	<u>–</u>	<u>143,079</u>	<u>944</u>	<u>62,877</u>	<u>206,900</u>
At 31 December 2025	<u>–</u>	<u>48,462</u>	<u>763</u>	<u>–</u>	<u>49,225</u>

The amortisation charge for the year is included in “cost of sales” in the consolidated statement of profit or loss.

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and intangible assets with carrying amounts of RMB156,368,000 was reclassified to assets held for sale as at 31 December 2025.

17 GOODWILL

	2025 RMB'000	2024 RMB'000
At 1 January	264,574	305,679
Impairment loss (Note 6 (c))	(219,880)	(36,935)
Exchange adjustments	8,876	(4,170)
	<u>53,570</u>	<u>264,574</u>
At 31 December	<u>53,570</u>	<u>264,574</u>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

17 GOODWILL (CONTINUED)

Impairment tests for CGUs containing goodwill

Goodwill is allocated to the Group's CGUs identified according to operating segments as follows:

	2025 RMB'000	2024 RMB'000
Continued operations:		
OGT design and installation related service CGU (a)	53,570	94,106
Discontinued operations:		
Gansu Daming Group glass production and sales CGU (b, reclassified to assets held for sale at 31 December 2025 (Note 8))	–	170,468
	53,570	264,574

(a) *Design and installation related service CGU*

The recoverable amount of the design and installation related service CGU of Olivotto Glass Technologies S.p.A. ("OGT") is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2025	2024
Annual revenue growth rates during the five-year period (Note (i))	1.8%	2%
Growth rate beyond the five-year period (Note (ii))	2%	2%
Pre-tax discount rate (Note (iii))	16.27%	17.85%

- (i) The annual growth rates are based on OGT's historical experience and adjusted for other factors that are specific to the OGT's design and installation related service CGU.
- (ii) The growth rate beyond the five-year period is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate of the relevant industry.
- (iii) The pre-tax discount rate reflects specific risks relating to the OGT's design and installation related service CGU.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

17 GOODWILL (CONTINUED)

Impairment tests for CGUs containing goodwill (continued)

(a) *Design and installation related service CGU (continued)*

The management of the Group forecasts that the financial performances of OGT design and installation related service CGU will be affected by the lost of synergies with the Group's plan to sell its entire business in the Chinese Mainland. Forecasts for OGT Design and installation related service CGU were adjusted as of the end of the reporting period and resulted in impairment losses of goodwill amounting to EUR6,000,000 (equivalent to approximately RMB49,412,000).

The impairment loss of RMB49,412,000 was recognised in "Other operating expenses" during the year.

(b) *Gansu Daming Group glass production and sales CGU*

The recoverable amount of the CGU of Gansu Kaisheng Daming Solar Energy Technology Co., Ltd. (the "Gansu Daming Group") is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2025	2024
Annual revenue growth rates during the five-year period (Note (i))	first year: 9% next 4 years: 14%	first year: 81% next 4 years: 13%
Growth rate beyond the five-year period (Note (ii))	0%	0%
Pre-tax discount rate (Note (iii))	9.73%	10.78%

- (i) The annual growth rates are based on current operation status and future business plan of the two production lines of the Gansu Daming Group and the Group's historical experience and forecast of the glass markets.
- (ii) The growth rate beyond the five-year period is based on relevant industry growth forecasts and does not exceed the average long-term growth rate of the relevant industry.
- (iii) The pre-tax discount rate reflects specific risks relating to the Gansu Daming Group glass production and sales CGU.

The impairment loss of RMB170,468,000 was recognised in "Other operating expenses" during the year.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

18 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group, segregated between subsidiaries under continued operations and discontinued operations. The effective percentage of equity interest attributable to the Company for the below list of subsidiaries are the same as at 31 December 2025 and 2024.

Continuing Operations:

Name of company	Place of establishment/ incorporation and business	Particulars of registered/issued and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
CNG Glass (Nigeria) FZE (i)	The Federal Republic of Nigeria	Issued 38,500,000 shares, Naira 400 each	100%	–	Production, marketing and distribution of glass and glass products
OGT (i)	Italy	Issued 6,408,000 shares, Euro 1 each	–	100%	Design and construction of glass production lines
Orda Glass Ltd LLP (i)	The Republic of Kazakhstan	Registered and paid-up capital of Kazakhstan Tenge 8,413,876,000	100%	–	Production, marketing and distribution of glass and glass products

As at 31 December 2025, subsidiaries in the continuing operations do not have NCI.

(i) These companies are limited liability companies established/incorporated outside of the PRC.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Discontinued Operations:

Name of company	Place of establishment/ incorporation and business	Particulars of registered/issued and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
China Glass Investment Limited* (iii) 中玻投资有限公司	The Chinese Mainland	Registered and paid-up capital of RMB200,000,000	100%	–	Investment holding
Dongtai China Glass Special Glass Company Limited* (ii) 東台中玻 特种玻璃有限公司	The Chinese Mainland	Registered and paid-up capital of RMB200,000,000	100%	–	Production, marketing and distribution of glass and glass products
Fujian Longtai Industrial Company Limited* ("Fujian Longtai") (ii) 福建龙泰实业有限公司	The Chinese Mainland	Registered and paid-up capital of RMB600,000,000	60%	–	Production, marketing and distribution of glass and glass products
Suqian CNG New Materials Company Limited* (ii) 中玻(宿 迁)新材料有限公司	The Chinese Mainland	Registered and paid-up capital of RMB582,813,823	100%	–	Production, marketing and distribution of glass and glass products
Linyi CNG New Materials Technology Company Limited* (ii) 中玻(临沂)新材料科技有限 公司	The Chinese Mainland	Registered and paid-up capital of RMB206,800,000	73.64%	–	Production, marketing and distribution of glass and glass products
Shaanxi CNG New Technology Limited* (ii) 中玻(陕西)新技术 有限公司	The Chinese Mainland	Registered and paid-up capital of RMB132,500,000	92.49%	–	Production, marketing and distribution of glass and glass products
Suqian CNG New Energy Company Limited* (iii) 宿迁 中玻新能源有限公司	The Chinese Mainland	Registered capital of RMB355,000,000 and paid-up capital of RMB348,999,920	100%	–	Production, marketing and distribution of glass and glass products
Weihai CNG Coated Glass Company Limited* ("Weihai CNG") (ii) 威海中玻镀膜玻璃 股份有限公司	The Chinese Mainland	Registered and paid-up capital of RMB143,941,848	89.80%	–	Production, marketing and distribution of glass and glass products
Wuhai CNG Special Glass Company Limited* ("Wuhai CNG") (ii) 烏海中玻特种玻璃 有限责任公司	The Chinese Mainland	Registered and paid-up capital of RMB128,378,729	93.84%	–	Production, marketing and distribution of glass and glass products
Gansu Kaisheng Daming Solar Energy Technology Co., Ltd.* (Gansu Daming) (ii) 甘肅凱盛大 明光能科技有限公司	The Chinese Mainland	Registered and paid-up capital of RMB408,000,000	51.47%	–	Production, marketing and distribution of glass and glass products

