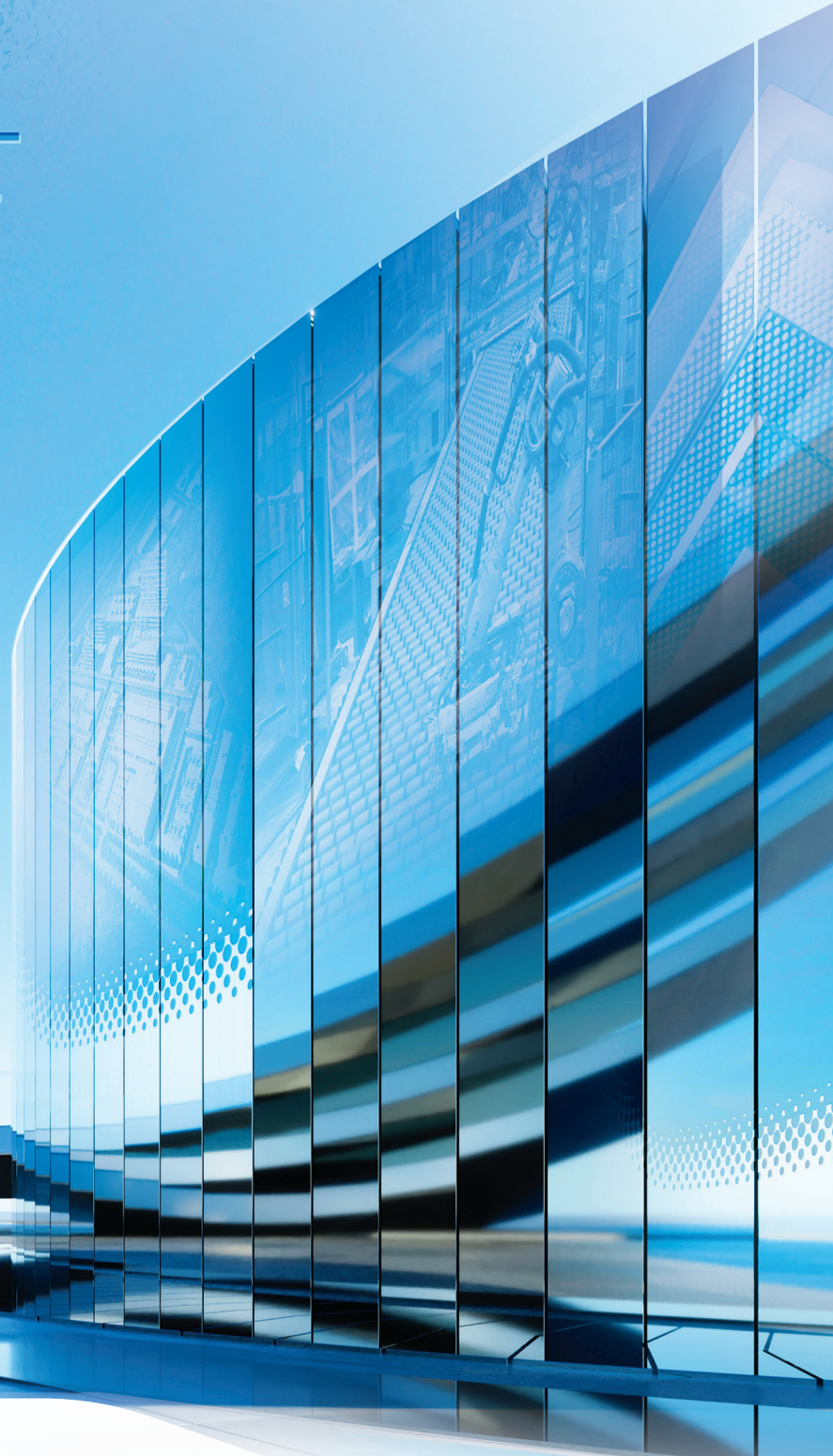


ANNUAL REPORT 2025



信義玻璃控股有限公司

XINYI GLASS HOLDINGS LIMITED *Since 1988*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 00868.hk

Hang Seng
Index Constituents

SHANGHAI
CONNECT

SHENZHEN
CONNECT

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Corporate Information

EXECUTIVE DIRECTORS

Dr. LEE Yin Yee, S.B.S. (Chairman) ø~
Datuk Wira TUNG Ching Bor *D.C.S.M* (Vice Chairman)
Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*
(Chief Executive Officer) <ø
Mr. LEE Shing Kan, M.H.

NON-EXECUTIVE DIRECTORS

Mr. LI Ching Wai
Mr. SZE Nang Sze
Mr. LI Ching Leung
Mr. NG Ngan Ho

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu G.B.S #+<
Mr. WONG Chat Chor Samuel #<ø
Dr. TRAN Chuen Wah, John #
The Hon. Starry LEE Wai-king, G.B.S., J.P. *ø <

- * Chairlady of audit committee
- # Members of audit committee
- + Chairman of remuneration committee
- ø Members of remuneration committee
- ~ Chairman of nomination committee
- < Members of nomination committee

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. LAU Sik Yuen, FCPA, AICPA

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman, KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

Xinyi Glass Industrial Zone
1 Xinyi Road
Wuhu Economic and Technology Development Zone
Wuhu City, Anhui Province, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2101-2108, 21st Floor
Rykadan Capital Tower
135 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Charles Russell Speechlys LLP
Suite 3418, Level 34
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88 Queensway
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest
Entity Auditor under the Accounting
and Financial Reporting Council Ordinance
27 Floor, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong)
China Construction Bank
China Merchants Bank
Citibank, N.A.
DBS Bank
Hang Seng Bank
HSBC
Huaxia Bank
Industrial Bank
Malayan Banking Berhad
Sumitomo Mitsui Banking Corporation
Bank of China
Bank of Communications
Ping An Bank
China Citic Bank
Huishang Bank
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman, KY1-1108
Cayman Islands

WEBSITE

<http://www.xinyiglass.com>

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange
of Hong Kong Limited
Stock code: 00868
Listing date: 3 February 2005
Board lot: 1,000 ordinary shares
Financial year end date: 31 December
Share price as of the date of this annual report: HK\$10.38
Market capitalisation as of the date of this annual report:
Approximately HK\$45.9 billion

KEY DATES

Closure of register of members for the purpose of determining the entitlement to attend and vote at the Annual General Meeting:
From Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive)
Record date of Annual General Meeting: Friday, 29 May 2026
Date of Annual General Meeting: Friday, 29 May 2026
Closure of register of members for the purpose of determining the entitlement to the final dividend:
From Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive)
Record date of proposed final dividend: Monday, 8 June 2026
Proposed final dividend payable date:
On or about Wednesday, 29 July 2026



Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of Xinyi Glass Holdings Limited (the "Company"), I am pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2025.

In comparison with 2024, the Group's revenue decreased by about 6.7% to RMB20,829.0 million in 2025. The profit attributable to equity holders of the Company decreased by about 19.0% to RMB2,729.0 million in 2025. Basic earnings per share was RMB62.3 cents, as compared with RMB79.2 cents last year.

We are considered that the Group has achieved a reasonable level of profitability in an unfavorable market condition and proposed payment of a final dividend of 21.5 HK cents per share (the "Share") of the Company upon approval by the shareholders (the "Shareholders") of the Company at the forthcoming annual general meeting (the "AGM").

I present below an overview of the business of the Group during 2025 and key development highlights for the coming year.

BUSINESS REVIEW

During the year ended 31 December 2025 (the "FY2025"), although the PRC government continued to encourage timely completion and delivery of the property projects, the number of the property units completed within the year continued to decrease. Amid the challenges of the complicated international market environment and the PRC domestic supply-side structural reforms, the PRC's glass industry was in less favourable condition with many glass manufacturers incurring loss and suspended the operation of the production lines. The demand in the PRC's construction and architectural glass market slowdown with the ASP dropped. The property sector remained weak since the fourth quarter of 2021 that was due to the high leverage and the low liquidity faced by the property developers.

In response to the global macro-economic uncertainties and the high HKD bank loan interest rates, the Group endeavoured to repay or re-finance all HKD bank loans with the lower interest rate RMB bank loans. Such repayment and re-financing enable the Group to reduce the loan interest expenses in 2025. Declining average costs of raw materials and energy also mitigated the negative impact of the low ASP for the float glass products. As a result, the Group's operations in the different segments encountered different challenges and more importantly, opportunities that emerged from the global market.

The Group's net profit decreased by 18.8% for the year, primarily due to the net effect of lower amount of the gross profit of the float glass products and the architectural glass products and the decreased amount of profit shared from the Company's associate, Xinyi Solar Holdings Limited ("Xinyi Solar"), in 2025.

The Group implemented stringent policies on the control of the production costs and energy conservation to enhance the production cost efficiency. Also, the Group focused on the production of high value-added components and features, different colours and thickness of the float glass, automobile glass and architectural glass products as well as the window structure-upgraded, mirrors and energy-saving coating glass products. As for the production arrangements, the Group streamlined the production flow and the logistics with automation and adopted flexible global marketing strategies for its float glass, architectural glass and automobile glass products.

Given the widespread liquidity issue among the privately-owned property developers in China, the Group's architectural glass business has focused on the new glass window installation projects which are mainly led by the PRC government related entities, PRC State-owned enterprises or the property developers with strong and proven financial position. The sales volume of the architectural glass products decreased due to the unfavourable market condition and the decrease in both the new construction projects and completion of the existing property projects in the PRC during the year.

The energy-saving Low-E coating architectural glass products continued as the stream main products in the market, because of the Group's renowned reputation with outstanding track records, aggressive and flexible marketing strategies and the selection of a wide range of advanced coating materials and compound structured glass products. The Group continued as the top two leaders of the architectural glass industry in the Greater China.

During the year, the Group's automobile glass segment, like all other international glass manufacturers, continued to be affected by the US import tariff. The business segment has developed and continued to launch new glass products with the made-to-order components for the advanced driver assistance systems ("ADAS"), heads-up displays ("HUD"), noise insulation, low-emissivity coatings, sunroofs and thermal management, which are suitable for both the existing and new vehicle models (including EVs).

The Group actively explored new business opportunities domestically and internationally, strengthening the relationships with the existing and new customers. The Group has also participated in a wide range of domestic and overseas exhibitions and actively visited the overseas customers in 2025. The Group's automobile glass products are sold to customers in over 150 countries or territories around the world.

As a global industry leader, the Group consolidated its position through strategic expansions and acquisitions, deploying streamlined and automated production across facilities in China, Malaysia and Indonesia. The float glass and automobile glass production facilities in East Java, Indonesia, provides an alternative to the customers in sourcing glass products with different origins, cost structure and low import tariffs.

The operational enhancements included tighter cost controls for raw materials and inventory, ownership of silica sand mines and transport vessels, optimised the supply chains and increased the percentage of recycling. The Group also upgraded the automated production process, centralised control systems, rooftop solar panels and residual heat systems to align the national carbon neutrality goals in the PRC.

To enhance the competitiveness, the Group continues developing unique glass products with different colours, thicknesses, coatings, structural designs and other value-added features. It leverages proactive pricing, multi-supplying locations in China and Southeast Asia, flexible marketing strategies and incentives under China's 14th Five-Year Plan.

Chairman's Statement

Improved productivity, product quality and features, technology and economies of scale to enhance production efficiency, new products, new equipment, automation and advanced float glass line design by new research and development ("R&D") investments

The Group's ongoing R&D investments in the use of new materials, coatings, production technologies, environmental protection, automation and information technology, the use of artificial intelligence ("AI") and big data analytics has improved the capacity, yield and the sustainability, reducing emissions, waste, labour, production and energy costs in 2025.

The Group has designed the world-class, eco-friendly float glass production lines in China, Malaysia, and Indonesia with high capacity and energy efficiency and yield. The achieved economies of scale have reduced the procurement and production costs while optimising the use of fuel and raw material. The use of clean energy (solar and residual heat recovery) further controls the energy cost and the level of emissions.

The use of natural gas for high-quality float glass production reduced the carbon emissions, improve the air quality, supported the carbon neutrality goals, enhanced the product quality and optimised the energy cost structure.

The Group's R&D teams continue developing new glass products, improving the low-emissivity, coatings, automotive components and features and process improvement to capture the emerging opportunities.

Expanding Differentiated Product Portfolios and Global Reach

Amid the global inflation, geopolitical logistics disruptions, additional import tariff and intense competition in 2025, the Group achieved a reasonable level of profitability in the automobile glass, architectural glass and the high-quality float glass businesses segments. These demonstrate the Group's diversified product segments, integrated production and supply chain, global market coverage, strategically located production facilities, upgraded product mix, state-of-art production lines, expanded high value-added and differentiated product offerings, strong cashflow and low debt gearing ratio. All of these mitigate the operational pressure and risks in any specific business segment or country in a less favourable market environment.

Robust Finance and Ongoing Funding Optimisation for Expansion

The Group has solid financial position with RMB2,917.7 million cash and bank deposits, current ratio of 1.36 with low net debt gearing ratio of 5.1% and sufficient banking facilities available as of 31 December 2025. The Group's strong credit history has allowed it to reduce the effective borrowing interest rate to 2.6% p.a.. As at 31 December 2025, the Group has outstanding bank borrowings of RMB4,804.2 million with the net cash generated from operations of RMB5,321.5 million for the year, demonstrating its ability to secure financing and cash inflow from multiple sources to support its capital expenditure and future expansion. The Group has repaid net amount of RMB2,421.0 million in bank loans during the year.

BUSINESS OUTLOOK

To sustain the global leadership and the competitive position among the global glass manufacturers, the Group will continue to enhance its operational efficiency through the use of advanced technology, AI, central management, integrated supply chains, automation with robots, logistics, including self-operated vessels to reduce freight costs with more flexibility, and proactive strategies for differentiated product portfolios and marketing to strengthen customer's loyalty.

Responding to the tightening emissions and energy standards under China's carbon neutrality policy, the government continues the implementation of rigorous supply-side reforms—restricting the new float glass capacity acquisitions and phasing out the non-compliant facilities. The Group adopts a prudent and flexible strategy to navigate the competitive markets globally, for the purpose of strengthening the risk management and production cost controls.

Soda ash prices in 2026 are expected to remain low level compared to 2025 due to increased supply in China and overseas. Energy costs trended slightly downward in 2026 as global crude oil prices remained relatively stable.

The U.S. import tariff continues to affect the aftermarket automobile glass customers. These effects are gradually less mitigated by the Group's new automobile glass production lines in Malaysia and Indonesia. The Group intends to explore the expansion of the overseas production capacity and locations to mitigate the geopolitical risk.

The PRC government is expected to continue introducing additional economic initiatives and monetary policies to boost the domestic consumption cycle and stabilise the domestic property market. The policies would put less pressure and restriction on the funding channels for completion of designated properties and the delivery of new property projects to the property buyers, which would result in more construction and window installation activities in future, in turn increasing the demand for float and architectural glass.

The Directors are optimistic about the growth of the Group's automobile glass aftermarket and OEM business in the global market as the number of vehicles globally and in the PRC are expected to increase in 2026, as well as on the prospects of increasing sales in the advanced glass window structure products, such as the energy-saving and single and double-insulated Low-E glass segments, with the target of carbon neutrality in the PRC and overseas in the future.

After years of expansion across major economic zones of China and Southeast Asia, the Group continues seeking acquisition and greenfield opportunities offering market access, lowering labour and raw material costs, more favourable tax treatment and energy advantages. The new float glass production facilities in East Java, Indonesia, alongside the automobile and architectural glass facilities, have strengthened its ASEAN presence.

Since 2021, the Group has formed a new business division dedicated to the carbon neutrality, which is vested with responsibility for the planning, implementation and monitoring of the Group's carbon neutrality policies and targets. Its energy conservation plan also helps to improve the overall energy cost structure and promote the employees' awareness of the carbon neutrality objective of the Group.

Chairman's Statement

The Directors believe that clean and renewable energy continue to be one of the major energy sources, with demand surging in both China and international markets. Solar power represents an efficient, reliable and safe renewable source of energy, offering lower installation costs and faster deployment than hydropower, nuclear or wind. Consequently, a significant growth in the solar farm construction is anticipated globally and in China, driven by the national carbon neutrality goal like China's 2060 target. The European market, in particular, has seen accelerated growth spurred by the post-2022 energy crisis.

To capitalise this market trend, the Group will allocate sufficient resources to R&D, product quality enhancement and the development of new products, materials, models, features, equipment and automation. The Group will also focus on the improvement in the production process, development of new markets, increase the operational efficiency, advance our carbon neutrality initiatives and optimise the logistics. Concurrently, enhanced staff training will ensure production safety, enhance competitiveness and marketing skills and ultimately drive greater to increase the profitability.