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Discontinued Operations: (CONTINUED)

- * The English translations of the names are for reference only and the official names of these entities are in Chinese.
- (ii) These companies are limited liability companies established in the Chinese Mainland.
- (iii) This company is a wholly foreign-owned enterprise established in the Chinese Mainland.

The following table lists out the combined financial information of Fujian Longtai and its subsidiary (collectively referred to as the “Fujian Longtai Group”), Weihai CNG and its subsidiaries, Wuhai CNG, and Gansu Daming and its subsidiaries (collectively referred to as the “Gansu Daming Group”) for the year ended 31 December 2025, representing three sub-groups and a subsidiary within the Group which have material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	2025 RMB'000	2024 RMB'000
Revenue	2,255,124	2,314,699
Loss for the year	(2,164,399)	(212,083)
Loss attributable to NCI	(617,570)	(58,860)
Non-current assets	3,335,877	5,167,647
Current assets	2,525,764	3,063,233
Current liabilities	(4,416,594)	(4,399,600)
Non-current liabilities	(1,233,212)	(1,455,044)
Net assets	211,835	2,376,236
Carrying amount of NCI	5,809	623,379

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES

The joint ventures in which the Group participates are unlisted entities whose quoted market prices are not available. The joint ventures, held by the Discontinued Operations, were accounted for using the equity method during the year in the consolidated financial statements and at 31 December 2025 were reclassified to assets held for sale (see Note 8).

Details of the Group's interests in a major joint venture are as follows:

Name of joint venture	Place of establishment and business	Particulars of registered and paid-up capital	Effective percentage of equity interest attributable to the Company		Principal activities
			Indirect	Direct	
Qinhuangdao Honghua Special Glass Co., Ltd* 秦皇島弘華特種玻璃有限公司	The Chinese Mainland	Registered and paid-up capital of RMB65,740,000	40.00%	–	Production, Marketing and distribution of glass and glass products

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

20 INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	101,724	405,731
Work in progress and finished goods	116,538	727,490
Racks, spare parts and consumables	65,903	164,340
	284,165	1,297,561
Less: write-down of inventories	(23,526)	(76,785)
	260,639	1,220,776

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and inventories with carrying amounts of RMB394,894,000 (after taking into account a write down of RMB88,265,000) were reclassified to assets held for sale as at 31 December 2025.

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

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

20 INVENTORIES (CONTINUED)

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

Continuing Operations:

	2025 RMB'000	2024 RMB'000 (Restated)
Carrying amount of inventories sold and used in service contracts	942,046	1,058,268
Write-down of inventories	2,142	3,369
	944,188	1,061,637

Discontinued Operations:

	2025 RMB'000	2024 RMB'000 (Restated)
Carrying amount of inventories sold and used in service contracts	3,381,721	4,311,012
Write-down of inventories	32,864	54,018
	3,414,585	4,365,030

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

21 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 RMB'000	2024 RMB'000
Contract assets		
Arising from performance under service contracts	25,990	37,063

The Group's service contracts typically include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules minimise the build-up of significant contract assets. The Group typically agrees to a retention period of one to two years. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing retention period.

All of the contract assets are expected to be recovered within one year.

All contract assets arise from the Continuing Operations.

(b) Contract liabilities

	2025 RMB'000	2024 RMB'000
Contract liabilities		
Sales of glass products:		
– receipts in advance from customers	43,032	161,961
Service contracts:		
– billings in advance of performance	88,507	142,799
	131,539	304,760

All of the contract liabilities are expected to be recognised as revenue within one year.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

21 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised arising from contracts are as follows:

– *Sales of glass products*

The Group generally receives a deposit on acceptance of a purchase order of glass products. The remainder of the consideration is payable in full when the products are delivered.

– *Service contracts*

When the Group receives a deposit before the service activity commences this will give rise to contract liabilities at the start of a contract and until the revenue recognised on the project exceeds the amount of the deposit.

Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	304,760	321,221
Increase in contract liabilities as a result of billings in advance of service contracts and receipts in advance for sales of goods	3,258,380	5,095,438
Decrease in contract liabilities as a result of recognising revenue	(3,347,855)	(5,106,135)
Reclassified to liabilities associated with assets held for sale (Note 8)	(95,380)	–
Exchange adjustments	11,634	(5,764)
	<hr/>	<hr/>
Balance at 31 December	131,539	304,760

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

22 TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables due from:		
– third parties	87,767	430,374
– the Triumph Group and its related parties	581	1,371
	88,348	431,745
Less: loss allowance (Note 34(a))	(10,503)	(139,636)
	77,845	292,109
Bills receivables	–	42,287
Financial assets measured at amortised cost	77,845	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.

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

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and trade and bills receivables with carrying amounts of RMB228,334,000 (comprising gross amount of RMB370,183,000 and loss allowance of RMB141,849,000) were reclassified to assets held for sale as at 31 December 2025.

(a) Ageing analysis

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

	2025 RMB'000	2024 RMB'000
Within 1 month	21,454	151,871
More than 1 month but less than 3 months	17,879	97,562
More than 3 months but less than 6 months	2,046	60,161
More than 6 months but less than 1 year	3,921	6,768
Over 1 year	32,545	18,034
	77,845	334,396

Further details on the Group's credit policy are set out in Note 34(a).

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

23 OTHER RECEIVABLES AND PREPAYMENTS

	2025 RMB'000	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	–	115,394
	14	115,408
Deposits and other debtors:		
– receivables for relocation of production plants and government grants	–	109,087
– advances to third parties	4,247	193,545
– others	13,346	46,763
	17,593	349,395
Less: loss allowance (Note 34(a))	–	(192,499)
	17,593	156,896
Financial assets measured at amortised cost	17,607	272,304
Value added tax refundable/deductible	20,788	184,989
Prepayments for purchase of inventories and services:		
– third parties	35,574	201,614
– a joint venture	–	14,644
– the Triumph Group and its related parties	1,139	30
	75,108	673,581

Notes:

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

All of the other receivables and prepayments are expected to be recovered or recognised as expenses within one year.

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and other receivables and prepayments with carrying amounts of RMB197,636,000 (comprising gross amount of RMB604,614,000 and loss allowance of RMB406,978,000) were reclassified to assets held for sale as at 31 December 2025.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION

(a) Cash at bank and on hand comprise:

	Continuing Operations 2025 RMB'000	2024 RMB'000
Cash at bank and on hand in the consolidated statement of financial position	270,975	1,302,086
Less: time deposits and restricted deposits with banks	(119,524)	(673,745)
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated cash flow statement	151,451	628,341
	<hr/>	<hr/>
		Discontinued operations (Note 8) 2025 RMB'000
Cash at bank and on hand in the consolidated statement of financial position		252,626
Less: time deposits and restricted deposits with banks		(168,128)
		<hr/>
Cash and cash equivalents included in the consolidated cash flow statement		84,498
		<hr/>

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 relating to the Discontinued Operations and the Continuing Operations amounted to RMB245,494,000 and RMB479,000, respectively.

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities: (continued)

	Bank loans and other borrowings RMB'000 (Note 27)	Lease liabilities RMB'000 (Note 28)	Interest payables RMB'000 (Note 26)	Total RMB'000
At 1 January 2025	9,916,940	77,181	–	9,994,121
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	4,324,607	–	–	4,324,607
Repayment of bank loans and other borrowings	(5,738,706)	–	–	(5,738,706)
Capital element of lease rentals paid	–	(7,879)	–	(7,879)
Interest element of lease rentals paid	–	(4,580)	–	(4,580)
Other borrowing costs paid	–	–	(434,067)	(434,067)
Total changes from financing cash flows	(1,414,099)	(12,459)	(434,067)	(1,860,625)
Exchange adjustments	(34,543)	200	–	(34,343)
Other changes:				
Repayment by the Triumph Group on the Group's behalf	(754,999)	–	–	(754,999)
Supplier finance arrangements (Note 27(c))	74,141	–	–	74,141
Interest on lease liabilities (Note 6(a))	–	4,580	–	4,580
Interest expenses and other finance costs (Note 6(a))	–	–	411,341	411,341
Capitalised borrowing costs (Note 6(a))	–	–	22,726	22,726
Reclassified to liabilities associated with assets held for sale (Note 8)	(6,119,321)	(68,316)	–	(6,187,637)
Total other changes	(6,800,179)	(63,736)	434,067	(6,429,848)
At 31 December 2025	1,668,119	1,186	–	1,669,305

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities: (continued)

	Bank loans and other borrowings RMB'000 (Note 27)	Lease liabilities RMB'000 (Note 28)	Interest payables RMB'000 (Note 26)	Total RMB'000
At 1 January 2024	9,422,650	86,446	–	9,509,096
Changes from financing cash flows:				
Proceeds from bank loans and other borrowings	6,834,016	–	–	6,834,016
Repayment of bank loans and other borrowings	(6,383,498)	–	–	(6,383,498)
Capital element of lease rentals paid	–	(8,781)	–	(8,781)
Interest element of lease rentals paid	–	(5,147)	–	(5,147)
Other borrowing costs paid	–	–	(522,073)	(522,073)
Total changes from financing cash flows	450,518	(13,928)	(522,073)	(85,483)
Exchange adjustments	18,072	(63)	–	18,009
Other changes:				
Net decrease in lease liabilities	–	(421)	–	(421)
Supplier finance arrangements (Note 27(c))	25,700	–	–	25,700
Interest on lease liabilities (Note 6(a))	–	5,147	–	5,147
Interest expenses and other finance costs (Note 6(a))	–	–	483,426	483,426
Capitalised borrowing costs (Note 6(a))	–	–	38,647	38,647
Total other changes	25,700	4,726	522,073	552,499
At 31 December 2024	9,916,940	77,181	–	9,994,121

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

24 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	4,065	3,221
Within investing cash flows	125,954	51,136
Within financing cash flows	12,459	13,928
	<u>142,478</u>	<u>68,285</u>

These amounts relate to the following:

	2025 RMB'000	2024 RMB'000
Lease rentals paid	16,524	17,149
Purchase of leasehold assets	125,954	51,136
	<u>142,478</u>	<u>68,285</u>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

25 TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables due to:		
– third parties	109,291	716,531
– the Triumph Group and its related parties	–	214,172
	109,291	930,703
Bills payables	–	191,458
Financial liabilities measured at amortised cost	109,291	1,122,161

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

	2025 RMB'000	2024 RMB'000
Due within 1 month or on demand	109,291	955,897
Due after 1 month but within 6 months	–	166,264
	109,291	1,122,161

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and trade and bills payables with carrying amounts of RMB1,212,424,000 were reclassified to liabilities associated with assets held for sale as at 31 December 2025.

Trade payables with an aggregate carrying amount of RMB1,628,000 due to the Discontinued Operations was eliminated when preparing the Group's consolidated financial statements.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

26 ACCRUED CHARGES AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Amounts due to related parties:		
– the Triumph Group and its related parties	121,805	1,025,563
– a non-controlling equity owner of a subsidiary (Note)	–	56,641
	121,805	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	3,843	299,189
– payables for staff related costs	32,611	98,576
– payables for acquisition considerations and dividends to non-controlling equity owners of subsidiaries	–	4,817
– payables for transportation expenses	4,168	10,441
– deposits	7,105	79,757
– others	16,185	50,876
	63,912	543,656
Financial liabilities measured at amortised cost	185,717	1,625,860
Payables for miscellaneous taxes	16,585	60,490
Provision for legal claims	–	1,506
	202,302	1,687,856

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

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

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and accrued charges and other payables with carrying amounts of RMB2,425,180,000 were reclassified to liabilities associated with assets held for sale as at 31 December 2025.