CONCLUSION

Despite the global volatility, financial risks, geopolitical tensions, tariff risk, inflation and energy price pressure, the Group continues to tackle and overcome challenges amidst changes in the global market, by bolstering its efficiency and increasing its profitability through more effective and flexible management strategies across its automation, cash management, credit control, information technology, logistics, procurement and supply chain, production, sales and marketing, operational and R&D activities, as well as the expansion of its business collaboration with its customers, suppliers and business partners. These efforts enhance the Group's efficiency and profitability. The Directors believe that such measures will maximise the investment returns in China and emerging overseas markets while maintaining cautious optimism for the long-term growth.

The Group will continue to refine its proven business strategies to enhance its performance. To retain the industry leadership and seek opportunities to expand across the global glass and upstream markets in a wide spectrum of industries, locations, applications and product mix, while cultivating mutually beneficial partnerships for the benefit of its business partners, employees and shareholders.

Dr. LEE Yin Yee, S.B.S.

Chairman

27 February 2026

Management's Discussion and Analysis

INTRODUCTION

The Group is engaged in the production and sales of a wide range of glass products, including high-quality float glass, automobile glass, energy-saving architectural glass and glass products for different commercial and industrial applications. These glass products are manufactured at the Group's production facilities strategically located in the PRC, Indonesia and Malaysia. In the PRC, the Group's production facilities are established in Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, Chongqing, Tianjin, Yingkou in Liaoning Province, Deyang in Sichuan Province, Zhangjiagang in Jiangsu Province, Beihai in Guangxi Zhuang Autonomous Region and Chengmai County in Hainan Province. The Group operates overseas production plants in East Java, Indonesia and Malacca, Malaysia. In addition to the glass products, the Group also produces rubber plastic parts and components relating to glass products and components for the advanced driver assistance systems (ADAS) and heads up display (HUD) installed on the automobile glass.

The Group's customers are located in over 150 countries and territories, including the PRC, Hong Kong, the United States ("US"), Canada, Australia, New Zealand and other countries and territories in Asia, the Middle East, Europe, Africa and the Americas. The Group's customers include companies engaged in a wide range of business activities, from the automobile glass manufacturing, wholesaling and distribution; automobile repairs and maintenance; car manufacturing; curtain wall design, engineering and installation; architectural and furniture glass manufacturing; electronic, industrial and household appliance manufacturing to the float glass manufacturing, wholesaling and distribution.

BUSINESS REVIEW

During the FY2025, the new US additional import tariff environment with high borrowing interest rates, the weak PRC property market, involution and the tight liquidity have significantly affected the performance of the PRC economy. The Group's three principal glass product businesses, namely float glass, automobile glass and architectural glass, have faced different challenges in the sales volume and the selling prices.

In 2025, the revenue of the Group decreased by 6.7% to RMB20,829.0 million, as compared to RMB22,323.6 million in 2024. The amount of the profit for the year attributable to the equity holders of the Company decreased by 19.0% to RMB2,729.0 million, as compared to RMB3,369.2 million in 2024. Basic earnings per share amounted to 62.31 RMB cents, representing a decrease of 21.4% as compared to 79.23 RMB cents in 2024. The Board considers that the Group has achieved a reasonable level of profit performance amid the global unfavourable market conditions.

The Board proposes to declare a final dividend of 21.5 HK cents per share, subject to the approval by the Shareholders of the Company at the forthcoming AGM.

Management's Discussion and Analysis

OPERATIONAL REVIEW

Sales

The sales revenue of the Group decreased by 6.7% in 2025. Such decrease was primarily due to the decrease in the average selling prices ("ASP") of float glass products and decrease of sales volume of architectural glass products both in the PRC and the overseas markets. The increase in the automobile glass revenue was mainly due to the increase of new orders from the PRC car manufacturers, domestics and overseas aftermarket sales customers with proactive and flexible marketing strategies.

The tables below set forth the Group's sales by products and by geographical regions:

| | Year ended 31 December | | | |
|---|------------------------|--------------|--------------------|--------------|
| | 2025 | | 2024 | |
| | <i>RMB'million</i> | % | <i>RMB'million</i> | % |
| By Products | | | | |
| Float glass products | 11,514.1 | 55.3 | 12,909.9 | 57.8 |
| Automobile glass products (<i>Note</i>) | 6,861.3 | 32.9 | 6,304.8 | 28.3 |
| Architectural glass products | 2,453.6 | 11.8 | 3,108.9 | 13.9 |
| | 20,829.0 | 100.0 | 22,323.6 | 100.0 |

Note:

Included sales of automobile glass and automobile rubber and plastic components on an original equipment manufacturing ("OEM") basis and on aftermarkets basis.

| | Year ended 31 December | | | |
|-----------------------------------|------------------------|--------------|--------------------|--------------|
| | 2025 | | 2024 | |
| | <i>RMB'million</i> | % | <i>RMB'million</i> | % |
| By Geographical Regions | | | | |
| Greater China (<i>Note (a)</i>) | 13,305.7 | 63.9 | 15,247.5 | 68.3 |
| Others (<i>Note (b)</i>) | 7,523.3 | 36.1 | 7,076.1 | 31.7 |
| | 20,829.0 | 100.0 | 22,323.6 | 100.0 |

Notes:

- (a) Greater China includes the PRC and Hong Kong.
- (b) Others include Asia, Europe, Australia, New Zealand, Africa, the Middle East, Central America, North and South America and other countries.

Cost of Sales

The cost of sales decreased by 4.9% to RMB14,347.2 million in 2025, as compared to RMB15,091.8 million in 2024. The decrease in the cost of sales was mainly attributable to the decrease in the sales volume of architectural glass as well as decreases in the average costs of raw materials and energy in the PRC during the year. The drop of the production costs was also attributable by the improved production efficiency, cost control measures and the increasing use of renewable energy by the Group.

Gross Profit

The gross profit of the Group in 2025 amounted to RMB6,481.8 million, representing a decrease of 10.4%, as compared to RMB7,231.8 million in 2024. The gross profit margin slightly decreased from 32.4% to 31.1% principally due to the decreases of ASP of float glass products.

Other Income and Gains – Net

Other income and other gains – net decreased of 27.3% to RMB722.7 million, as compared to RMB994.5 million in 2024. The decrease was mainly due to (i) the drop in the government subsidies and (ii) the foreign exchange losses in 2025 compared to foreign exchange gains in 2024.

Other Losses

Other losses decreased by 45.5% to RMB360.6 million in 2025. The significant difference was mainly due to the significant decrease in losses on disposal and impairment of property, plant and equipment and right-of-use assets.

Selling and Marketing Costs

The Group's selling and marketing costs increased by 11.9% to RMB1,181.8 million in 2025. The increase was principally due to the increase in the transportation costs.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses slightly decreased by 1.0% to RMB2,220.5 million in 2025, mainly due to the decrease in the year-end bonus to executive directors.

Net impairment losses on financial assets

The impairment losses on financial assets in 2025 was mainly related to the amount due from the polysilicon associate company due to the over-supply and involution of solar industry in the PRC.

Share of Net Profits of Associates

Share of net profits of associates was mainly generated from the Company's associate companies, namely Xinyi Solar, Xinyi Energy Holdings Limited ("Xinyi Energy") and the polysilicon associate company. The share of net profits decreased to RMB141.4 million, as compared to RMB196.9 million in 2024. The decrease was mainly due to the decreased profit contribution from Xinyi Solar and share of losses from the polysilicon associate company.

Management's Discussion and Analysis

Finance Costs

The Group's finance costs decreased significantly by 32.3% to RMB122.6 million in 2025 mainly due to the refinancing of all of the HKD loans with the RMB loans which have lower interest rates during the year.

A portion of the interest expense incurred as construction-in-progress and acquisition of land, plant and machinery at the production complexes in the PRC, Malaysia and Indonesia has been capitalised under construction-in-progress and will be depreciated subsequently once the related production facilities and the new production lines commence the commercial operation. An interest expense amounted to RMB55.0 million was capitalised under construction-in-progress in 2025, which represented a decrease of 37.9%, as compared to RMB88.5 million in 2024. Such decrease in 2025 was due to the significant decrease in the total finance costs and a decrease in the capital expenditure incurred by the Group on the building and construction during the year.

Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA")

EBITDA decreased by 22.7% to RMB4,509.8 million for the FY2025, as compared to RMB5,832.4 million in 2024.

Income Tax Expense

The Group's income tax expense significantly decreased by 80.9% to RMB167.7 million in 2025 was mainly due to the settlement of a tax case resulting in reversal on over provision in prior years of Hong Kong profit tax during the year. The effective tax rate was 5.8% (2024: 20.6%).

The PRC dividend withholding tax of RMB59.9 million was paid in 2025 (2024: RMB200.0 million).

A total amount of RMB427.7 million dividends from the Company's subsidiaries in the PRC were used for re-investment purpose in the PRC and hence, no withholding tax has been recognised in accordance with the PRC dividend withholding tax rules under the current PRC taxation policies in 2025.

Net Profit

Net profit attributable to equity holders of the Company was RMB2,729.0 million in 2025, representing a decrease of 19.0%, as compared to RMB3,369.2 million in 2024. Net profit margin decreased to 13.1% in 2025.

CURRENT RATIO

The Group's current ratio as of 31 December 2025 was 1.36, as compared with 1.06 as of 31 December 2024. The increase in the current ratio was mainly due to the higher cash balance and the lower short-term bank borrowings as of 31 December 2025.

NET CURRENT ASSETS

As of 31 December 2025, the Group had net current assets of RMB3,143.0 million, as compared to RMB666.0 million as of 31 December 2024. The increase was generally consistent with the increase in the current ratio.

CAPITAL EXPENDITURE AND COMMITMENTS

For the FY2025 the Group incurred capital expenditure of RMB1,431.3 million (2024: RMB5,124.0 million) for the purchase of plant and machinery and the construction of production facilities in the PRC, Malaysia and Indonesia. Capital commitments contracted for but not incurred by the Group as of 31 December 2025 amounted to RMB886.6 million (2024: RMB1,174.0 million), which was mainly related to the new production capacities of architectural glass, automobile glass and cold repair of float glass, to be invested in the PRC and Indonesia.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Company during the year. The capital of the Group companies comprises the ordinary shares.

FINANCIAL RESOURCES AND LIQUIDITY

In 2025, the Group's primary source of funding included cash generated from its operating activities and the new banking facilities provided by its principal banks in Hong Kong and the PRC. Net cash inflow from operating activities amounted to RMB5,321.5 million (2024: RMB5,589.7 million) as a result of efficient working capital management which led to a net cash increase from operations. As of 31 December 2025, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of RMB2,917.7 million (2024: RMB1,709.3 million).

BANK BORROWINGS

As of 31 December 2025, the Group's bank borrowings amounted to RMB4,804.2 million, representing a decrease of 34.3%, as compared to RMB7,313.1 million as of 31 December 2024, because of the repayment of bank loans by cash on hand to reduce the loan interest expense during the year.

The Group's net debt gearing ratio as of 31 December 2025 was 5.1% (31 December 2024: 16.3%). This ratio was arrived by dividing the net debt, which is calculated as total bank borrowings plus lease liabilities less cash and cash equivalents, fixed bank deposits and pledged bank deposits, by the total equity of the Group as of 31 December 2025.

PLEDGE OF ASSETS

As of 31 December 2025, bank balance of RMB79.6 million has been pledged as collateral principally for import tariff payable to the US government.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group had 16,057 full-time employees, of whom 14,385 were based in the PRC and 1,672 were based in Hong Kong and other countries and territories. The Group maintains good relationship with its employees and provides employees with sufficient training in business and professional knowledge including information about the applications of the Group's products and skills in maintaining good client relationship. Remuneration packages offered to the Group's employees are generally consistent with prevailing market rates and are reviewed on a regular basis. Discretionary bonus may be awarded to employees taking into consideration the Group's performance and that of individual staff.

Management's Discussion and Analysis

Pursuant to applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administered by responsible government authorities in the PRC for its employees there. The Group's employees in Hong Kong are all participating in mandatory provident fund arrangements as required by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

FINAL DIVIDEND

At the meeting of the Board held on 27 February 2026, the Directors consider that the Group has achieved a reasonable level of profitability under an unfavourable market condition and recommended the payment of a final dividend (the "Final Dividend") of 21.5 HK cents per share for the FY2025. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM which is expected to be held on Friday, 29 May 2026. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026.

Shareholders will be given an option to select to receive the Final Dividend in cash or in new and fully paid shares of the Company, in whole or in part, in lieu of cash dividend by scrip dividend (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of, and permission to deal in, the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commencing on Tuesday, 2 June 2026 until Monday, 8 June 2026 (both days inclusive) rounded down to two decimal places.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

The Group has adopted treasury policies for the purpose of optimising the use of readily-available financial resources for the business needs of its subsidiaries. The Directors believe that such treasury policies are an integral part of the business operations of the Group and are beneficial to the Group as a whole by reducing the costs and interests that may otherwise be borne by its relevant subsidiaries in arranging the required banking facilities to meet obligations. For example, the Group has adopted a centralised approach in managing funds available to its headquarters, subsidiaries and branches, including cash, bank deposits, securities, bills and other financial instruments. These assets, such as bills and financial instruments, are managed and arranged amongst the subsidiaries through proper endorsements or transfers to the different subsidiaries so they can be fully utilised to meet the Group's payment obligations with minimal financing cost. The Group closely monitors the level of use of the treasury policies, and the value of each of these transactions only represents an immaterial part of its total assets and undertakings. The Directors believe that these policies promote the efficient use of the Group's financial resources.

In addition, the treasury policies of the Group also include mechanisms to mitigate its foreign exchange risks. The Group mainly operates in the PRC with most of its significant transactions denominated and settled in RMB and USD. The exchange rate fluctuations between RMB and USD, with RMB is the reporting currency of the Group, could affect the Group's performance and asset value. The Directors do not expect that the Group is subject to any significant foreign exchange risk for transactions conducted in RMB or USD. The Group also has production facilities and activities in Malaysia and Indonesia. The exchange rate fluctuations between Malaysian Ringgit ("MYR"), Indonesia Rupiah ("IDR") and RMB could also affect the Group's performance and asset value.

Because of the appreciation in the exchange rate of RMB during the year, the Group reported non-cash translation decreases in the exchange reserve of its consolidated statement of financial position when converting HKD, MYR and IDR-denominated assets into RMB. For the FY2025, an exchange reserve decrease of RMB29.7 million was recorded as foreign currency translation reserve movement. As a result, the balance of the consolidated foreign currency translation reserve account recorded a debit balance of RMB1,193.4 million as of 31 December 2025, as compared to a debit balance of RMB1,163.7 million as of 31 December 2024.

Relating to the Group's majority business is in the PRC, the revenue from the sales of glass products in the PRC is denominated in RMB whilst most bank borrowings are denominated in RMB. In implementing its treasury policies, the Group maintained a deliberate balance between the currency risk and the interest savings arising from RMB-denominated bank borrowings. As of 31 December 2025, 100% of the bank borrowings of the Group were denominated in RMB.

The Group has not experienced any material difficulties and liquidity issues resulting from currency exchange fluctuations. During the FY2025, the Group has not used any financial instrument for hedging purposes.

CONTINGENT LIABILITIES

As of 31 December 2025, the Group did not have any significant contingent liability (31 December 2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

In December 2025, the Group disposed of 82% equity interest of Xinyi Wind Power (Jinzhai) Company Limited, which is the owner and operator of a wind farm situated at Jinzhai City, Anhui Province with the approved power generating capacity of 64 megawatts. to Xinyi Energy. Further information on the disposal is set forth in the announcements of the Company dated 23 December 2025 and 16 January 2026.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries and associated companies during the FY2025.

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. LEE Yin Yee, S.B.S. (李賢義) aged 73, is the Chairman and founder, responsible for the Group's business strategy. Dr. LEE Yin Yee, S.B.S. has more than 35 years' experience in the automobile glass industry. Prior to establishing the Group, Dr. LEE Yin Yee, S.B.S. was involved in the trading of automobile parts. Dr. LEE Yin Yee, S.B.S. has been the member of the 10th, 11th, 12th and 13th National Committee of the Chinese People's Political Consultative Conference and an honorary citizen of Shenzhen in the PRC. Dr. LEE Yin Yee, S.B.S. obtained a honorable doctorate degree in engineering from the Universiti Teknikal Malaysia Melaka in November 2018. Dr. LEE Yin Yee, S.B.S. was appointed in December 2003 as the first chairman of Fujian Chamber of Commerce in Shenzhen (formerly known as Shenzhen Fujian Corporate Association). Dr. LEE Yin Yee, S.B.S. is also the Life Honorary Chairman of the Hong Kong Quanzhou Clans United Association and the Fukienese Association Limited in Hong Kong. Dr. LEE Yin Yee, S.B.S. is the father of Mr. LEE Shing Kan, M.H., the executive Director. Dr. LEE Yin Yee, S.B.S. is also the brother-in-law of Datuk Wira TUNG Ching Bor, the Vice Chairman and executive Director and brother-in-law of Tan Sri Datuk TUNG Ching Sai J.P., the Chief Executive Officer and executive Director. Dr. LEE Yin Yee, S.B.S. was appointed as the executive Director on 25 June 2004. Dr. LEE Yin Yee, S.B.S. currently is the chairman and non-executive director of Xinyi Solar, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 0968). He was an executive director of Xinyi Solar and re-designated as the non-executive director on 31 July 2023. Dr. LEE Yin Yee, S.B.S. was the chairman and non-executive director of Xinyi Energy, a company listed on the main board of the Stock Exchange (stock code: 3868) from 28 May 2019 to 4 August 2020.

Datuk Wira TUNG Ching Bor *D.C.S.M* (董清波), aged 63, is the Vice Chairman and Chief Purchasing Officer, responsible for managing the Group's daily operations and overseeing the purchasing functions. Prior to joining us in January 2000, Datuk Wira TUNG Ching Bor had over 23 years' experience in automobile parts purchase. Datuk Wira TUNG Ching Bor was a member of the 10th Anhui Provincial Committee of the Chinese People's Political Consultative Conference and a member of Nanping Municipal Committee of the Chinese People's Political Consultative Conference in Fujian. Datuk Wira TUNG Ching Bor is the brother-in-law of Dr. LEE Yin Yee, S.B.S., the executive Director, brother of Tan Sri Datuk TUNG Ching Sai J.P., the Chief Executive Officer and executive Director, and uncle of Mr. LEE Shing Kan, M.H., the executive Director. Datuk Wira TUNG Ching Bor was appointed as the executive Director on 25 June 2004.

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* (董清世), aged 60, is the executive Director and Chief Executive Officer. Tan Sri Datuk TUNG Ching Sai, J.P. has been with the Group for over 37 years since the inception in November 1988 and is responsible for overseeing the Group's daily operations. Tan Sri Datuk TUNG Ching Sai, J.P. is a member of National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會委員) and a standing committee member of the Guangxi Zhuang Autonomous Regional Committee of the Chinese People's Political Consultative Conference, (中國人民政治協商會議廣西壯族自治區委員會常務委員), a member of the executive committee of the All-China Federation of Industry and Commerce (全國工商聯執行委員會委員), chairman of the Happy Hong Kong Foundation, and the president of Hong Kong Industrial & Commercial Association, vice chairman of the China Architectural and Industrial Glass Association (中國建築玻璃與工業玻璃協會), the Third Shenzhen Municipal Ten Outstanding Young Entrepreneur in September 2001 and was awarded the "Young Industrialist Awards of Hong Kong 2006". Tan Sri Datuk TUNG Ching Sai, J.P. graduated from the Sun Yat-Sen University with an executive master degree of business administration in 2007. Tan Sri Datuk TUNG Ching Sai, J.P. is the brother-in-law of Dr. LEE Yin Yee, S.B.S., brother of Datuk Wira TUNG Ching Bor, and uncle of Mr. LEE Shing Kan, M.H., all of them are the executive Directors. Tan Sri Datuk TUNG Ching Sai, J.P. was appointed as the executive Director on 25 June 2004. Tan Sri Datuk TUNG Ching Sai, J.P. is the vice chairman and non-executive director of Xinyi Solar, a company listed on the main board of the Stock Exchange (stock code: 0968), the vice chairman and executive director of Xinyi Energy, a company listed on the main board of the Stock Exchange (stock code: 3868) and the chairman and non-executive director of Xinyi Electric Storage Holdings Limited ("Xinyi Electric Storage"), a company listed on the Growth Enterprise Market ("GEM") of the Stock Exchange (stock code: 8328).

Mr. LEE Shing Kan, M.H. (李聖根), aged 46, is the executive Director and is responsible for overseeing the overall automobile glass operation. Mr. LEE Shing Kan joined the Company in January 2005. Mr. LEE Shing Kan holds a bachelor's degree in commerce from The University of Melbourne, Australia and a master's degree in applied finance from Monash University, Australia. Mr. LEE Shing Kan is the standing member of the Sichuan Provincial Committee of the Chinese People's Political Consultative Conference and chief supervisor of the Federation of HK Sichuan Community organisations. Mr. LEE Shing Kan was the director (2012-2014) of Tung Wah Group of Hospitals. Mr. LEE Shing Kan has been the executive committee member and the chairman of the Lok Sin Tong Benevolent Society, Kowloon since 2018 and April 2023 respectively. Mr. LEE Shing Kan is the son of Dr. LEE Yin Yee, S.B.S., nephew of Datuk Wira TUNG Ching Bor and Tan Sri Datuk TUNG Ching Sai, J.P., all of them are the executive Directors. Mr. LEE Shing Kan was appointed as the executive Director on 15 October 2008. Mr. LEE Shing Kan is a non-executive director of Xinyi Electric Storage, a company listed on the GEM of the Stock Exchange (stock code: 8328).

Profile of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. LI Ching Wai (李清懷), aged 68, is the non-executive Director and has been with the Group since April 2001. Prior to joining the Group, Mr. LI Ching Wai has worked in the trading of automobile parts industry. Mr. LI Ching Wai was appointed as the non-executive Director on 25 June 2004.

Mr. SZE Nang Sze (施能獅), aged 68, is the non-executive Director and has been with the Group since April 2001. Prior to joining the Group, Mr. SZE Nang Sze has worked in the trading of automobile parts industry. Mr. SZE Nang Sze was appointed as the non-executive Director on 25 June 2004.

Mr. LI Ching Leung (李清涼), aged 69, is the non-executive Director and has joined the Group since August 2004. Mr. LI Ching Leung was the assistant general manager of the Wuhu production complex. Prior to joining the Group, Mr. LI Ching Leung has worked in the trading of automobile parts industry, manufacturing of plastic products and mould industry, and manufacturing of leather products industry. Mr. LI Ching Leung was appointed as the executive Director on 25 August 2004 and was re-designated as the non-executive Director on 14 September 2005.

Mr. NG Ngan Ho (吳銀河), aged 61, is the non-executive Director and has joined the Group since August 2003. Mr. NG Ngan Ho was responsible for overseeing the financial and purchasing matters of the Dongguan production complex. Mr. NG Ngan Ho was appointed as the executive Director on 25 June 2004 and was re-designated as the non-executive Director on 1 July 2007. Mr. NG Ngan Ho is the executive director of Xinyi Electric Storage, a company listed on GEM of the Stock Exchange (stock code: 8328).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu, G.B.S. (林廣兆), aged 92, is the adviser of BOC International Holdings Limited, the honorary chairman of Hong Kong Federation of Fujian Associations, the Life Honorary Chairman of Hong Kong Fukien Chamber of Commerce, the vice chairman of Fujian Hong Kong Economic Co-operation, the Life Honorary Chairman of the Chinese General Chamber of Commerce, the adviser of the Hong Kong Chinese Enterprises Association, the honorary president of the Chinese Bankers Club of Hong Kong. Mr. LAM Kwong Sui has also been an independent non-executive director of Fujian Holdings Limited (stock code: 0181) since December 2003, Yuzhou Group Holdings Company Limited (stock code: 1628) since October 2009 and Far East Consortium International Limited (stock code: 0035) since September 2011, all of them are listed on the main board of the Stock Exchange. Mr. LAM Kwong Siu was awarded the HKSAR Gold Bauhinia Star and Silver Bauhinia Star in 2016 and 2003, respectively. Mr. LAM Kwong Siu was appointed as the independent non-executive Director on 30 August 2004.

Mr. WONG Chat Chor Samuel (王則左), aged 76, is currently a Barrister-at-Law in Hong Kong and a Chartered Arbitrator. Mr. WONG Chat Chor Samuel, a member of several arbitration institutions, is a Fellow of the Chartered Institute of Arbitrators, a Fellow of the Hong Kong Institute of Arbitrators, Executive Council member of the Hong Kong Society for Rehabilitation and Crime Prevention, is the immediate past president of the Hong Kong Institute of Arbitrators, is a member of the International Chamber of Commerce (“ICC”) and the ICC Arbitration Committee of Hong Kong. Mr. WONG Chat Chor Samuel is also on the panels of the China International Economic and Trade Arbitration Commission, the Hong Kong International Arbitration Center and on the panels of the Arbitration Commissions of Wuhan, Shenzhen Court of International Arbitration, Shanghai Court of International Arbitration, Guangzhou and Nanjing of China. Mr. WONG Chat Chor Samuel was a member of the Peoples’ Political Consultative Committee of Wenzhou, Zhejiang, the PRC. Mr. WONG Chat Chor Samuel received a master degree in business administration from Harvard University and a master and a bachelor degree in Arts from Tufts University, Massachusetts. Mr. WONG Chat Chor Samuel was appointed as the independent non-executive Director on 30 August 2004.

Dr. TRAN Chuen Wah, John (陳傳華), aged 54, obtained a bachelor’s degree in business administration from Simon Fraser University in June 1993 and obtained a doctorate degree of ministry from Fuller Theological Seminary in 2017. Dr. TRAN Chuen Wah, John is currently a minister of Evangelical Free Church of China Jachin Church. Dr. TRAN Chuen Wah, John has over 16 years of experience in accounting and investment banking industry, during which Dr. TRAN Chuen Wah, John had worked in Price Waterhouse (now known as PricewaterhouseCoopers) and various financial institutions and investment banks in Hong Kong. During the period between 2003 and 2006, Dr. TRAN Chuen Wah, John was the Managing Director and the Head of Investment Banking of Kingsway Financial Services Group Limited (“Kingsway Group”). Dr. TRAN Chuen Wah, John was a consultant to Kingsway Group during the period from 2006 to 2009. Dr. TRAN Chuen Wah, John became a member of each of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants in 1996 and 1997, respectively. Dr. TRAN Chuen Wah, John became a Chartered Financial Analyst (granted by the Association for Investment Management and Research) in September 1999. Dr. TRAN Chuen Wah, John was appointed as the independent non-executive Director on 31 December 2012.

The Hon. Starry LEE Wai-king, G.B.S., J.P. (李慧琼) (“Ms. LEE”), aged 51, currently a member of Legislative Council of the Hong Kong Special Administrative Region of the People’s Republic of China (the “HKSAR”) and the President of the Legislative Council. Ms. LEE is also a member of the Standing Committee of the 14th National People’s Congress of the People’s Republic of China. Ms. LEE also serves as a Court Member of the Hong Kong University of Science and Technology and a Honorary Professor of the Education University of Hong Kong. Ms. LEE is an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. LEE has successively been employed by PricewaterhouseCoopers, Crowe (HK) CPA Limited and KPMG, and is currently a consultant to KPMG. Ms. LEE is an associate member of The Hong Kong Chartered Governance Institute. Ms. LEE was a member of Kowloon City District Council of the HKSAR during the period from January 2000 to December 2023 and has been acting as a non-official member of the Executive Council of the government of the HKSAR from July 2012 to March 2016. During the period from April 2015 to September 2023, Ms. LEE acted as the chairlady of Democratic Alliance for the Betterment and Progress of Hong Kong (“DAB”), following which Ms. LEE is currently an adviser to DAB.

Profile of Directors and Senior Management

SENIOR MANAGEMENT

Mr. LAU Sik Yuen (劉錫源), aged 59, is the Company Secretary, Chief Financial Officer and Vice President of the Group. Prior to joining the Group in April 2003, Mr. LAU had over thirteen years' experience in auditing and financial accounting industry. Mr. LAU is responsible for the Group's financial, management and cost accounting, taxation, treasury and investor relations strategy and operation. Mr. LAU had worked for PricewaterhouseCoopers for over five years, and had been the financial controller of a subsidiary of a company listed on the main board of the Stock Exchange for over three years. Mr. LAU is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

Mr. LENG Xue Feng (冷雪峰), aged 58, is the Executive Vice President of the Group and is mainly overseeing the Group's float glass and electronic glass operations. Mr. LENG obtained bachelor degree in silicate from Qiqihaer Light Industrial University. Prior to joining the Group in July 2007, Mr. LENG had worked in float glass sector for eighteen years.

Mr. LIAO Jiang Hong (廖江洪), aged 48, is the Vice President of the Group and is mainly overseeing the Group's architectural glass projects operation. Mr. LIAO obtained a diploma of psychology from Chinese Academy of Sciences. He joined the Group in April 1994.

Mr. GUO Jian Lin (郭建林), aged 57, is the General Manager of the Group and is mainly overseeing the Group's information and technology centre and double chain management. Mr. GUO obtained a bachelor degree in industrial management from Jiangxi University of Finance and Economics. Mr. GUO is a member of the Chinese Institute of Certified Public Accountants. Prior to joining the Group in March 2008, Mr. GUO had been worked in accounting and auditing sector.

Mr. XU Bi Zhong (許必忠), aged 57, is the General Manager of the Group and is mainly overseeing the Group's logistics and central purchasing centre operations. Mr. XU obtained a diploma of administrative management from Shenzhen University. Prior to joining the Group in May 2004, Mr. XU worked for a float glass trading company and a float glass plant in PRC for over twelve years.

Ms. LIU Jianmei (劉建梅), aged 41, is the General Manager of the Group and is mainly overseeing the Group's office system and the Group's internal control centre. Ms. LIU joined the Group in March 2008 with a bachelor degree.

Corporate Governance Report

The Board recognises the importance of good corporate governance in the management structure and internal control procedures of the Group for the purpose of ensuring that all business activities of the Group and the decision-making process are properly regulated and are in full compliance with the applicable laws and regulations. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “CG Code”) set forth in Part 2 of the Appendix C1 to The Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year of 2025.

In the opinion of the Board, the Company has complied with the applicable principles and code provisions of the CG Code for the FY2025.

The Board is collectively responsible for the long-term success of the Company. Its key responsibilities include providing leadership and supervision to the Management with a view to protecting the Shareholders’ interests and enhancing Shareholders’ long-term value.

The Board has established the Group’s purpose, values and strategies and was satisfied that they are aligned with the Group’s culture. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instil and continually reinforce across the Company’s values of “acting lawfully, ethically and responsibly”.

During the FY2025, the Board closely monitored the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company’s culture are aligned.

BOARD OF DIRECTORS

One of the responsibilities of the Board is to prevent fraud and non-compliance issues, safeguard the assets of the Group and formulate the overall business strategies for the Group. The Board currently comprises four executive Directors, four non-executive Directors and four independent non-executive Directors. Further information on the Directors is set forth on pages 16 to 19 of this annual report.

The four executive Directors are Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M.*, Tan Sri Datuk TUNG Ching Sai *P.S.M., D.M.S.M., J.P.* and Mr. LEE Shing Kan, M.H.. Dr. LEE Yin Yee, S.B.S., is the father of Mr. LEE Shing Kan, M.H., and also the brother-in-law of Datuk Wira TUNG Ching Bor and Tan Sri Datuk TUNG Ching Sai J.P.. Datuk Wira TUNG Ching Bor is the elder brother of Tan Sri Datuk TUNG Ching Sai J.P.. Hence, Mr. LEE Shing Kan, M.H. is the son of Dr. LEE Yin Yee, S.B.S. and nephew of Datuk Wira TUNG Ching Bor and Tan Sri Datuk TUNG Ching Sai J.P..

The four non-executive Directors are Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung and Mr. NG Ngan Ho.

The four independent non-executive Directors are Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. TRAN Chuen Wah, John and The Hon. Starry LEE Wai-king, G.B.S., J.P..

The biographical information of the Directors is set forth in the section headed “Profile of Directors and Senior Management” in this annual report. Save as disclosed above, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among the members of the Board.

Corporate Governance Report

The Company has complied with Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors, one independent non-executive director of which has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors represent at least one-third of the Board.

The articles of association (the “Articles”) of the Company provide that at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall subject to retirement by rotation at least once every three years. Where there is any casual vacancy in the Board, candidates will be proposed and put forward to the Board for consideration and approval, with a view to appointing to the Board individuals with the appropriate capabilities to fill the casual vacancy.