Other payables with an aggregate carrying amount of RMB1,112,189,000 due to the Discontinued Operations was eliminated when preparing the Group's consolidated financial statements.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS

	Continuing Operations 2025 RMB'000	2024 RMB'000
Current liabilities		
Bank loans:		
– pledged by bank bills	–	627,160
– secured and/or guaranteed (Note (ii))	–	988,304
– unguaranteed and unsecured	–	1,320,787
	–	2,936,251
Borrowings from the Triumph Group		
– unguaranteed and unsecured (Note (iii))	–	1,184,269
Long-term bank loans due within one year:		
– secured and/or guaranteed (Note (i), Note 27(a) and Note 27(b))	980,045	854,597
– unguaranteed and unsecured (Note (i), Note 27(a) and Note 27(b))	688,074	1,129,124
	1,668,119	1,983,721
Long-term loans from other financial institutions due within one year:		
– secured and/or guaranteed (Note 27(a))	–	1,216,472
– unguaranteed and unsecured (Note 27(a))	–	210
	–	1,216,682
	1,668,119	7,320,923

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

	Continuing Operations 2025 RMB'000	2024 RMB'000
Non-current liabilities		
Bank loans:		
– secured and/or guaranteed	–	1,219,228
– unguaranteed and unsecured	–	475,800
	–	1,695,028
Loans from other financial institutions:		
– secured and/or guaranteed	–	900,989
	–	2,596,017
	1,668,119	9,916,940

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

	Discontinued Operations (Note 8) 2025 RMB'000
Current liabilities	
Bank loans:	
– pledged by bank bills	50,000
– secured and/or guaranteed (Note (ii))	1,496,971
– unguaranteed and unsecured	758,226
	<hr style="border-top: 1px solid black;"/>
	2,305,197
	<hr style="border-top: 1px dashed black;"/>
Borrowings from the Triumph Group	
– unguaranteed and unsecured (Notes (iii))	414,000
	<hr style="border-top: 1px dashed black;"/>
Long-term bank loans due within one year:	
– secured and/or guaranteed (Note (iv), Note 27(a) and Note 27(b))	1,744,995
– unguaranteed and unsecured (Note 27(a) and Note 27(b))	28,252
	<hr style="border-top: 1px solid black;"/>
	1,773,247
	<hr style="border-top: 1px dashed black;"/>
Long-term loans from other financial institutions due within one year:	
– secured and/or guaranteed (Note (iv), Note 27(a) and Note 27(b))	1,281,667
– unguaranteed and unsecured	210
	<hr style="border-top: 1px solid black;"/>
	1,281,877
	<hr style="border-top: 1px dashed black;"/>
	5,774,321
	<hr style="border-top: 1px dashed black;"/>
Non-current liabilities	
Bank loans:	
– secured and/or guaranteed (Note (iv))	345,000
	<hr style="border-top: 1px dashed black;"/>
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	6,119,321
	<hr style="border-top: 1px solid black;"/>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and bank loans and other borrowings with carrying amounts of RMB6,119,321,000 was reclassified to liabilities associated with assets held for sale as at 31 December 2025.

Notes:

Continuing Operations:

- (i) Included in these bank loans are a syndicated loan of RMB951,764,000 secured by the Company's equity interests in certain subsidiaries and deposits of the Continuing Operations and guaranteed by the remaining subsidiaries of the Continuing Operations, and a bank loan of EUR3,433,000 (equivalent to approximately RMB28,280,000) secured by the Continuing Operations' property, plant and equipment.

Discontinued Operations:

- (ii) These bank loans are secured by the Discontinued Operations' property, plant and equipment, right-of-use assets, pledged deposits and/or guaranteed by the Company, a director of the Company, or a key management personnel of a subsidiary from the Discontinued Operations. As at 31 December 2025, the loans guaranteed by the Company are RMB486,648,000.

As at 31 December 2025, the aggregate carrying value of the secured property, plant and equipment, right-of-use assets and pledged deposits under the Discontinued Operations pledged for the short-term bank loans is RMB889,138,000.

- (iii) These borrowings represent financial assistance provided by the Triumph Group through which the Group obtains financing from certain banks under the financing facilities of the Triumph Group in these banks. The amounts are unsecured, with fixed interest rates ranging from 2.09% to 2.70% (31 December 2024: 2.10% to 3.38%), and are repayable within one year.

- (iv) These loans are secured by the Discontinued Operations' property, plant and equipment, right-of-use assets, and/or guaranteed by the Triumph Group, the Company, or NCI of a subsidiary of the Discontinued Operations. As at 31 December 2025, the loans guaranteed by the Triumph Group, the Company and NCI of a subsidiary of the Discontinued Operations are RMB223,586,000, RMB524,691,000 and RMB931,549,000, respectively.

As at 31 December 2025, the aggregate carrying value of the secured property, plant and equipment and right-of-use assets under the Discontinued Operations pledged for the long-term bank loans and other borrowings is RMB2,200,652,000.

All of the above loans and borrowings are carried at amortised cost.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

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

	Continuing Operations 2025 RMB'000	2024 RMB'000
Within 1 year or on demand	1,668,119	3,200,403
After 1 year but within 2 years	–	1,086,592
After 2 years but within 5 years	–	1,353,286
After 5 years	–	156,139
	1,668,119	5,796,420

	Discontinued operations 2025 RMB'000
Within 1 year or on demand	3,055,124
After 1 year but within 2 years	345,000
	3,400,124

As mentioned in Notes 2(b) and 34(b), the Group's defaulted loans and breached of covenants have further triggered the cross-default provisions of loans and borrowings due after one year of RMB2,221,840,000 as of 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 reflected such reclassification from non-current to current.