All of the four non-executive Directors were appointed for a term of three years. For the independent non-executive Directors, Mr. LAM Kwong Siu, G.B.S. and Mr. WONG Chat Chor Samuel, were appointed for a term of three years commenced from 3 February 2026. Dr. TRAN Chuen Wah, John was appointed for a term of three years commenced from 31 December 2024 and The Hon. Starry LEE Wai-king, G.B.S., J.P. appointed for a term of three years commenced from 31 May 2024. The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors have fulfilled the independence guidelines set forth under Rule 3.13 of the Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. LEE Yin Yee, S.B.S. is the Chairman of the Group and Tan Sri Datuk TUNG Ching Sai J.P. is the Chief Executive Officer of the Group. The Chairman is responsible for managing and providing leadership to the Board. Dr. LEE Yin Yee, S.B.S. is responsible for ensuring that the Group has maintained strong and effective corporate governance practices and procedures. The Chief Executive Officer is responsible for the day-to-day management of the business of the Group. With the assistance of other members of the Board and other senior management, Tan Sri Datuk TUNG Ching Sai J.P. closely monitors the operating and financial results of the Group, identifies any weakness in the operation and takes all necessary and appropriate steps to remedy such weakness. Tan Sri Datuk TUNG Ching Sai J.P. is also responsible for formulating the future business plans and strategies of the Group for the Board’s approval.

Attendance records of the Directors at board meetings and general meeting in 2025 are as follows:

| | Meetings attended/held | |
|--|------------------------------|-------------------|
| | Annual general meeting | Board meetings |
| Executive Directors | | |
| LEE Yin Yee | 1/1 | 4/4 |
| TUNG Ching Bor | 1/1 | 4/4 |
| TUNG Ching Sai | 1/1 | 4/4 |
| LEE Shing Kan | 1/1 | 4/4 |
| Non-executive Directors | | |
| LI Ching Wai | 1/1 | 4/4 |
| LI Ching Leung | 1/1 | 4/4 |
| SZE Nang Sze | 1/1 | 4/4 |
| NG Ngan Ho | 1/1 | 4/4 |
| Independent non-executive Directors | | |
| LAM Kwong Siu | 1/1 | 4/4 |
| WONG Chat Chor Samuel | 1/1 | 4/4 |
| TRAN Chuen Wah, John | 1/1 | 4/4 |
| Starry LEE Wai-king | 1/1 | 4/4 |

During the financial year ended 31 December 2025, the Board has four meetings and all the Directors had attended these meetings.

The Board is responsible for the formulation of the overall strategies and objectives of the Group, monitoring and evaluating the operating and financial performance, the review of the corporate governance measures and supervision of the overall management of the Group. The senior management of the Group is responsible for the implementation of the business strategies and the day-to-day operations of the Group under the leadership of the Chief Executive Officer. The Directors have full access to all the information of the Group in regard to the business operation and financial performance of the Group. Senior management of the Group also provides the Directors from time to time with information on business operation of the Group.

Corporate Governance Report

MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board (the “**Mechanism**”). The purpose of the Mechanism is to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The Mechanism also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Mechanism, the Board will conduct annual review on its independence. The results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate. The Board will also conduct annual review to the Mechanism and the results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the FY2025, the Board reviewed its independence and the results were satisfactory.

During the FY2025, the Board reviewed the implementation and effectiveness of the Mechanism and the results were satisfactory.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they have complied with the required standard of dealings as set forth in the Model Code for the FY2025.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises five members, namely Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. LEE Yin Yee, S.B.S., Tan Sri Datuk TUNG Ching Sai J.P. and The Hon. Starry LEE Wai-king G.B.S., J.P. The chairman of the Remuneration Committee is Mr. LAM Kwong Siu, G.B.S..

The primary duties of the Remuneration Committee include reviewing the terms of the remuneration packages of and determining the award of bonuses to Directors and senior management and reviewing and approving matters related to share schemes. Its terms of reference are posted on the websites of the Company and the Stock Exchange. During the FY2025, one meeting of the Remuneration Committee was held and all the committee members attended this meeting.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2025 is set forth below:

| <u>In the band of</u> | <u>Number of individuals</u> |
|------------------------------|------------------------------|
| Over RMB10,000,000 | 2 |
| RMB1,000,001 to RMB8,500,000 | 8 |

Details of the Directors’ remuneration is set out in Note 8 to the consolidated financial statements on pages 96 to 99 in this annual report.

AUDIT COMMITTEE

The Audit Committee of the Board comprises four independent non-executive Directors, namely Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. TRAN Chuen Wah, John and The Hon. Starry LEE Wai-king, G.B.S., J.P. The Hon. Starry LEE Wai-king, G.B.S., J.P. is the Chairman of the Audit Committee.

The Audit Committee assists the Board to review the financial information and reporting process, evaluate the effectiveness of internal control systems and oversee the auditing processes of the Group. Its terms of reference are posted on the websites of the Company and the Stock Exchange. The Audit Committee held three meetings during the FY2025 for reviewing the annual and interim financial results and reports as well as the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, and all the committee members attended these meetings.

NOMINATION COMMITTEE

The Nomination Committee of the Board consists of Dr. LEE Yin Yee, S.B.S., Tan Sri Datuk TUNG Ching Sai J.P., Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel and The Hon. Starry LEE Wai-king, G.B.S., J.P. The chairman of the Nomination Committee is Dr. LEE Yin Yee, S.B.S..

The primary duties of the Nomination Committee are to review the structure, size and diversity of the Board on a regular basis, assess the independence of independent non-executive Directors of the Company, and make recommendations to the Board regarding the appointment, retirement and re-election of Directors. Its terms of reference are posted on the websites of the Company and the Stock Exchange. The Nomination Committee held one meeting for annual review of board structure and diversity and the independence of the independent non-executive Directors for the FY2025 and all the committee members attended this meeting.

NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Achieve board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Merit and contribution that candidate will bring to the Board;
- Compliance with the criteria of independence as prescribed under the Listing Rules for the appointment of an independent non-executive Director if the proposed candidate will be nominated as an independent non-executive Director; and
- Able to devote sufficient time and attention to the Company's business.

Corporate Governance Report

The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board.

Procedures for Shareholders' nomination of any proposed candidate for election as a director are stated in "Mechanisms available for shareholders to propose a person for election as a director of the Company" and disclosed in the Company's website.

BOARD DIVERSITY

The Board considers that its diversity is a vital asset to the business and has adopted a board diversity policy for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company adopted the board diversity policy (the "Diversity Policy") as required by the CG Code. The Nomination Committee will discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption, as set forth in the Diversity Policy of the Company.

For the purpose of implementation of the Diversity Policy, the following measurable objectives were adopted:

- At least one member of the Board shall be female.
- At least one-third of the members of the Board shall be independent non-executive Directors.

The members of the Board, who come from a variety of different backgrounds, have a diverse range of business, and professional expertise. A majority of the Directors have more than 26 years' experience serving as an executive officer or a director of a company in the glass industry. The table below sets forth an analysis of the Board's current composition based on the measurable objectives:

| Measurable objective | Category | Number of Director |
|------------------------|---|--------------------|
| Gender | Male | 11 |
| | Female | 1 |
| Age | 41-50 | 1 |
| | 51-60 | 3 |
| | Over 60 | 8 |
| Professional expertise | Glass industry | 5 |
| | Account and finance | 3 |
| | Automobile parts and property development | 3 |
| | Legal | 1 |

Based on the foregoing, the composition and diversity of the Board enable the management to benefit from a diverse and objective external perspective, on issues raised before the Board.

Brief biographical particulars of the Directors, together with information relating to the relationship among them, are set forth on pages 16 to 19 in this annual report.

The Board currently has one female Director and as such has achieved gender diversity in respect of the Board. The Company targets to maintain at least the current level of female representation on the Board and strive to ensure the Board is made up of a reasonable and appropriate proportion of female member by reference to stakeholders' expectations and international and local recommended best practices and the pool of qualified candidates.

The Company values gender diversity across all levels of the Group. The following table sets forth the gender ratio in the workforce of the Group, including the Board and senior management as of the date of this annual report:

| | Male | Female |
|-------------------|-------|--------|
| Board | 91.7% | 8.3% |
| Senior Management | 90.0% | 10.0% |
| Other employees | 87.9% | 12.1% |
| Overall workforce | 87.9% | 12.1% |

The Nomination Committee was of the opinion that the Board consisted of members with diversified age, cultural and education background, professional/business experience, skills and knowledge. Further details for the diversity, including the gender diversity, in the workforce during the FY2025 are set forth in the Environmental, Social and Governance Report dated 30 April 2026 of the Company.

Corporate Governance Report

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the FY2025 have been reviewed by the Audit Committee and audited by the external auditor, Ernst & Young. The Directors acknowledge that it is their responsibilities in (i) overseeing the preparation of the financial statements of the Group with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Group and (ii) selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgments and estimates for the preparation of the financial statements of the Group.

The statement of the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set forth in the Independent Auditor's Report on pages 56 to 60 of this annual report.

AUDITORS' REMUNERATION

For the year under review, the professional fees charged by the auditors of the group companies in respect of the auditing services is disclosed in the notes to the consolidated financial statements. The remuneration paid to the auditors of the Group is solely for audit of consolidated financial statements of the Group during the year, which amounted to HK\$3.0 million (equivalent to RMB2.68 million).

RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the management of the Group maintain a sound and effective system of risk management and internal control so as to ensure the effectiveness and efficiency of the operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives of the Group.

The key elements of the Group's risk management and internal control structure are as follows:

- Well-defined organisational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities to minimise risk of errors and abuse;
- Clear and written policies and procedures have been established and regularly reviewed for major functions and operations;
- Important business functions or activities are managed by experienced, qualified and suitably trained staff;
- Continuous monitoring of the key operating data and performance indicators, timely and up-to-date business and financial reporting, immediate corrective actions are taken where necessary; and
- Internal audit function to perform independent appraisal of major operations on an ongoing basis.

Through the Audit Committee and the internal audit team, the Board has conducted an annual review on the effectiveness of risk management and internal control systems of the Group for the FY2025.

A risk-based approach is adopted to ensure that a methodical coverage of the Group's operations and resources are focused on high risk areas. The internal audit team takes the lead to evaluate the risk management and internal control systems of the Group by reviewing the major operations of the Group on a rotational basis every year. The review covers all material controls including financial, operational, compliance controls and risk management. Review results and recommendations in the form of written reports are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the internal audit team to ensure that findings previously identified have been properly resolved.

Based on the results of the internal control review for the FY2025 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the FY2025.

INSIDE INFORMATION POLICY

The Company has established an inside information policy which contains the guidelines to the directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulation.



DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company provides a comprehensive induction package to all Directors which includes introduction on the business operations, internal procedures and general policy of the Company and a summary of statutory and regulatory obligations of directors under the Listing Rules and other relevant laws and regulations. During the year, the Directors are provided with regular updates on the Group's business, operations, risk management and corporate governance matters to enable the Board as a whole and each Director to discharge their duties. The Directors are also encouraged to attend both in-house training and training provided by independent service providers. During the year, all Directors participated in various trainings organised by the Company, including the "Disclosure Obligation for Listed Companies and Officers" and "Update on the requirements under the Hong Kong Listing Rules, Hong Kong Companies Ordinance, and Hong Kong Securities and Futures Ordinance". According to the training records maintained by the Company, each Director has confirmed that he/she has obtained reading and training materials during the year and has attended the trainings in relation to various aspects, including but not limited to, director's duties, update on Listing Rules amendments and corporate governance practices.

COMPANY SECRETARY

The Company Secretary is Mr. LAU Sik Yuen, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. LAU is also the Chief Financial Officer and Vice President of the Group. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed. He has taken not less than 15 hours of relevant professional training in 2025, in compliance with Rule 3.29 of the Listing Rules.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company endeavours to develop and maintain continuing relationships and effective communications with its Shareholders and investors. In an effort to facilitate and enhance the relationships and communication, the Company has established a shareholders communication policy. The Board reviewed the implementation and effectiveness of the shareholders communication policy and the results were satisfactory. The Company has established the following channels:

- (i) the annual general meeting provides a forum for the Shareholders of the Company to raise comments and exchange views with the Board. The Directors are available at the annual general meetings of the Company to address Shareholders' queries;
- (ii) the Company maintains a website at www.xinyiglass.com, where updated key information/news of the Group is available for public access;
- (iii) interim and annual results are announced as early as possible, to keep the Shareholders of the Company informed of the Group's performance and operations;
- (iv) investor, analyst and media briefing are held as early as practicable after the publication of the interim and annual results;
- (v) the Company's management may meet with Shareholders, potential investors and research analysts upon request and provide update of the latest business development of the Group and answer their queries in accordance with the Group's Inside Information Policy; and
- (vi) Shareholders shall direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

SHAREHOLDERS' RIGHTS

(i) Procedures for Shareholders to convene a general meeting and putting forward proposals

Pursuant to Article 64 of the Articles, an extraordinary general meeting ("EGM") shall be convened and resolutions to a meeting agenda shall be added on the requisition of 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 having the right of voting at general meetings, on a one vote per Share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisitionist(s) may add resolutions to a general meeting agenda.

(ii) Procedures for which enquiries may be put to the Board

Shareholders may at any time send their enquiries and concerns with sufficient contact details to the Board at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary or via e-mail to ir@xinyiglass.com.hk.

CONSTITUTIONAL DOCUMENTS

During the year, the Company has made changes to its constitutional documents to be consistent with the latest legal and regulatory requirements, including the applicable laws of the Cayman Islands and Hong Kong, the new electronic dissemination rules under the expanded paperless listing regime of the Stock Exchange effective from 31 December 2023 and the creation of the treasury shares that may be held by the Company as permitted under the Listing Rules. The adoption of the amended and restated memorandum and articles of association of the Company had obtained shareholders' approval at the annual general meeting held on 30 May 2025. For details, please refer to the announcement of the Company dated 30 April 2025 and the circular of the Company dated 30 April 2025.

The Company's constitutional documents is available on the websites of the Company and the Stock Exchange.



DIVIDEND POLICY

In considering the payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and strike a proper balance between future business growth and rewarding the Shareholders.

Provided that the daily working capital needs of the Group can be satisfied and funding has been reserved for future development, the Company intends to maintain a relatively stable dividend distribution ratio. However, the Company's dividend distribution record in the past does not necessarily imply that the same level of dividends may be declared or paid by the Company in the future.

In proposing any dividend payout, the Board shall take into account the financial performance and cash flow situation of the Group, future expansion plans and capital requirements, interests of Shareholders, contractual restrictions on payment of dividends, taxation considerations, statutory and regulatory restrictions, general economic conditions, business cycle of the Group's business and any other factors that the Board may consider relevant.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles.

Report of the Directors

The Directors are pleased to present their report and the audited financial statements of the Group for the FY2025.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding whereas its subsidiaries are principally engaged in the production and sales of float glass products, automobile glass products, construction glass products and a variety of related products in the PRC, Malaysia and Indonesia. Particulars of the subsidiaries of the Company are set forth in Note 13 to the consolidated financial statements in this annual report.

The analysis of the Group's performance for the FY2025 by operating segments is set forth in Note 5 to the consolidated financial statements in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the FY2025 are set forth in the consolidated statement of profit or loss on page 61 in this annual report. During the financial year, an interim dividend of 12.5 HK cents per Share, amounting to a total of RMB501.8 million, was paid to the Shareholders in cash or partially settled by the issuance of scrip shares in respect of scrip dividend on Friday, 10 October 2025.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend (the "Final Dividend") of 21.5 HK cents per Share for the FY2025. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM which is expected to be held on Friday, 29 May 2026. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026.

Shareholders will be given an option to receive the Final Dividend in cash or in new and fully paid shares of the Company, in whole or in part, in lieu of cash dividend by scrip dividend (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of, and permission to deal in, the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commencing on Tuesday, 2 June 2026 until Monday, 8 June 2026 (both days inclusive) rounded down to two decimal places.

BUSINESS REVIEW AND PROSPECTS

A business review of the Group for the FY2025 and its future development is set forth in the Chairman's Statement from pages 4 to 8 and Management's Discussion and Analysis from pages 9 to 15 of this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company during the financial year are set forth in Note 25 to the consolidated financial statements in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During year under review and to the best knowledge of the Directors, the Group had obtained and completed all material licenses, certifications, permits and registration necessary for its business operations, and that the Group had complied in all material aspects with all laws, rules and regulations that have a significant impact on the Group's business and operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's float glass production may generate air pollutants, waste water and other industrial waste at different stages of the production process. To ensure compliance with the applicable PRC environmental protection laws and regulations, the Group has implemented the following environmental protection measures:

- *Energy* – Natural gas has been used as the principal energy source for the Group's glass melting furnaces.
- *Power generation from residual heat* – The Group's float glass production plants have used the residual heat generated in the production processes for electricity generation.
- *Glass recycling* – Scraped and unused glass produced during the production process have been recycled to the glass melting furnaces for production of float glass products.