(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 mentioned in Notes 2(b) and 34(b), certain bank loans and borrowings of the Chinese Mainland Operations were defaulted as of the end of the reporting period, which in turn triggered the cross-default provisions of loans and borrowings due after one year of RMB650,368,000 and RMB1,571,472,000 of the Continued Operations and the Discontinued Operations, respectively.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

27 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

(c) Bank loans and other borrowings of discontinued operations arising from supplier finance arrangements

The Group's Discontinued Operations have entered into certain reverse factoring arrangements with banks, under which the Discontinued Operations 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 Discontinued Operations' property, plant and equipment. Under these arrangements, the banks pay suppliers the amounts owed by the Discontinued Operations on the original due dates. The Discontinued Operations 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" and reclassified them as liabilities associated with assets held for sale, in view of the nature and function of such liabilities when compared with the Discontinued Operations' trade and bills payables to suppliers. As at 31 December 2025, the carrying amount of financial liabilities under these arrangements amounted to RMB99,841,000 (31 December 2024: RMB25,700,000).

In the consolidated cash flow statement, the Discontinued Operations' payments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the suppliers by the banks amounted to RMB25,700,000 are non-cash transactions.

28 LEASE LIABILITIES

At 31 December 2025, lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	557	11,993
After 1 year but within 2 years	390	10,169
After 2 years but within 5 years	239	23,599
After 5 years	—	31,420
	629	65,188
	1,186	77,181

As disclosed in Notes 2(b) and 8, management of the Group has committed to a plan to sell its entire business in the Chinese Mainland as at the end of the reporting period, and lease liabilities with carrying amounts of RMB68,316,000 were reclassified to liabilities associated with assets held for sale as at 31 December 2025.

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share option scheme

The Company has a share option scheme (the "Share Option Scheme") which was adopted on 30 May 2005 whereby the directors of the Company are authorised, at their discretion, to invite (i) any executive director or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity"); (ii) any non-executive directors (including independent non-executive directors) of the Company, any member of the Group or any Invested Entity; (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity, to take up share options at HK\$1.00 as consideration to subscribe for shares in the Company. The Share Option Scheme had expired on 22 June 2015, and a new share option scheme (the "New Share Option Scheme") with the same terms and conditions has been approved in a special general meeting of the shareholders of the Company on 19 February 2016, where the New Share Option Scheme will expire on 19 February 2026.

No share options were granted under the New Share Option Scheme during the years ended 31 December 2025 and 2024.

(b) Share award scheme

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

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

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

On 8 December 2021, the directors of the Company extend the term of the Share Award Scheme (the "Extension"). The Extension of the Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the twentieth anniversary date of the Adoption Date (the tenth anniversary date of the Adoption Date before the Extension), which is 12 December 2031; and (ii) such date of early termination as determined by the directors of the Company.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Share award scheme (CONTINUED)

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

	No. of ordinary shares held under the Trust '000
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>152,000</u>

No ordinary shares were purchased for the Share Award Scheme during the years ended 31 December 2025 and 2024. No shares have been awarded to any selected employee as at the date of these financial statements.

30 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Movements in current taxation in the consolidated statement of financial position are as follows:

	2025 RMB'000	2024 RMB'000
Balance of income tax payable (net of prepaid income tax) at 1 January	108,928	126,805
Provision for income tax on the estimated taxable profits for the year (Note 7(a))	29,658	35,037
Over-provision in respect of prior years (Note 7(a))	109	(958)
Income tax paid	(20,558)	(51,956)
Reclassified to liabilities associated with assets held for sale (Note 8)	(114,693)	–
	<u>3,444</u>	<u>108,928</u>
Balance of income tax payable (net of prepaid income tax) at 31 December		
Represented by:		
Income tax payable	3,444	113,032
Prepaid income tax	–	(4,104)
	<u>3,444</u>	<u>108,928</u>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

30 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Unused tax losses RMB'000	Write-down of inventories RMB'000	Credit loss allowance RMB'000	Lease liabilities RMB'000	Right-of-use assets RMB'000	Depreciation expenses in excess of related tax allowances, impairment losses on property, plant and equipment and government grants and fair value adjustments of investments RMB'000	Fair value adjustments on intangible assets, property, plant and equipment, equity securities, right-of-use assets, interest capitalisation and related depreciation RMB'000	Net RMB'000
At 1 January 2024	126,684	10,217	55,174	19,728	(18,496)	129,761	(107,335)	215,733
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	76,137	2,398	2,420	(1,659)	1,614	(14,112)	9,247	76,045
Charged to reserves (Note 11)	-	-	-	-	-	-	(139)	(139)
Exchange adjustments	-	(130)	(52)	-	-	856	308	982
At 31 December 2024 and 1 January 2025	202,821	12,485	57,542	18,069	(16,882)	116,505	(97,919)	292,621
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	(202,821)	(7,875)	(54,939)	(1,735)	1,682	(131,838)	67,246	(330,280)
Charged to reserves (Note 11)	-	-	-	-	-	-	(42)	(42)
Exchange adjustments	-	350	134	-	-	194	(590)	88
Reclassified to assets held for sale and liabilities associated with assets held for sale (Note 8)	-	(483)	(1,189)	(16,214)	15,081	-	24,725	21,920
At 31 December 2025	-	4,477	1,548	120	(119)	(15,139)	(6,580)	(15,693)

Reconciliation to the consolidated statement of financial position:

	Continuing Operations 2025 RMB'000	2024 RMB'000
Net deferred tax assets in the consolidated statement of financial position	9,564	404,456
Net deferred tax liabilities in the consolidated statement of financial position	(25,257)	(111,835)
	(15,693)	292,621

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

30 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (Continued)

	Discontinued Operations (Note 8) 2025 RMB'000
Net deferred tax assets in the consolidated statement of financial position	2,805
Net deferred tax liabilities in the consolidated statement of financial position	(24,725)
	<hr/> (21,920) <hr/>

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB8,600,660,000 (2024: RMB1,452,997,000), of which RMB189,707,000 (2024: RMB83,730,000) was from the Continuing Operations and RMB8,410,953,000 (2024: RMB1,369,267,000) was from the Discontinued Operations as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Except for an amount of RMB41,142,000 from the Continuing Operations which will not expire under the relevant tax legislation, the remaining unused tax losses at 31 December 2025 will expire on or before 31 December 2030.

(d) Deferred tax liabilities not recognised

At 31 December 2025, temporary differences relating to the undistributed profits of certain subsidiaries of the Group established in the Chinese Mainland, namely the Discontinued Operations, amounted to RMB349,950,000 (31 December 2024: RMB495,324,000). Deferred tax liabilities of RMB31,402,000 (31 December 2024: RMB44,961,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future. These temporary differences are all related to the Discontinued Operations of the Group.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital RMB'000 (Note 31 (c))	Share premium RMB'000 (Note 31 (d) (i))	Shares held under share award scheme RMB'000 (Note 31 (d) (ii))	Capital reserve RMB'000 (Note 31 (d) (iii))	Exchange reserve RMB'000 (Note 31 (d) (vi))	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	85,951	1,493,494	(66,712)	20,769	39,816	(148,684)	1,424,634
Changes in equity for 2024:							
Loss for the year	-	-	-	-	-	(628,366)	(628,366)
Other comprehensive income	-	-	-	-	39,483	-	39,483
Total comprehensive income for the year	-	-	-	-	39,483	(628,366)	(588,883)
At 31 December 2024 and 1 January 2025	85,951	1,493,494	(66,712)	20,769	79,299	(777,050)	835,751
Changes in equity for 2025:							
Loss for the year	-	-	-	-	-	(4,054,813)	(4,054,813)
Other comprehensive income	-	-	-	-	(42,189)	-	(42,189)
Total comprehensive income for the year	-	-	-	-	(42,189)	(4,054,813)	(4,097,002)
At 31 December 2025	85,951	1,493,494	(66,712)	20,769	37,110	(4,831,863)	(3,261,251)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (CONTINUED)

(b) Dividends

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

The directors of the Company do not propose a final dividend for the year ended 31 December 2025 (2024: HK\$Nil).

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

No final dividend in respect of the previous financial year has been declared during the year (2024: HK\$Nil).

(c) Share capital

- (i) *Authorised and issued share capital*

	2025		2024	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised: At 1 January and 31 December, at HK\$0.05 each	3,600,000,000	180,000	3,600,000,000	180,000

	2025		2024	
	No. of shares	RMB'000	No. of shares	RMB'000
Ordinary shares, issued and fully paid: At 1 January and 31 December	1,836,218,258	85,951	1,836,218,258	85,951

- (ii) *At 31 December 2025, 152,000,000 ordinary shares are held by the Company under the Share Award Scheme (31 December 2024: 152,000,000) (see Note 29(b)).*

31 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (CONTINUED)

(d) Nature and purpose of reserves

(i) *Share premium*

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.

(ii) *Shares held under share award scheme*

The shares held under share award scheme represents the weighted average acquisition cost for unvested shares acquired under the Share Award Scheme that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r) (ii).

(iii) *Capital reserve*

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r) (ii).

(iv) *Statutory reserve*

In accordance with the articles of association of the subsidiaries of the Group established in the Chinese Mainland, these subsidiaries were required to set up certain statutory reserves, which were non-distributable. The transfers of these reserves are at discretion of the directors of the respective subsidiaries. The statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

(v) *Other reserve*

Other reserve represents the effect on equity arising from the acquisitions of non-controlling interests.

(vi) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which have a functional currency other than RMB into RMB, the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(w).

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (CONTINUED)

(d) Nature and purpose of reserves (Continued)

(vii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI that are held at the end of the reporting period (see Note 2(g)).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

32 MATERIAL RELATED PARTY TRANSACTIONS

At 31 December 2025 and 2024, the directors of the Company consider that the Company did not have immediate and ultimate holding company.

In addition to those disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

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

	Continuing Operations		Discontinued Operations (Note 8)	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)
Purchase of raw materials	-	-	20,595	173,453
Engineering services received	-	-	27,155	118,138
Sales of glass products	-	-	89	11,867
Services provided	162	4,288	-	2,504
Purchase of products	7,680	-	-	-
Net decrease in guarantees received for the Group's bank loans and other borrowings	-	-	(200,527)	(703,625)
Net decrease in borrowings from the Triumph Group and its related parties	-	-	(770,269)	(114,287)
Net increase in advanced from Triumph Group and its related parties	-	-	754,999	-
Interest expenses in relation to borrowings from the Triumph Group and its related parties	-	-	73,826	59,503

(b) Transactions with a director of the Company

	Continuing Operations		Discontinued Operations (Note 8)	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)
Net (decrease)/increase in guarantees received	-	-	(80,000)	10,000

(c) Transactions with a joint venture of the Group

	Continuing Operations		Discontinued Operations (Note 8)	
	2025 RMB'000	2024 RMB'000 (Restated)	2025 RMB'000	2024 RMB'000 (Restated)
Purchase of raw materials (excluding prepayments)	-	-	62,374	45,976

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 9 and the highest paid individuals as disclosed in Note 10, is as follows:

	2025	2024
	RMB'000	RMB'000
Short-term employee benefits	5,214	4,522
Contributions to defined contribution retirement plans	266	374
	5,480	4,896

Total remuneration is included in "staff costs" (see Note 6(b)).

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of purchase of raw materials, engineering services received, sales of glass products and purchase of products above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in related section of the Directors' Report.

For the year ended 31 December 2025, the related party transactions in respect of receiving guarantees and interest-bearing borrowings from and accruing related financial charges to the Triumph Group and its related parties constitute connected transactions as defined in Chapter 14A of the Listing Rules, however they are exempted from the disclosure requirements in Chapter 14A of the Listing Rules.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

33 CAPITAL COMMITMENTS

At 31 December 2025, the outstanding capital commitments of the Group not provided for in these financial statements were as follows:

	Continuing Operations 2025 RMB'000	2024 RMB'000
Commitments in respect of acquisitions of land and buildings, and machinery and equipment		
– contracted for	10,622	229,158
– authorised but not contracted for	–	438,217
	10,622	667,375
		Discontinued Operations (Note 8) 2025 RMB'000
Commitments in respect of acquisitions of land and buildings, and machinery and equipment		
– contracted for		41,712
– authorised but not contracted for		16,636
		58,348

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group considers its exposure to equity price risk arising from its equity investment in other entity to be insignificant.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other receivables and contract assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group's exposure to credit risk arising from cash at bank and bills receivables is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers having low credit risk.