Over the past few years, the Group has owned one wind farm project in Anhui Province and several small solar farm projects inside the production complexes, which can help to improve air quality and the environment by reducing the consumption of fossil fuels and emission of carbon dioxide.

In March 2019, the Group passed the Green Finance Certification of the Hong Kong Quality Assurance Agency and was awarded the Pre-issuance Stage Certificate for Green Finance, confirming that the Group's energy saving Low-e coating architectural glass projects meet the requirements of green projects. The Group will actively promote financial innovation, increase the exploration of green finance, expand the Group's funding channels through green financing, and ensure our sustainable development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT

The Group is in the process of preparing its ESG report for the FY2025 and will publish it on the Stock Exchange's website and the Company's website on or before 30 April 2026.

Report of the Directors

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

The Group values relationships with, and have been maintaining good relationships with its customers, raw material and equipment suppliers, logistics service providers and the employees of the Group. During the FY2025, there were no material dispute between the Group and its customers, suppliers and employees.

Customers are the Company's greatest assets. Xinyi Glass is committed to the production of quality float glass, automobile glass and architectural glass, with great emphasis on product quality and reputation. Over the years, the Company has already established a professional and reliable corporate image among the customers. Xinyi Glass has been maintaining the harmonious partnership of equal footing, honest cooperation and mutual benefits with suppliers. Supplier management has been standardised. Supplier assessment system has been improved through tendering and procurement. This is to create a fair and just competition environment for suppliers. Xinyi Glass adheres to the philosophy of "People-Oriented" and is committed to providing the employees with a safe and healthy work environment. The staff members are encouraged to show their creativity and potential, realising the co-development of the staff and the enterprise.

PRINCIPAL RISK AND UNCERTAINTIES

The business performance of the Group is subject to the following principal risks and uncertainties:

Float glass business

- The levels of demand and supply of float glass are not entirely within the Group's control and are generally affected by construction and building materials industries, the overall macroeconomic factors in the principal property market, and the production capacity of other float glass manufacturers.
- The Group may not be able to adjust its production levels promptly in response to the changing market environment and as a result, any unbalance between the demand and supply of float glass could create significant pressure on the selling prices.
- As a float glass manufacturer, the Group follows the technology development which may cause demand for its float glass products to be reduced significantly.
- The Group also relies on a constant supply of energy and raw materials for its production requirement.
- The PRC environmental policies on air emission would affect the industry capacity and production costs.

Automobile glass business

- The international trade war or extra import tariff or anti-dumping tax would affect the overseas sales.
- The fluctuation of USD exchange rate would affect the overseas demand.
- The international oil price would affect the transportation cost.

Architectural glass business

- The PRC property and financial policies would affect the demand of the architectural glass.
- The levels of demand and supply of architectural glass are not entirely within the Group's control and generally affected by the property and building industries.
- The Group also relies on a constant supply of energy and raw materials for its production requirement.

All of the above factors could adversely and materially affect the Group's operating results and profitability.

Details of the Group's exposure to foreign exchange and other financial risks are set forth in the section headed "Treasury Policies and Exposure to Fluctuations in Foreign Exchange Rates" in the Management's Discussion and Analysis and the paragraphs under "Financial Risk Management Objective and Policies" in Note 3 to the consolidated financial statements of this annual report.

FINANCIAL SUMMARY

A summary of the operating results and of the assets and liabilities of the Group for the last five financial years is set forth in the section headed "Financial Summary" in this annual report.

INVESTMENT PROPERTIES

Details of this movement in investment properties of the Group during the year are set forth in Note 17 to the consolidated financial statements in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year under review are set forth in Note 15 to the consolidated financial statements in this annual report.

DONATIONS

Donations by the Group for charitable and other purposes during the financial year amounted to RMB10,086,000 (2024: RMB4,267,000).

SHARE CAPITAL

Details of the movements in share capital of the Company during the year under review are set forth in Note 23 to the consolidated financial statements in this annual report.

Report of the Directors

DISTRIBUTABLE RESERVES

Under the Companies Act of the Cayman Islands, as of 31 December 2025, share premium amounting to RMB2,603.1 million (2024: RMB3,048.1 million) was distributable to Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business.

As of 31 December 2025, the Company had distributable reserves available for distribution to Shareholders amounting to RMB199.4 million (2024: RMB140.4 million) other than mentioned above.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

DIRECTORS

The Directors during the financial year and up to the date of this annual report were:

EXECUTIVE DIRECTORS

Dr. LEE Yin Yee, S.B.S. (Chairman)*

Datuk Wira TUNG Ching Bor *D.C.S.M* (Vice Chairman)

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* (Chief Executive Officer)

Mr. LEE Shing Kan, M.H.*

NON-EXECUTIVE DIRECTORS

Mr. LI Ching Wai

Mr. SZE Nang Sze

Mr. LI Ching Leung

Mr. NG Ngan Ho*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu, G.B.S.

Mr. WONG Chat Chor Samuel*

Dr. TRAN Chuen Wah, John

The Hon. Starry LEE Wai-king, G.B.S., J.P.

* The Directors will retire from the directorship at the forthcoming AGM pursuant to article 108 of the Articles and all of them are being eligible, offer themselves for re-election at the forthcoming AGM.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from the independent non-executive Directors the confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has entered or has proposed to enter into any service agreements with the Company or any other member of the Group which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The Company's policies concerning remuneration of the executive Directors are:

- (i) the amount of remuneration is determined on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the executive Directors under their remuneration package;
- (iii) the executive Directors may be granted, at the discretion of the board of Directors, options pursuant to the share option scheme, as part of their remuneration package; and
- (iv) annual director fee of HK\$300,000 for the year ended 31 December 2025, and HK\$300,000 for the year ending 31 December 2026.

Save for the annual director fee of HK\$300,000 for each non-executive Director in 2025, none of the non-executive Directors received any other emoluments (including bonus payments, whether fixed or discretionary in nature) from the Group.

Save for the annual director fee of HK\$300,000 for each independent non-executive Director in 2025, none of the independent non-executive Directors received any other emoluments (including bonus payments, whether fixed or discretionary in nature) from the Group. Such emoluments were determined with reference to the duties and responsibilities of each independent non-executive Director and their mutual agreement with the Company.

DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS AND ARRANGEMENTS

No contracts, transactions and arrangements of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Report of the Directors

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “2015 Share Option Scheme”) on 18 January 2015 for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group’s operations. The 2015 Share Option Scheme was expired on 17 January 2025. During the FY2025, no share option has been granted, exercised, lapsed and cancelled under the 2015 Share Option Scheme.

The Company has adopted a new share option scheme (the “2025 Share Option Scheme”) on 30 May 2025. A summary of the principal terms of the 2025 Share Option Scheme is as follows:

(i) Purpose

The 2025 Share Option Scheme is established to recognise and acknowledge the contributions the Eligible Participants (as defined below) had or may have made to the Group and to provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (a) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group and
- (b) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(ii) Participants

The participants (the “Eligible Participants”) of the 2025 Share Option Scheme include:

- (a) the director(s) and employee(s) of any member of the Group (including persons who are granted options under the 2025 Share Option Scheme as an inducement to enter into employment contracts with these companies) (the “Employee Participants”);
- (b) the director(s) and employee(s) of any of the holding companies, fellow subsidiaries or associated companies of any member of the Group (the “Related Entity Participants”); and
- (c) any person or entity which are independent third parties and provide services to the Group on an arm’s length basis and continuing or recurring basis in the ordinary and usual course of business of the Group where the continuity and frequency of their services are akin to those employees of the Group and exclude (a) placing agents or financial advisers providing advisory services for fund-raising and merger and acquisition transaction and (b) professional service providers who are required to provide their services in accordance with professional standards with impartiality and objectivity (the “Service Provider Participants”). The Service Provider Participants may be categorised into (a) long-term service providers of the Group, which provide production equipment installation and logistics services to the Group and (b) professional consultants engaged by the Group on a regular basis for the support of the Group’s continuous developments of production knowhow and technology.

(iii) Maximum number of shares available for issue

The total number of Shares which may be issued in respect of all options and awards to be granted under the 2025 Share Option Scheme and other share schemes of the Group must not in aggregate exceed 435,719,291 Shares, representing 10% of the total number of Shares in issue as of the date of adoption of the 2025 Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the 2025 Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Provider Participants under the 2025 Share Option Scheme and other share schemes of the Group must not in aggregate exceed 21,785,964 Shares, representing 0.5% of the total number of Shares in issue as of the date of adoption of the 2025 Share Option Scheme (the “**Service Provider Sublimit**”). Options lapsed in accordance with the terms of the 2025 Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

The total number of Shares available for issue under the 2025 Share Option Scheme was 400,700,791, representing 9.06% of the issued Shares (excluding treasury shares) as of the date of this annual report.



(iv) Maximum entitlements to each Eligible Participants

Where any grant of options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the 2025 Share Option Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

(v) Option period

In respect of any particular option, the option period's to be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the date of grant.

(vi) Vesting period

The vesting period in respect of any share option shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Share options granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under rule 17.01A of the Listing Rules) of the Company.

(vii) Acceptance and payment on acceptance

An offer is deemed to be accepted when the Company receives from the grantee the offer letter signed by the grantee within 30 days from the date of grant specifying the number of Shares in respect of which the offer is accepted and a remittance to the Company of HK\$1.0 as consideration for the grant of share option.

Report of the Directors

(viii) Exercise price of share options granted

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of

- the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant, which must be a Business Day; and
- the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant.

(ix) Remaining life of the 2025 Share Option Scheme

The 2025 Share Option Scheme will remain in force for a period of ten years commenced on 30 May 2025.

The following table sets forth movements in the share options of the Company for the FY2025:

| | Grant date | Exercise price (HK\$) | Closing price of the Company's shares immediately before the grant date (HK\$) | Vesting period | Exercise period | Number of share options | | | | | At 31/12/2025 |
|-------------------------------|------------|-----------------------|--|---------------------|--------------------|-------------------------|-------------------|-----------|---------------------|--------------------|--------------------|
| | | | | | | At 1/1/2025 | Granted | Exercised | Expired | Forfeited | |
| Continuous contract employees | 2/3/2021 | 23.35 | 23.70 | 2/3/2021-31/12/2023 | 1/4/2024-31/3/2025 | 28,071,300 | — | — | (28,071,300) | — | — |
| | 1/3/2022 | 21.80 | 20.75 | 1/3/2022-31/12/2024 | 1/4/2025-31/3/2026 | 29,422,060 | — | — | — | (1,656,660) | 27,765,400 |
| | 1/3/2023 | 15.524 | 14.66 | 1/3/2023-31/12/2025 | 1/4/2026-31/3/2027 | 30,935,995 | — | — | — | (1,681,672) | 29,254,323 |
| | 1/3/2024 | 8.04 | 8.00 | 1/3/2024-31/12/2026 | 1/4/2027-31/3/2028 | 33,990,000 | — | — | — | (1,726,004) | 32,263,996 |
| | 9/6/2025 | 7.88 | 7.83 | 9/6/2025-31/12/2027 | 1/4/2028-31/3/2029 | — | 38,000,000 | — | — | (2,981,500) | 35,018,500 |
| Total | | | | | | <u>122,419,355</u> | <u>38,000,000</u> | <u>—</u> | <u>(28,071,300)</u> | <u>(8,045,836)</u> | <u>124,302,219</u> |

During the FY2025, 38,000,000 share options were granted under the 2025 Share Option Scheme. The fair value of the equity-settled share options granted under the 2025 Share Option Scheme during the FY2025 was estimated at HK\$1.9076. The value of the share options granted during the FY2025 is to be expensed through the Group's income statement over the three-year vesting period of the share options.

The fair value of share options granted by the Company during the FY2025 was determined in accordance with the valuation performed by an independent valuer using the Black-Scholes option pricing model. Such model is one of the commonly used models to estimate the fair value of an option. The significant variables and assumptions used in computing the fair value of the share options are set forth in the table below. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

| | |
|--------------------------------------|----------------------|
| Share price at the grant date (HK\$) | HK\$7.88 |
| Exercise price (HK\$) | HK\$7.88 |
| Volatility (%) | 45.1692% |
| Dividend yield (%) | 5.2030% |
| Expected share option life (years) | 3 years and 4 months |
| Annual risk-free rate (%) | 2.1576% |

The number of share options available for grant under the 2015 Share Option Scheme was 117,906,615 share options as of 1 January 2025. The 2015 Share option Scheme was expired on 17 January 2025, therefore no share option was available for grant as of 31 December 2025.

As of 31 December 2025, the number of share options available for grant under the 2025 Share Option Scheme was 400,700,791 and the number of share options available for grant under the service provider sublimit of the 2025 Share Option Scheme was 21,785,964.

The number of Shares that may be issued in respect of the share options granted under the 2025 Share Option Scheme during the FY2025 divided by the weighted average number of the Shares in issue for the FY2025 is 0.87%.

During the year ended 31 December 2025, a total of 38,000,000 share options granted to the Company's employee participants and/or senior management (the "Grantees") of the Company, among of which 12,666,666 share options, representing one third of the total share options granted, vested on 31 December 2025. Having considered that (i) such share options vested where the performance target are satisfied during the performance period commenced from 1 January 2025 and ended on 31 December 2025, which is not less than 12 months, and (ii) the total vesting and holding period of the share options is more than 12 months, the Remuneration Committee and the Board consider that the grant of such share options with a shorter vesting period could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the 2025 Share Option Scheme.

The vesting of the share options granted to the Grantees is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion. Such performance targets include, but without limitation to, and where appropriate, (a) sales performance (e.g. revenue and profit); (b) operational performance (e.g. production yield and cost control and turnover rate); and (c) financial performance (e.g. profits, cash flow, earnings, market capitalisation and return on equity) of the Group as a whole and of the applicable business. Also, the Company has established a standard performance appraisal system to evaluate the performance and contribution of the Grantees, including but not limited to, the individual's overall performance indicators (e.g. strategic driving abilities, talent development capabilities, inter-departmental cooperation capabilities and adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal procedures).

Report of the Directors

The Board may in its absolute discretion determine that the Options granted may be subject to clawback in the event of, including but not limited to, a material misstatement in the Company's financial statements, fraud or persistent and serious misconduct by the Grantee, performance targets that have been assessed or calculated inaccurately, and any criminal convictions that related to the Grantee's integrity or honesty. The Company may (a) clawback all or a specified part of the Options granted as the Board may consider appropriate and/or (b) request the Grantees to return in whole or in part of the income and/or benefits generated from the exercised Options.

Saved as disclosed above, the Company did not make any grant of share options to the Directors and/or senior management as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the FY2025.

Further details of the 2015 Share Option Scheme and the 2025 Share Option Scheme are set forth in Note 24 to the consolidated financial statements in this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set forth on pages 16 to 20 of this annual report.