As disclosed in Notes 27 and 36, the Company provided guarantees for bank loans and other borrowings drawn by the Discontinued Operations as at 31 December 2025.

In respect of trade receivables, other receivables and contract assets, individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the customer's and debtor's past history of making payments when due and current ability to pay, and take into account information specific to the customer and debtor as well as pertaining to the economic environment in which the customer and debtor operates.

For sales of glass and glass products, cash before delivery is generally required for all customers. Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to customers and debtors, depending on credit assessment carried out by management on an individual customer basis. For rendering of services, the Group generally requires upfront cash payment prior to commencement of rendering of services and customers to settle progress billings in accordance with contract terms. Trade receivables for contract works are considered past due once billings are made. Normally, the Group does not obtain collateral from customers and debtors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and debtor rather than the industry in which the customers and debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers and debtors. At 31 December 2025, 15.0% and 35.4% of the total trade receivables and contract assets were due from the Group's largest trade debtor and the five largest trade debtors respectively from the Continuing Operations.

The Group measures loss allowances for trade receivables, other receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments or geographic regions, the loss allowance based on past due status is not further distinguished between the Group's different customer or geographic bases.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2025:

Continuing Operations 2025			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	0%	25,990	–
Less than 1 year past due	3%	46,745	(1,446)
More than 1 year past due	22%	41,603	(9,057)
		114,338	(10,503)
2024			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	0%	37,063	–
Less than 1 year past due	4%	285,159	(11,084)
More than 1 year past due	88%	146,586	(128,552)
		468,808	(139,636)

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

	Discontinued Operations (Note 8) 2025		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Less than 1 year past due	3%	158,812	(5,383)
More than 1 year past due	94%	145,675	(136,466)
		304,487	(141,849)

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

The movements in the loss allowance account in respect of trade receivables, other receivables and contract assets during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	332,135	317,836
Impairment (gain)/loss recognised:		
– Continuing Operations	(336)	2,161
– Discontinued Operations	237,242	15,342
Amounts written off	(10,332)	(2,993)
Reclassified to assets held for sale (Note 8)	(548,827)	–
Exchange adjustments	621	(211)
	<hr/>	<hr/>
Balance at 31 December	10,503	332,135

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Note 2(b) explains management's plans for managing the liquidity requirements of the Group. Taking all factors set out in Note 2(b) into account, the directors of the Company are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Nevertheless, the Group will continue to undertake various initiatives set out in Note 2(b) to mitigate and manage the liquidity pressure of the Group.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay, after taking into consideration the Group's defaulted and cross-defaulted bank loans and other borrowings at 31 December 2025 as disclosed in Note 2(b):

Continuing Operations 2025						
Contractual undiscounted cash outflow						
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 December RMB'000
Trade and bills payables	109,291	-	-	-	109,291	109,291
Accrued charges and other payables measured at amortised cost	185,717	-	-	-	185,717	185,717
Bank loans and other borrowings	1,711,137	-	-	-	1,711,137	1,668,119
Lease liabilities	569	416	282	-	1,267	1,186
	2,006,714	416	282	-	2,007,412	1,964,313
Discontinued Operations (Note 8) 2025						
Contractual undiscounted cash outflow						
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 December RMB'000
Trade and bills payables	1,212,424	-	-	-	1,212,424	1,212,424
Accrued charges and other payables measured at amortised cost	2,425,180	-	-	-	2,425,180	2,425,180
Bank loans and other borrowings	5,801,014	352,906	-	-	6,153,920	6,119,321
Lease liabilities	10,654	10,411	26,617	44,216	91,898	68,316
	9,449,272	363,317	26,617	44,216	9,883,422	9,825,241

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

	2024					Carrying amount at 31 December RMB'000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and bills payables	1,122,161	–	–	–	1,122,161	1,122,161
Accrued charges and other payables measured at amortised cost	1,625,860	–	–	–	1,625,860	1,625,860
Bank loans and other borrowings	7,579,277	1,175,129	1,419,610	162,092	10,336,108	9,916,940
Lease liabilities	12,400	11,174	29,464	53,087	106,125	77,181
Other non-current liabilities	–	–	–	5,357	5,357	4,974
	<u>10,339,698</u>	<u>1,186,303</u>	<u>1,449,074</u>	<u>220,536</u>	<u>13,195,611</u>	<u>12,747,116</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	2025		2024	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate borrowings:				
Lease liabilities	3.00%-6.84%	1,186	3.20% – 6.84%	77,181
Bank loans and other borrowings	1.60%-3.8%	307,104	1.60% – 7.83%	6,099,438
Other non-current liabilities	7.70%	5,681	7.70%	4,974
		<u>313,971</u>		<u>6,181,593</u>
Variable rate borrowings:				
Bank loans and other borrowings	1.20%-5.46%	1,361,015	1.20% – 6.29%	3,817,502
Total borrowings		<u>1,674,986</u>		<u>9,999,095</u>

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (continued)

(i) Interest rate profile (continued)

	Discontinued Operations 2025	
	Effective interest rate %	RMB'000
Fixed rate borrowings:		
Lease liabilities	4.22% – 6.84%	68,316
Bank loans and other borrowings	2.51% – 7.83%	3,826,790
		3,895,106
Variable rate borrowings:		
Bank loans and other borrowings	2.20% – 5.00%	2,292,531
Total borrowings		6,187,637

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased the profit after tax from the Continuing Operations and increased the loss from the Discontinued Operations by approximately RMB13,545,000 and RMB22,127,000, respectively.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative financial instruments held by the Group at the end of the reporting period. The impact on the Group's results after tax and retained profits is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis for 2024.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables, loans and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, RMB and EUR, which is principally from the Continuing Operations. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of receivables, payables and borrowings denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate before any inter-company eliminations. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into continuing operations' presentation currency are excluded.