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

As of 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

INTERESTS IN THE COMPANY

Long positions in the Shares

| Name of Directors | Nature of interest | Number of Shares held | Approximate percentage of the Company's issued share capital |
|---|---|-----------------------|--|
| Dr. LEE Yin Yee, S.B.S. | Interest of a controlled corporation (Note a) | 837,085,608 | 18.92% |
| | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Interest of a controlled corporation (Note b) | 77,377,622 | 1.75% |
| | Personal interest (Note c) | 144,691,282 | 3.27% |
| Datuk Wira TUNG Ching Bor <i>D.C.S.M</i> | Interest of a controlled corporation (Note d) | 284,360,358 | 6.43% |
| | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Personal interest (Note e) | 72,140,471 | 1.63% |
| Tan Sri Datuk TUNG | Interest of a controlled corporation (Note f) | 288,498,214 | 6.52% |
| Ching Sai <i>P.S.M, D.M.S.M, J.P.</i> | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Spouse interest (Note g) | 261,293,757 | 5.91% |
| Mr. LI Ching Wai | Interest of a controlled corporation (Note h) | 127,260,324 | 2.88% |
| | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| Mr. SZE Nang Sze | Personal interest | 10,459,018 | 0.24% |
| | Interest of a controlled corporation (Note i) | 135,285,267 | 3.06% |
| Mr. NG Ngan Ho | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Personal interest | 1,613,348 | 0.04% |
| | Interest of a controlled corporation (Note j) | 86,030,769 | 1.94% |
| Mr. LI Ching Leung | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Interest of a controlled corporation (Note k) | 90,129,739 | 2.04% |
| | Interest of a controlled corporation (Note n) | 55,945,130 | 1.26% |
| | Personal interest | 7,422,861 | 0.17% |
| Dr. TRAN Chuen Wah, John | Spouse interest (Note l) | 429,936 | 0.0097% |
| | Personal interest | 10,000 | 0.0002% |
| | Spouse interest (Note m) | 90,000 | 0.002% |

Report of the Directors

Notes:

- (a) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through Realbest Investment Limited ("**Realbest**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S..
- (b) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through Xin Yuen Investment Limited ("**Xin Yuen**"), a company incorporated in the BVI with limited liability. Xin Yuen is 100% owned by Xin Wong Investment Limited ("**Xin Wong**"), a company incorporated in the BVI with limited liability. Xin Wong is 50% owned by Dr. LEE Yin Yee, S.B.S. and 50% owned by his spouse, Madam TUNG Hai Chi.
- (c) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.
- (d) Datuk Wira TUNG Ching Bor's interests in the Shares are held through High Park Technology Limited ("**High Park**"), a company incorporated in the BVI with limited liability and wholly-owned by Datuk Wira TUNG Ching Bor.
- (e) Datuk Wira TUNG Ching Bor's interests in the Shares are held through a joint account with his spouse, Madam KUNG Sau Wai.
- (f) Tan Sri Datuk TUNG Ching Sai J.P.'s interests in the Shares are held through Copark Investment Limited ("**Copark**"), a company incorporated in the BVI with limited liability and wholly-owned by Tan Sri Datuk TUNG Ching Sai, J.P..
- (g) Tan Sri Datuk TUNG Ching Sai J.P.'s interests in the Shares are held through his spouse, Puan Sri Datin SZE Tan Hung.
- (h) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited ("**Goldbo**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai.
- (i) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited ("**Goldpine**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.
- (j) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited ("**Linkall**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho.
- (k) Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited ("**Herosmart**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung.
- (l) Mr. LI Ching Leung's interests in the Shares are held through his spouse, Madam DY Maria Lumin.
- (m) Dr. TRAN Chuen Wah, John's interest in the Shares are held through his spouse, Madam LAM Ying.
- (n) The interest in the Shares are held through Full Guang Holdings Limited ("**Full Guang**"), a company incorporated in the BVI with limited liability. Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai. as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70% and Mr. LI Ching Leung as to 3.70%.

INTERESTS IN ASSOCIATED CORPORATIONS

| <u>Name of associated corporation</u> | <u>Name of Director</u> | <u>Class and number of shares held in the associated corporation</u> | <u>Approximate percentage of the associated corporation's issued share capital</u> |
|---------------------------------------|---|--|--|
| Realbest (Note o) | Dr. LEE Yin Yee, S.B.S. | 2 ordinary shares | 100% |
| Xin Wong (Note p) | Dr. LEE Yin Yee, S.B.S. | 1 ordinary share | 50% |
| High Park (Note q) | Datuk Wira TUNG Ching Bor <i>D.C.S.M</i> | 2 ordinary shares | 100% |
| Copark (Note r) | Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M, J.P.</i> | 2 ordinary shares | 100% |
| Goldbo (Note s) | Mr. LI Ching Wai | 2 ordinary shares | 100% |
| Linkall (Note t) | Mr. NG Ngan Ho | 2 ordinary shares | 100% |
| Goldpine (Note u) | Mr. SZE Nang Sze | 2 ordinary shares | 100% |
| Herosmart (Note v) | Mr. LI Ching Leung | 2 ordinary shares | 100% |
| Full Guang (Note w) | Dr. LEE Yin Yee, S.B.S. | 734,000 ordinary shares | 33.98% |
| | Datuk Wira TUNG Ching Bor <i>D.C.S.M</i> | 350,000 ordinary shares | 16.20% |
| | Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M, J.P.</i> | 350,000 ordinary shares | 16.20% |
| | Mr. LI Ching Wai | 120,000 ordinary shares | 5.56% |
| | Mr. NG Ngan Ho | 80,000 ordinary shares | 3.70% |
| | Mr. SZE Nang Sze | 110,000 ordinary shares | 5.09% |
| | Mr. LI Ching Leung | 80,000 ordinary shares | 3.70% |

Notes:

- (o) Realbest is wholly-owned by Dr. LEE Yin Yee, S.B.S..
- (p) Xin Wong is 50% owned by Dr. LEE Yin Yee, S.B.S..
- (q) High Park is wholly-owned by Datuk Wira TUNG Ching Bor *D.C.S.M*.
- (r) Copark is wholly-owned by Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* .
- (s) Goldbo is wholly-owned by Mr. LI Ching Wai.
- (t) Linkall is wholly-owned by Mr. NG Ngan Ho.
- (u) Goldpine is wholly-owned by Mr. SZE Nang Sze.
- (v) Herosmart is wholly-owned by Mr. LI Ching Leung.
- (w) Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. LI Man Yin as to 3.70%, Mr. NG Ngan Ho as to 3.70% and Mr. LI Ching Leung as to 3.70%.

Report of the Directors

Save as disclosed above, as of 31 December 2025, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the Shares, underlying Share and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 31 December 2025, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares and the underlying Shares of the Company, as notified to the Company pursuant to 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, were as follows:

| Name of substantial shareholders | Nature of interest | (L/S)* | Number of Shares held | Approximate percentage of the Company's issued share capital |
|-----------------------------------|--|--------|-----------------------|--|
| Realbest | Registered and beneficial owner | (L) | 837,085,608 | 18.92% |
| High Park | Registered and beneficial owner | (L) | 284,360,358 | 6.43% |
| Copark | Registered and beneficial owner | (L) | 288,498,214 | 6.52% |
| Mr. LEE Sing Din | Interest of a controlled corporation (<i>Note x</i>) | (L) | 280,709,247 | 6.34% |
| | Interest of a controlled corporation (<i>Note y</i>) | (L) | 55,945,130 | 1.26% |
| | Personal interest (<i>Note z</i>) | (L) | 59,797,826 | 1.35% |
| Madam SZE Tan Hung | Personal interest | (L) | 261,293,757 | 5.91% |
| | Spouse interest (<i>Note aa</i>) | (L) | 344,443,344 | 7.79% |
| JP Morgan Chase & Co. ("JPMC") | Beneficial owner | (L) | 66,414,269 | 1.50% |
| | Investment manager | (L) | 1,906,501 | 0.04% |
| | Person having a security interest in shares | (L) | 433,374 | 0.01% |
| | Approved lending agent | (L) | 148,140,358 | 3.35% |
| | Sub-total | | 216,894,502 | 4.90% |
| | | | <i>(Note ab)</i> | |
| | Beneficial owner | (S) | 41,766,753 | 0.94% |
| | Investment manager | (S) | 2,000 | 0.00005% |
| | Sub-total | | 41,768,753 | 0.94% |
| | | | <i>(Note ac)</i> | |

* (L) represents Long Position; (S) represents Short Position.

Notes:

- (x) Mr. LEE Sing Din's interest in the Shares are held through Telerich Investment Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. LEE Sing Din, brother-in-law of Dr. LEE Yin Yee, S.B.S.
- (y) The interest in the Shares are held through Full Guang, a company incorporated in the BVI with limited liability. Full Guang is owned by Dr. LEE Yin Yee S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M.*, as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M., D.M.S.M., J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70% and Mr. LI Ching Leung as to 3.70%.
- (z) Mr. LEE Sing Din also has 2,789,294 Shares held in his own name and 57,008,532 Shares through a joint account with his spouse, Madam LI Kam Ha.
- (aa) Madam SZE Tan Hung's interest in the Shares are held through her spouse, Tan Sri Datuk TUNG Ching Sai *P.S.M., D.M.S.M., J.P.*
- (ab) It included an aggregate interest in 12,803,518 underlying Shares through JPMC's holding of certain unlisted derivatives (physically settled: 2,399,065 Shares; cash settled: 10,404,453 Shares).
- (ac) It included interest in 6,000 underlying Shares through JPMC's holding of certain listed derivatives in cash settled and an aggregate interest in 2,649,016 underlying Shares through JPMC's holding of certain unlisted derivatives (physically settled: 2,398,130 Shares; cash settled: 250,886 Shares).

Save as disclosed above, as of 31 December 2025, the Directors were not aware of any other person having an interests or short positions in the Shares and the underlying Shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

As of 31 December 2025, none of the Directors and their respective associates (as defined in the Listing Rules) or any controlling shareholder (as defined in the Listing Rules), if any, of the Company had any interest in a business, which competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

During the FY2025, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this annual report, such insurance covering remained effective.

Report of the Directors

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate and neither the Directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for continuing operation for the year attributable to the Group's major customers and suppliers are as follows:

Sales

| | |
|---------------------------------------|------|
| – the largest customer | 4.3% |
| – five largest customers in aggregate | 9.3% |

Purchases

| | |
|---------------------------------------|-------|
| – the largest supplier | 5.4% |
| – five largest suppliers in aggregate | 22.3% |

None of the Directors, their associates or any shareholder of the Company which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital, had any interest in the share capital of the Group's five largest customers and five largest suppliers.

BANK BORROWINGS

The total bank borrowings of the Group as of 31 December 2025 amounted to RMB4,804.2 million (2024: RMB7,313.1 million). Particulars of the bank borrowings are set forth in Note 27 to the consolidated financial statements in this annual report.

REWARD FOR EMPLOYEES

As of 31 December 2025, we employed 16,057 employees in the PRC, Hong Kong, Malaysia, Indonesia, Canada, Saudi Arabia and Japan. Our employees are remunerated with monthly salary, subject to annual review and discretionary bonuses. Our employees are also entitled, subject to eligibility, to retirement fund and provident fund and to participate in the Share Option Scheme. We place strong emphasis on nurturing a continuous learning culture amongst the employees and implement a variety of programs to promote training.

CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the FY2025 are set forth in Note 32 to the consolidated financial statements in this annual report. Some of these transactions also constitute “Continuing Connected Transactions” under the Listing Rules, as identified below.

Connected transaction

During the FY2025, the Group had the following connected transaction, details of which are set forth below:

Sale of the equity interest in Xinyi Wind Power (Jinzhai) Company Limited

On 23 December 2025, the Group, as one of the vendors, entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) with Anhui Xinyi Power Source Company Limited* (安徽信義電源有限公司), a wholly-owned subsidiary of Xinyi Electric Storage, as one of the vendors, and Xinyi Solar (Fanchang) Company Limited (信義光能(繁昌)有限公司) (“**Xinyi Energy (Fanchang)**”), a non-wholly owned subsidiary of Xinyi Solar and a wholly-owned subsidiary of Xinyi Energy, as the purchaser, in relation to the sale of equity interest of Xinyi Wind Power (Jinzhai) Company Limited (金寨信義風能有限公司) owned by the Group to Xinyi Energy (Fanchang) at a total consideration of RMB62.0 million. Each of Xinyi Solar and Xinyi Energy is a company with common controlling shareholders with the Company, and is therefore Xinyi Energy (Fanchang) is a connected person of the Company under the Listing Rules. Accordingly, the Equity Transfer Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Continuing connected transactions

During the FY2025, the Group had the following continuing connected transactions, details of which are set forth below:

1) *Sales of machineries*

As disclosed in the Company’s announcement dated 30 December 2024, Anhui Xinyi Intelligent Machinery Company Limited (“**Anhui Xinyi Machinery**”), a non-wholly owned subsidiary of the Company, entered into a production equipment purchase agreement (the “**2025 Production Equipment Purchase Agreement**”) dated 30 December 2024 with a member of Xinyi Solar in relation to the sales of the production equipment and auxiliary facilities to Xinyi Solar Group by Anhui Xinyi Machinery for the FY2025. The annual cap and the actual transaction amount of the transactions contemplated under the 2025 Production Equipment Purchase Agreement for the FY2025 are RMB168,800,000 and RMB1,186,000, respectively. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the 2025 Production Equipment Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Report of the Directors

2) *Purchase of Silica Sand*

As disclosed in the Company's announcement dated 30 December 2024, the Group entered into an agreement (the "2025 Silica Sand Sales Agreement") dated 30 December 2024 with Hepu Xinyi Mining Co., Ltd. ("Hepu Xinyi"), a wholly-owned subsidiary of Xinyi Solar, in relation to the purchase of silica sand from Hepu Xinyi by the Group for the FY2025. The purpose of entering into the Silica Sand Sales Agreement was to reduced transportation cost and secure an additional source of supply of silica sand in the vicinity. The annual cap and the actual transaction amount of the transactions contemplated under the 2025 Silica Sand Sales Agreement for the FY2025 are RMB71,000,000 and nil, respectively. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the 2025 Silica Sand Sales Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

3) *Sales of automobile glass products*

As disclosed in the Company's announcement dated 11 December 2024, the Group entered into a glass supply agreement (the "2024 Glass Supply Agreement") with Xinyi Automobile Glass Company Limited ("Xinyi Automobile Glass (HK)"), a subsidiary of Xinyi Electric Storage, in relation to the sales of automobile glass products to Xinyi Electric Storage and its subsidiaries by the Group for the three years ending 31 December 2027. The annual cap and the actual transaction amount of the transactions contemplated under the 2024 Glass Supply Agreement for the FY2025 is HK\$10,200,000 (equivalent to RMB9,175,000) and HK\$9,562,000 (equivalent to RMB8,857,000), respectively. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Automobile Glass (HK) is a connected person of the Company. Accordingly, the 2024 Glass Supply Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

4) *Wind farm management services*

As disclosed in the Company's announcement dated 31 October 2023, the Group entered into a wind farm management agreement (the "2023 Wind Farm Management Agreement") with Anhui Xinyi New Material Technology Company Limited ("Anhui Xinyi"), a subsidiary of Xinyi Electric Storage for management services for the operation of the wind farm owned by the Group. The annual cap and the actual transaction amount of the transaction contemplated under the 2023 Wind Farm Management Agreement for the FY2025 is RMB10,000,000 and RMB9,434,000. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Anhui Xinyi is a connected person of the Company. Accordingly, the 2023 Wind Farm Management Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

5) *Purchase of electric storage products*

As disclosed in the Company's announcement dated 31 October 2023, the Group entered into a sales of battery packs and energy storage systems agreement (the "**XYG Sales Framework Agreement**") with Xinyi Electric Storage, in relation to purchase of lithium battery packs, direct-current lithium battery systems, uninterruptible power supply lithium battery systems, lithium battery energy storage systems and other lithium battery products from Xinyi Electric Storage and its subsidiaries for the terms of three years ending on 31 December 2026. The annual cap and the actual transaction amount of the transactions contemplated under the XYG Sales Framework Agreement for the FY2025 is RMB14,300,000 and RMB8,351,000, respectively. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Electric Storage is a connected person of the Company. Accordingly, the XYG Sales Framework Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

6) *Lease agreements*

As disclosed in the Company's announcement dated 30 June 2023, the Group entered into six lease agreements (the "**Lease Agreements**") dated 30 June 2023 with the Xinyi Solar Group in relation to the lease of the properties to the Xinyi Solar Group for the fixed terms of three years ending on 30 June 2026. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Lease Agreements constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

7) *Provision of marine transportation services*

As disclosed in the Company's announcement dated 17 December 2024, the Group entered into the marine transportation agreement (the "**Marine Transportation Agreement**") dated 17 December 2024 with Xinyi Solar in relation to provide marine transportation services to the Xinyi Solar Group commenced on 17 December 2024 and ending on 31 December 2026. The annual cap and the actual transaction amount of the transactions contemplated for the FY2025 is USD21,600,000 (equivalent to RMB155,639,000) and USD3,897,000 (equivalent to RMB28,082,000). Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Marine Transportation Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

All independent non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Report of the Directors

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's 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 "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 has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with Rule 14A.56 of the Listing Rules and confirming there is nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (d) have exceeded the annual cap as set by the Company.