	2025		
	Exposure to foreign currencies		
	USD RMB'000	RMB RMB'000	EUR RMB'000
Trade receivables	5,238	–	–
Other receivables	471,388	6,959	11,207
Cash and cash equivalents	36,635	1,110	6
Trade payables	(5,315)	(604)	–
Accrued charges and other payables	(229,385)	(952,255)	–
Bank loans and other borrowings	–	(777,050)	–
Gross exposure arising from recognised assets and liabilities	278,561	(1,721,840)	11,213

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (Continued)

(ii) Exposure to currency risk (Continued)

	2024		
	Exposure to foreign currencies		
	USD	RMB	EUR
	RMB'000	RMB'000	RMB'000
Trade receivables	42,051	–	–
Other receivables	15,279	399,529	10,238
Cash and cash equivalents	55,000	2,214	6
Trade payables	(4,609)	(59,347)	(3)
Accrued charges and other payables	(224,453)	(902,348)	–
Bank loans and other borrowings	–	(1,008,610)	–
Gross exposure arising from recognised assets and liabilities	(116,732)	(1,568,562)	10,241

(iii) Sensitivity analysis

The following table indicates the instantaneous change in continuing operations 's results after tax and retained profits that would arise if foreign exchange rates to which continuing operations has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between HK\$ and USD would be materially unaffected by any changes in movement in value of the USD against other currencies.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (Continued)

(iii) Sensitivity analysis (Continued)

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease in loss after tax and accumulated losses RMB'000	Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease in loss after tax and (decrease)/ increase in retained profits RMB'000
USD	10% (10%)	27,856 (27,856)	10% (10%)	(13,094) 13,094
RMB	10% (10%)	(172,184) 172,184	10% (10%)	(156,856) 156,856
EUR	10% (10%)	1,121 (1,121)	10% (10%)	1,024 (1,024)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after tax and retained profits/accumulated losses measured in the respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement

(i) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

As at 31 December 2025 and 2024, except for assets held for sale were stated at the lower of cost and fair value less cost to sell, there are no significant financial assets or liabilities of the Group measured at fair value.

(ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

35 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 Specialised Interdistrict Administrative Offenses Court of the Kyzylorda Region fully annulled the fine imposed on Orda Glass and terminated the proceedings in the court. Under the Kazakhstan law, an appeal by the prosecutor may be filed within one year from the date on which the court decision entered into legal force. Any further stages of review are possible only upon completion of the appellate process. As of the date of this annual report, the management is not aware of any appeal filed by the Regional DOE.

Given that the right to appeal remains available to the authorities and the ultimate outcome cannot be determined, no provision has therefore been made in this annual report with respect to this matter.

- (b) As mentioned in Notes 2(b), as of the end of the reporting period and up to the date of approval of these financial statements, the Group has defaulted certain bank loans and borrowings, which also triggered the cross-default provisions of other outstanding borrowings. The agreements of these bank loans and borrowings contain clauses regarding penalty interests to be charged when the bank loans and borrowings are overdue. The Group is actively negotiating with the lenders to extend and/or restructure the terms of the bank loans and borrowings that have fallen overdue. Subject to the result of the above 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 report.

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		477	593
Investments in subsidiaries	18	114,580	875,489
Loans to subsidiaries		12,744	12,136
Right-of-use assets		–	912
		127,801	889,130
Current assets			
Amounts due from subsidiaries of the Continuing Operations		265,624	2,871,488
Other receivables		1,708	1,419
Cash at bank and on hand (Note (i))		43,165	49,581
		310,497	2,922,488

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2025 RMB'000	2024 RMB'000
Current liabilities			
Amounts due to subsidiaries of the Continuing Operations		833,266	477,637
Amounts due to the Discontinued Operations		590,082	530,934
Accrued charges and other payables		6,623	1,294
Bank loans and other borrowings		1,258,239	1,674,069
Lease liabilities		–	933
Provisions (Note (ii))		1,011,339	–
		3,699,549	2,684,867
Net current (liabilities)/assets		(3,389,052)	237,621
Total assets less current liabilities		(3,261,251)	1,126,751
Non-current liabilities			
Bank loans and other borrowings		–	291,000
NET (LIABILITIES)/ASSETS		(3,261,251)	835,751
CAPITAL AND RESERVES			
Share capital	31	85,951	85,951
Reserves		(3,347,202)	749,800
TOTAL (EQUITY – DEFICIT)/EQUITY		(3,261,251)	835,751

Approved and authorised for issue by the board of directors on 30 March 2026.

Tang Liwei
Chairman

Lyu Yingcheng
Director

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

Note:

- (i) At 31 December 2025, the Company's cash at bank and on hand included restricted cash amounted to RMB20,572,000 (2024: RMB30,576,000) placed with banks to secure the syndicated loan and restricted cash amounted to RMB16,104,000 (2024: RMB16,515,000) relating to the share option scheme.
- (ii) As disclosed in Note 27, as at 31 December 2025, bank loans and other borrowings drawn by the Discontinued Operations which are guaranteed by the Company amounted to RMB1,011,339,000. As mentioned in Note 2(b) and as a result of the uncertainties of the outcome of the initiatives being taking by the Group, the Company has made a provision against the above guarantees based on the balance of the outstanding borrowings at 31 December 2025.

37 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 30 March 2026, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with Hony Capital Group Limited (the "Potential Subscriber"). The Potential Subscriber wholly-owns United Strength Upward Limited, which owns 50% equity interest in New Glory Management Limited, which in turn wholly-owns New Glory Fund L. P. New Glory Fund L. P. is a substantial shareholder of the Company holding approximately 14.86% of the total issued share capital of the Company.

Pursuant to the MOU, the Company will seek to enter into a subscription agreement with the Potential Subscriber (or its affiliate). Subject to further negotiation on the terms and conditions, pursuant to which the Company shall issue, and the Potential Subscriber (or its affiliate) shall subscribe for convertible bonds in the principal amount of RMB1,500,000,000 (equivalent to approximately HK\$1,697,000,000), convertible into ordinary shares of the Company (the "Potential CB Issue").

The Potential CB Issue will constitute a connected transaction of the Company and will therefore be subject to relevant approval requirements under Chapter 14A of the Listing Rules.

38 POSSIBLE IMPACTS OF NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Notes to the Financial Statements (continued)

(Expressed in RMB unless otherwise indicated)

38 POSSIBLE IMPACTS OF NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKAS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to HKFRS 10, <i>Consolidated financial statements</i> and HKAS 28, <i>Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.