Continuing connected transactions after the reporting period

The Group had the following continuing connected transactions after the reporting period, details of which are set forth below:

1) *Sales of machineries*

As disclosed in the Company's announcement dated 24 December 2025, Anhui Xinyi Machinery, a non-wholly owned subsidiary of the Company, entered into a production equipment purchase agreement (the "**2026 Production Equipment Purchase Agreement**") dated 24 December 2025 with a member of Xinyi Solar in relation to the sales of the production equipment and auxiliary facilities to Xinyi Solar Group by Anhui Xinyi Machinery for the year ending 31 December 2026. The annual cap of the transactions contemplated under the 2026 Production Equipment Purchase Agreement for the year ending 31 December 2026 is RMB107,300,000. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the 2026 Production Equipment Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

2) *Sales of electricity*

As disclosed in the Company's announcement dated 24 December 2025, the Group entered an electricity framework agreement (the "**Electricity Framework Agreement**") dated 24 December 2025 with a member of Xinyi Solar, in relation to purchase of electricity from Xinyi Solar and its subsidiaries for the year ending 31 December 2026. The annual cap of the transactions contemplated under the Electricity Framework Agreement for the year ending 31 December 2026 is RMB35,400,000. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Electricity Framework Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors confirmed that the Company has complied with the applicable code provisions as contained in the CG Code set forth in Part 2 of Appendix C1 to the Listing Rules for the FY2025.

Please refer to section headed “Corporate Governance Report” as set forth in this annual report for details of our compliance with the Corporate Governance Code.

AUDIT COMMITTEE

The Company has established an Audit Committee, comprising all independent non-executive Directors, with written terms of reference in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide comments and give advice to the Board. The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the FY2025.

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

During the FY2025, the Company repurchased a total of 6,227,000 shares on the Stock Exchange and cancelled in August 2025. Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares and the premium paid on these shares upon the repurchase were charged against share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company’s share capital to the capital redemption reserve. The table below sets forth further information of these repurchases:

| Month of repurchase | Number of shares of HK\$0.10 each repurchased | Highest price paid per share HK\$ | Lowest price paid per share HK\$ | Aggregate consideration paid HK\$000 |
|---------------------|---|-----------------------------------|----------------------------------|--------------------------------------|
| August 2025 | 6,227,000 | 8.08 | 7.82 | 49,732 |

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities (including sale of treasury shares) of the Company during the FY2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this annual report, the Company has complied with the ongoing public float threshold, representing at least 25% of the ordinary Shares of the Company held by the public as required under the Listing Rules. As of the date of this annual report, 33.82% of the ordinary Shares are held by the public.

Report of the Directors

The table below sets forth the Share ownership composition as of the date of this annual report:

| Shareholders | Number of ordinary Shares | % |
|---|---------------------------|-------|
| Controlling Shareholders ⁽¹⁾ | 2,928,004,046 | 66.2 |
| Public Shareholders | 1,496,104,806 | 33.8 |
| Total | 4,424,108,852 | 100.0 |

Note:

- (1) Pursuant to a shareholders' agreement among the controlling shareholders dated 14 September 2004, in the event that any of the controlling shareholders (the "Controlling Shareholders") (as such term is defined under the Listing Rules) of the Company wish(es) to dispose of the Shares held by him/them as of the listing date of the Company, each of the other Controlling Shareholder(s) shall have a pre-emption right to purchase such Shares. As of the date of this annual report, the Controlling Shareholders, being parties acting in concert as a result of the shareholders' agreement mentioned above, held 2,928,004,046 Shares, representing 66.2% of the total number of the Shares in issue. The Controlling Shareholders are, namely Dr. LEE Yin Yee, S.B.S. (the executive Director), Datuk Wira TUNG Ching Bor D.C.S.M (the executive Director), Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., (the executive Director), Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. NG Ngan Ho (the non-executive Director), Mr. LI Man Yin, Mr. SZE Nang Sze (the non-executive Director), Mr. LI Ching Leung (the non-executive Director) and their respective associates and controlled corporations (as such term is defined under the Listing Rules).

Details of the share capital structure is set forth in the paragraphs under "Capital Structure" in the section headed "Management's Discussion and Analysis" in this annual report.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2025 and up to the date of this annual report.

AUDITOR

PricewaterhouseCoopers has retired as the auditor of the Company effective from the conclusion of the annual general meeting of the Company held on 30 May 2025. Ernst & Young has been appointed as the auditor of the Company following the retirement of PricewaterhouseCoopers effective from the 30 May 2025 and to hold office until the conclusion of the AGM.

The consolidated financial statements have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at AGM to re-appoint Ernst & Young and to authorise the Directors to fix their remuneration.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 29 May 2026, at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, at 11:00 a.m. The notice convening the AGM will be published on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.xinyiglass.com, and will be dispatched to the Shareholders in due course.

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for entitlement to attend and vote at the AGM is Friday, 29 May 2026. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar 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 for registration not later than 4:30 p.m. on Friday, 22 May 2026.

The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for entitlement of the Final Dividend is Monday, 8 June 2026. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar 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, for registration not later than 4:30 p.m. on Wednesday, 3 June 2026.

On Behalf of the Board

Dr. LEE Yin Yee, S.B.S.

Chairman

Hong Kong, 27 February 2026

Independent Auditor's Report



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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To the shareholders of Xinyi Glass Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Xinyi Glass Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 187, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 ("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 ("HKSA") 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Impairment of trade receivables</p> <p>As at 31 December 2025, the Group's trade receivables amounted to approximately RMB1,988 million, representing 4% of the total assets of the Group.</p> <p>Provisions are made for loss allowance of trade receivables where the Group expects the balances will not be collectible. As the provision for loss allowance of trade receivables involves significant management judgement and estimations, this is identified as a key audit matter.</p> <p>The Group's trade receivables are categorised based on similar credit risk characteristics and ageing profiles. The Group provides for the loss allowance of trade receivables based on an assessment of the recoverability of overdue and long-aged trade receivables on individual customer basis and the lifetime expected credit loss allowance on each group of trade receivables. The lifetime expected credit loss allowance is measured based on past settlement history and the historical default rates over the expected life of the trade receivables with similar credit risk characteristics as adjusted with forward-looking information on macroeconomic factors that affects the ability of the customers to settle the receivables.</p> <p>Related disclosures are included in notes 3(c), 4, 20 and 37.12 to the consolidated financial statements.</p> | <p>Our procedures in relation to the provision of loss allowances of trade receivables included:</p> <p>We assessed the appropriateness of the methodology in determining the expected credit losses of trade receivables. We also considered whether the judgements and significant assumptions used by management would give rise to indicators of possible management bias.</p> <p>We assessed the reasonableness of forward-looking information adopted by management by reference to external market data or industry information.</p> <p>We tested, on a sample basis, the accuracy of the ageing profile of the trade receivables used in the calculation of expected credit losses.</p> |

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with 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

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 to 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 Lam Wai Ming, Ada (practising certificate number: P04699).

Ernst & Young
Certified Public Accountants
Hong Kong

27 February 2026



Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2025

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|--|-------------|-------------------------|-------------------------|
| Revenue | 5 | 20,829,014 | 22,323,569 |
| Cost of sales | 7 | <u>(14,347,222)</u> | <u>(15,091,812)</u> |
| Gross profit | | 6,481,792 | 7,231,757 |
| Other income and gains – net | 5 | 722,665 | 994,456 |
| Other losses | 6 | (360,584) | (661,271) |
| Selling and marketing expenses | 7 | (1,181,758) | (1,055,656) |
| Administrative and other operating expenses | 7 | (2,220,541) | (2,244,027) |
| Net impairment losses on financial assets | 7 | <u>(589,826)</u> | <u>(79,759)</u> |
| Operating profit | | 2,851,748 | 4,185,500 |
| Finance income | 9 | 34,540 | 46,686 |
| Finance costs | 9 | (122,594) | (181,026) |
| Share of net profits of associates | 14 | <u>141,407</u> | <u>196,869</u> |
| Profit before Income tax | | 2,905,101 | 4,248,029 |
| Income tax expense | 10 | <u>(167,667)</u> | <u>(876,119)</u> |
| Profit for the year | | <u>2,737,434</u> | <u>3,371,910</u> |
| Profit for the year attributable to: | | | |
| – Equity holders of the Company | | 2,729,004 | 3,369,173 |
| – Non-controlling interests | | <u>8,430</u> | <u>2,737</u> |
| | | <u>2,737,434</u> | <u>3,371,910</u> |
| Earnings per share attributable to the equity holders of the Company (expressed in RMB cents per share) | | | |
| – Basic | 11 | 62.31 | 79.23 |
| – Diluted | 11 | <u>62.31</u> | <u>79.23</u> |

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2025

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|------------------|
| Profit for the year | 2,737,434 | 3,371,910 |
| Other comprehensive income/(loss) for the year, net of tax: | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Currency translation differences of the Company's financial statements | (159,326) | 133,433 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax | 184,746 | 104,713 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Currency translation differences of foreign operations | 84,478 | (191,953) |
| Share of other comprehensive income of associates | 44,207 | 57,668 |
| Total other comprehensive income for the year | 154,105 | 103,861 |
| Total comprehensive income for the year | 2,891,539 | 3,475,771 |
| Total comprehensive income for the year attributable to: | | |
| – Equity holders of the Company | 2,882,968 | 3,473,527 |
| – Non-controlling interests | 8,571 | 2,244 |
| | 2,891,539 | 3,475,771 |

Consolidated Statement of Financial Position

As at 31 December 2025

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|---|-------------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 18,123,845 | 18,911,460 |
| Right-of-use assets | 16 | 3,742,195 | 3,874,347 |
| Investment properties | 17 | 2,793,323 | 1,769,631 |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | 20 | 319,678 | 1,312,026 |
| Intangible assets | 18 | 1,097,521 | 1,141,163 |
| Investments in associates | 14 | 9,417,882 | 9,203,629 |
| Fixed bank deposits | 22 | 212,000 | 70,000 |
| Deferred income tax assets | 28 | 4,565 | 5,152 |
| | | <u>35,711,009</u> | <u>36,287,408</u> |
| Current assets | | | |
| Inventories | 19 | 3,543,410 | 3,492,205 |
| Trade and bills receivables | 20 | 3,209,241 | 3,284,584 |
| Prepayments, deposits and other receivables | 20 | 2,326,207 | 3,352,919 |
| Financial assets at fair value through profit and loss | 21 | 128,091 | 21,928 |
| Pledged bank deposits | 22 | 79,628 | 83,137 |
| Fixed bank deposits | 22 | — | 100,000 |
| Cash and cash equivalents | 22 | 2,626,042 | 1,456,115 |
| | | <u>11,912,619</u> | <u>11,790,888</u> |
| Total assets | | <u>47,623,628</u> | <u>48,078,296</u> |

Consolidated Statement of Financial Position

As at 31 December 2025

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|---|-------------|-------------------|-------------------|
| EQUITY | | | |
| Equity attributable to the equity holders of the Company | | | |
| Share capital | 23 | 414,497 | 408,378 |
| Share premium | 23 | 2,603,148 | 3,048,090 |
| Other reserves | 25 | 3,467,763 | 3,256,030 |
| Retained earnings | 25 | 30,323,466 | 27,572,287 |
| | | <u>36,808,874</u> | <u>34,284,785</u> |
| Non-controlling interests | | <u>49,110</u> | <u>92,356</u> |
| Total equity | | <u>36,857,984</u> | <u>34,377,141</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Bank borrowings | 27 | 1,305,050 | 1,882,219 |
| Deferred income tax liabilities | 28 | 613,106 | 579,096 |
| Lease liabilities | 16 | 17 | 2,743 |
| Other payables | 26 | 77,848 | 112,231 |
| | | <u>1,996,021</u> | <u>2,576,289</u> |
| Current liabilities | | | |
| Trade, other payables and contract liabilities | 26 | 4,488,730 | 4,653,190 |
| Current income tax liabilities | | 778,781 | 1,034,471 |
| Lease liabilities | 16 | 2,990 | 6,336 |
| Bank borrowings | 27 | 3,499,122 | 5,430,869 |
| | | <u>8,769,623</u> | <u>11,124,866</u> |
| Total liabilities | | <u>10,765,644</u> | <u>13,701,155</u> |
| Total equity and liabilities | | <u>47,623,628</u> | <u>48,078,296</u> |

LEE Yin Yee, S.B.S.
Chairman

LEE Shing Kan, M.H.
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2025

| | Notes | Attributable to the equity holders of the Company | | | | | Non-controlling interests | Total equity |
|---|-------|---|---------------|----------------|-------------------|------------|---------------------------|--------------|
| | | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | | |
| Balance at 1 January 2025 | | 408,378 | 3,048,090 | 3,256,030 | 27,572,287 | 34,284,785 | 92,356 | 34,377,141 |
| Profit for the year | | — | — | — | 2,729,004 | 2,729,004 | 8,430 | 2,737,434 |
| Other comprehensive income | | | | | | | | |
| Currency translation differences | | — | — | (74,989) | — | (74,989) | 141 | (74,848) |
| Share of other comprehensive income of associates | 14 | — | — | 44,207 | — | 44,207 | — | 44,207 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax | 17 | — | — | 184,746 | — | 184,746 | — | 184,746 |
| Total comprehensive income for the year | | — | — | 153,964 | 2,729,004 | 2,882,968 | 8,571 | 2,891,539 |
| Transactions with owners | | | | | | | | |
| Employees share option scheme: | | | | | | | | |
| – value of employee services | 8, 24 | — | — | 79,944 | — | 79,944 | — | 79,944 |
| – adjustment relating to expired share options | | — | — | (128,866) | 128,866 | — | — | — |
| Issuance of shares in respect of scrip dividend of 2024 final dividend and 2025 interim dividend | 23(a) | 6,690 | 510,333 | — | — | 517,023 | — | 517,023 |
| Repurchase and cancellation of shares | 23(b) | (571) | (45,029) | 571 | (571) | (45,600) | — | (45,600) |
| Transfer to reserve | 25 | — | — | 115,010 | (115,010) | — | — | — |
| Disposal of a subsidiary | | — | — | (8,890) | 8,890 | — | (4,492) | (4,492) |
| Dividends relating to 2024 | | — | (408,444) | — | — | (408,444) | — | (408,444) |
| Dividends relating to 2025 | 12 | — | (501,802) | — | — | (501,802) | — | (501,802) |
| Dividend paid to non-controlling interest | | — | — | — | — | — | (47,325) | (47,325) |
| Total transactions with owners | | 6,119 | (444,942) | 57,769 | 22,175 | (358,879) | (51,817) | (410,696) |
| Balance at 31 December 2025 | | 414,497 | 2,603,148 | 3,467,763 | 30,323,466 | 36,808,874 | 49,110 | 36,857,984 |

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

| | Notes | Attributable to the equity holders of the Company | | | | | Non-controlling interests | Total equity |
|---|-------|---|---------------|----------------|-------------------|-------------|---------------------------|--------------|
| | | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | | |
| Balance at 1 January 2024 | | 396,222 | 2,246,103 | 2,979,129 | 26,968,445 | 32,589,899 | 104,753 | 32,694,652 |
| Profit for the year | | — | — | — | 3,369,173 | 3,369,173 | 2,737 | 3,371,910 |
| Other comprehensive income | | | | | | | | |
| Currency translation differences | | — | — | (58,027) | — | (58,027) | (493) | (58,520) |
| Share of other comprehensive income of associates | 14 | — | — | 57,668 | — | 57,668 | — | 57,668 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax | 17 | — | — | 104,713 | — | 104,713 | — | 104,713 |
| Total comprehensive income for the year | | — | — | 104,354 | 3,369,173 | 3,473,527 | 2,244 | 3,475,771 |
| Transactions with owners | | | | | | | | |
| Employees share option scheme: | | | | | | | | |
| – proceeds from shares issued | 24 | 184 | 17,942 | (1,946) | — | 16,180 | — | 16,180 |
| – value of employee services | 24 | — | — | 81,129 | — | 81,129 | — | 81,129 |
| – adjustment relating to expired share options | | — | — | (23,100) | 23,100 | — | — | — |
| Issuance of shares in respect of scrip dividend of 2023 final dividend and 2024 interim dividend | 23(a) | 11,972 | 784,045 | — | — | 796,017 | — | 796,017 |
| Transfer to reserve | 25 | — | — | 116,464 | (116,464) | — | — | — |
| Acquisition of non-controlling interest | | — | — | — | — | — | (217) | (217) |
| Liquidation of a subsidiary | | — | — | — | — | — | (4,302) | (4,302) |
| Dividends relating to 2023 | | — | — | — | (1,446,942) | (1,446,942) | — | (1,446,942) |
| Dividends relating to 2024 | 12 | — | — | — | (1,225,025) | (1,225,025) | — | (1,225,025) |
| Dividend paid to non-controlling interest | | — | — | — | — | — | (10,122) | (10,122) |
| Total transactions with owners | | 12,156 | 801,987 | 172,547 | (2,765,331) | (1,778,641) | (14,641) | (1,793,282) |
| Balance at 31 December 2024 | | 408,378 | 3,048,090 | 3,256,030 | 27,572,287 | 34,284,785 | 92,356 | 34,377,141 |

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

| | <i>Notes</i> | 2025 RMB'000 | 2024 RMB'000 |
|---|--------------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 29(a) | 5,929,992 | 6,686,889 |
| Interest paid | | (177,202) | (268,784) |
| Income tax paid | | (431,290) | (828,404) |
| Net cash generated from operating activities | | 5,321,500 | 5,589,701 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (1,341,720) | (4,704,896) |
| Purchase of intangible assets | | — | (15,148) |
| Proceeds from disposal of property, plant and equipment | 29(b) | 146,230 | 87,346 |
| Proceeds from compensation for surrendering of leasehold land and related property, plant and equipment | 29(b) | 166,492 | — |
| Proceeds from disposal of intangible assets | | 29,245 | — |
| Additions to investment properties | | (11,708) | (11,359) |
| Payment for right-of-use assets | | (88,562) | (352,991) |
| Proceeds from disposal of financial assets at fair value through profit and loss | | — | 65,394 |
| Purchase of financial assets at fair value through profit and loss | | (102,273) | (49,188) |
| Proceeds from disposal of investment in an associate | | 8,087 | — |
| Addition to investments in associates | 14 | (166,678) | (263,313) |
| Dividends received from associates | 14 | 109,935 | 508,504 |
| Advanced to an associate | | (72,142) | (578,926) |
| Repayment from an associate | | — | 294,242 |
| Placement of fixed and pledged deposits | | (202,000) | (150,000) |
| Proceed from withdrawal of fixed and pledged deposits | | 163,509 | 1,205,626 |
| Acquisition of non-controlling interest | | — | (217) |
| Proceeds from disposal of a subsidiary | 30 | 47,423 | — |
| Liquidation of a subsidiary | | — | (4,302) |
| Interest received | | 34,540 | 46,686 |
| Net cash used in investing activities | | (1,279,622) | (3,922,542) |

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|--|-------------|--------------------|--------------------|
| Cash flows from financing activities | | | |
| Proceeds from bank borrowings | | 3,326,689 | 5,417,639 |
| Repayment of bank borrowings | | (5,747,688) | (5,579,923) |
| Principal portion of lease payments | | (6,511) | (6,811) |
| Interest portion of lease payments | | (397) | (779) |
| Shares repurchased and cancelled | | (45,600) | — |
| Net proceeds from issuance of ordinary shares by share options | | — | 16,180 |
| Dividends paid to shareholders of the Company | | (393,223) | (1,875,950) |
| Dividends paid to non-controlling interests | | (47,325) | (10,122) |
| Net cash used in financing activities | | (2,914,055) | (2,039,766) |
| Net increase/(decrease) in cash and cash equivalents | | 1,127,823 | (372,607) |
| Cash and cash equivalents at beginning of the year | | 1,456,115 | 1,814,614 |
| Effect of foreign exchange rate changes on cash and cash equivalents | | 42,104 | 14,108 |
| Cash and cash equivalents at end of the year | 22 | 2,626,042 | 1,456,115 |

Notes to the Consolidated Financial Statements

1 CORPORATE AND GROUP INFORMATION

Xinyi Glass Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in the production and sales of float glass, automobile glass and architectural glass, which are carried out internationally, through the production complexes located in the People’s Republic of China (the “PRC”), Malaysia and Indonesia.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company is a limited liability company incorporated in the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2 BASIS OF PREPARATION

(A) BASIS OF PRESENTATION

These consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“FVTPL”) and investment properties which have been measured at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4 to the financial statements.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION (Continued)

(B) AMENDMENTS TO STANDARDS ADOPTED BY THE GROUP

The following amendments to existing standards are mandatory for accounting periods beginning on or after 1 January 2025.

| | |
|---|--|
| Amendments to HKAS 21 | <i>Lack of Exchangeability</i> |
| Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 | <i>Disclosures about Uncertainties in the Financial statements</i> |

The above amendments did not have any impact on the Group's financial statements.

- (C) The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRSs, if applicable, when they become effective.

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | <i>Amendments to the Classification and Measurement of Financial Instruments¹</i> |
| Amendments to HKFRS 9 and HKFRS 7 <i>Annual Improvement to HKFRS Accounting Standards - Volume 11</i> | <i>Contracts Referencing Nature-dependent Electricity¹</i> |
| Amendments to HKAS 21 HKFRS 18 | <i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7¹</i> |
| Amendments to HKAS 21 HKFRS 18 | <i>Translation to a Hyperinflationary Presentation Currency²</i> |
| HKFRS 19 and its amendments | <i>Presentation and Disclosure in Financial Statements²</i> |
| Amendments to HKFRS 10 and HKAS 28 | <i>Subsidiaries without Public Accountability: Disclosures²</i> |
| | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i> |

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

2 BASIS OF PREPARATION (Continued)

(C) (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION (Continued)

(C) (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "Own use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2 BASIS OF PREPARATION (Continued)

(C) (Continued)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to various types of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(A) FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC, Malaysia and Hong Kong with most of the transactions denominated and settled in RMB, United States dollar ("US\$") and Hong Kong dollar ("HK\$"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group manages its foreign exchange risks by performing regular reviews and arranges hedges against foreign exchange exposures when considered necessary. Details of the Group's trade and bills and other receivables, pledged bank deposits, fixed bank deposits, cash and cash equivalents, trade and other payables, and bank borrowings are disclosed in Notes 20, 22, 26 and 27 to the consolidated financial statements.

The foreign exchange risk mainly caused by the functional currency of relevant group entity in HK\$ and the exposed foreign exchange risk arising from their trade and bills and other receivables, pledged bank deposits, fixed bank deposits, cash and cash equivalents, trade and other payables, and bank borrowings denominated in RMB. As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against HK\$ with all other variables held constant, profit after income tax for the year would have been approximately RMB25,144,000 (2024: RMB 237,934,000) higher/lower.

(B) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Group's interest rate risk is mainly attributable to its cash and cash equivalents, fixed deposits, pledged bank deposits and bank borrowings. Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk. Details of the Group's cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings have been disclosed in Notes 22 and 27 to the consolidated financial statements.

As at 31 December 2025, if HK\$ interest rates on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings had been 25 (2024: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB90,000 (2024: RMB285,000) higher/lower (2024: lower/higher), mainly as a result of higher/lower net interest income (2024: interest expense) on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(B) CASH FLOW AND FAIR VALUE INTEREST RATE RISK (Continued)

As at 31 December 2025, if RMB interest rates on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings had been 25 (2024: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB1,910,000 (2024: RMB6,387,000) lower/higher, mainly as a result of higher/lower net interest expenses on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings.

As at 31 December 2025, if US\$ interest rates on cash and cash equivalents, pledged bank deposits and bank borrowings had been 25 (2024: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB876,000 higher/lower (2024: RMB570,000 higher/lower), mainly as a result of higher/lower net interest income (2024: net interest income) on cash and cash equivalents, pledged bank deposits and bank borrowings.

(C) CREDIT RISK

The Group's credit risk arises from cash and cash equivalents at bank, fixed bank deposits, pledged bank deposits, trade, bills and other receivables, and financial assets at FVTPL. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

| | 2025 | 2024 |
|--|-----------|-----------|
| | RMB'000 | RMB'000 |
| Cash and cash equivalents at bank | 2,622,386 | 1,451,691 |
| Fixed bank deposits (Note 22) | 212,000 | 170,000 |
| Pledged bank deposits (Note 22) | 79,628 | 83,137 |
| Financial assets at FVTPL | 96,000 | — |
| Trade and bills receivables, and financial assets included in prepayments, deposits and other receivables | 4,394,147 | 5,201,504 |
| Maximum exposure to credit risk | 7,404,161 | 6,902,332 |

As at 31 December 2025 and 2024, most of the bank deposits are deposited with reputable banks in Hong Kong and state-owned banks in the PRC. The credit quality of cash and bank balances has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

In respect of trade, bills and other receivables, the Group has policies in place to ensure that the sales of products are made to counterparties or customers with appropriate credit history and the Group performs credit evaluations of these counterparties and its customers.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(C) CREDIT RISK (Continued)

The credit period of the majority of the Group's trade receivables is within 90 days and largely comprises amounts receivable from business customers.

There is limited degree of concentration of credit risks of the Group (Note 20(b) to the financial statements).

In order to minimise the credit risks, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate provision for expected credit losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group has the following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents at bank
- fixed bank deposits
- pledged bank deposits
- trade, bills and other receivables (including deposit)

While cash and cash equivalents, fixed bank deposits and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade, bills and other receivables (including deposit)

The Group applies HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been assessed on a collective group basis based on different credit risk characteristics.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(C) CREDIT RISK (Continued)

Trade, bills and other receivables (including deposit) (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2025 and 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, e.g. growth rates of real gross domestic product affecting the ability of the customers to settle the receivables.

| 31 December 2025 | Current | 1 - 90 days pass due | 91 - 180 days pass due | 181 - 365 days pass due | 1 - 2 years pass due | Over 2 years pass due | Total |
|---------------------------------|--------------------|----------------------------|------------------------------|-------------------------------|----------------------------|-----------------------------|-----------|
| | Expected loss rate | 0.2% | 0.6% | 15.2% | 39.4% | 65.0% | |
| Gross carrying amount (RMB'000) | 1,710,628 | 248,671 | 19,000 | 20,879 | 10,415 | 12,232 | 2,021,825 |
| Loss allowance (RMB'000) | 2,796 | 1,371 | 2,886 | 8,216 | 6,772 | 12,232 | 34,273 |

| 31 December 2024 | Current | 1 - 90 days pass due | 91 - 180 days pass due | 181 - 365 days pass due | 1 - 2 years pass due | Over 2 years pass due | Total |
|---------------------------------|--------------------|----------------------------|------------------------------|-------------------------------|----------------------------|-----------------------------|-----------|
| | Expected loss rate | 0.3% | 2.2% | 22.3% | 30.6% | 56.6% | |
| Gross carrying amount (RMB'000) | 1,659,209 | 200,317 | 15,184 | 14,139 | 21,667 | 18,057 | 1,928,573 |
| Loss allowance (RMB'000) | 4,978 | 4,407 | 3,386 | 4,326 | 12,263 | 18,057 | 47,417 |

Movements of loss allowance of trade receivables are set out in Note 20(b) to the financial statements.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(C) CREDIT RISK (Continued)

Trade, bills and other receivables (including deposit) (Continued)

For other receivables (including deposits), the Group applies the general approach to provide for expected credit losses prescribed by HKFRS 9. The determination of the expected credit losses also incorporates forward-looking information. The Group has established a policy to perform an assessment as at 31 December 2025 and 2024, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group classifies its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - When the financial assets are first recognised, the Group recognises an allowance based on 12 months' expected credit losses.
- Stage 2 - When the financial assets have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses.
- Stage 3 - The financial assets are considered credit-impaired. The Group records an allowance for the lifetime expected credit losses.

An impairment analysis is performed at each reporting date using the probability of default approach to measure expected credit losses. The probabilities of default rates are estimated based on comparable companies with published credit ratings. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information.

The bills receivables are bank acceptance notes issued by banks in the PRC. The credit quality of bills receivables has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of bills receivables are assessed to be immaterial and no provision was made as at 31 December 2025 and 2024.

For other financial assets at amortised cost, including other receivables and deposits, management considers whether their credit risk has increased since initial recognition with reference to the external credit ratings, counterparty historical default rate and current financial position. In view of the history of cooperation with the debtors and collection from them, deposits and other receivables of RMB82,179,000 are classified in Stage 1 as at 31 December 2025 (2024: RMB274,546,000) and the credit risk inherent in these other receivables is not significant. The loss rate allowance associated these deposits and other receivables was minimal.

For the remaining deposits and other receivables of RMB1,769,865,000 as at 31 December 2025 (2024: RMB1,713,028,000), it was classified in Stage 2 and the loss allowance associated with these deposits and other receivables was RMB667,138,000 (2024: RMB70,654,000) as at 31 December 2025. A loss rate of 37.7% (2024: 4.1%) was applied as at 31 December 2025.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(D) PRICE RISK

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position as financial assets at FVTPL (Note 21).

The Group does not have formal policy to manage its price risk arising from investments in equity securities.

With all other variables held constant, if the market price of financial assets at FVTPL measured at fair value had been 10% (2024: 10%) higher/lower than the actual closing price as at year end, the equity as at 31 December 2025 would increase/decrease by approximately RMB3,209,000 (2024: RMB2,193,000).

(E) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Over 5 years RMB'000 | Total RMB'000 |
|--|--------------------------------|-------------------------------------|-------------------------------------|-------------------------|------------------|
| At 31 December 2025 | | | | | |
| Bank borrowings and interest payables | 3,547,542 | 481,930 | 854,195 | — | 4,883,667 |
| Trade and other payables excluding non-financial liabilities | 3,073,758 | 77,848 | — | — | 3,151,606 |
| Lease liabilities | 3,007 | 37 | — | — | 3,044 |
| Total | 6,624,307 | 559,815 | 854,195 | — | 8,038,317 |

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(E) LIQUIDITY RISK (Continued)

| | Less than 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Over 5 years RMB'000 | Total RMB'000 |
|--|--------------------------------|-------------------------------------|-------------------------------------|-------------------------|-------------------|
| At 31 December 2024 | | | | | |
| Bank borrowings and interest payables | 5,569,472 | 1,644,525 | 264,611 | 38,573 | 7,517,181 |
| Trade and other payables excluding non-financial liabilities | 3,416,317 | 112,231 | — | — | 3,528,548 |
| Lease liabilities | 6,723 | 2,786 | — | — | 9,509 |
| Total | 8,992,512 | 1,759,542 | 264,611 | 38,573 | 11,055,238 |

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group will consider the macro economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may raise funding through capital market or bank borrowings as necessary.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings (including "current and non-current bank borrowings" as shown in the consolidated statement of financial position) plus lease liabilities less cash and cash equivalents, fixed bank deposits and pledged bank deposits.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(E) LIQUIDITY RISK (Continued)

The gearing ratios at 31 December 2025 and 2024 were as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|--------------------|--------------------|
| Total bank borrowings (<i>Note 27</i>) and lease liabilities (<i>Note 16</i>) | 4,807,179 | 7,322,167 |
| Less: cash and cash equivalents, fixed bank deposits and pledged bank deposits (<i>Note 22</i>) | <u>(2,917,670)</u> | <u>(1,709,252)</u> |
| Net debt | <u>1,889,509</u> | <u>5,612,915</u> |
| Total equity | <u>36,857,984</u> | <u>34,377,141</u> |
| Gearing ratio | <u>5.1%</u> | <u>16.3%</u> |

(F) FAIR VALUE ESTIMATION

Fair value hierarchy

The carrying values of financial instruments measured at fair value at the end of the reporting period are categorised among the three levels of the fair value hierarchy defined in HKFRS 13 *Fair value Measurement*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(F) FAIR VALUE ESTIMATION (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair values at 31 December 2025 and 31 December 2024:

| | Note | Level 1 RMB'000 | Level 2 RMB'000 | Level 3 RMB'000 | Total RMB'000 |
|-------------------------------|------|--------------------|--------------------|--------------------|------------------|
| At 31 December 2025 | | | | | |
| Financial assets at FVTPL | | | | | |
| – Listed equity securities | 21 | 25,206 | — | — | 25,206 |
| – Structured deposits | | — | 96,000 | — | 96,000 |
| – Derivative financial assets | | 6,885 | — | — | 6,885 |
| | | <u>32,091</u> | <u>96,000</u> | <u>—</u> | <u>128,091</u> |
| At 31 December 2024 | | | | | |
| Financial assets at FVTPL | | | | | |
| – Listed equity securities | 21 | 21,821 | — | — | 21,821 |
| – Derivative financial assets | | 107 | — | — | 107 |
| | | <u>21,928</u> | <u>—</u> | <u>—</u> | <u>21,928</u> |

There were no transfers among level 1, 2 and 3 during the year ended 31 December 2025 (2024: nil).

Save as the forementioned financial asset at FVTPL, the Group's financial instruments recognised in the consolidated statement of financial position are mainly cash and cash equivalents, fixed bank deposits, pledged bank deposits, trade, bills and other receivables (including deposits), bank borrowings, trade and other payables and lease liabilities. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivables and payables is either close to current market rates or the instruments are short-term in nature.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(A) IMPAIRMENT OF TRADE, BILLS AND OTHER RECEIVABLES

The Group makes provision for expected credit losses of trade, bills and other receivables based on an estimate of the recoverability of these receivables. Provisions are applied to trade, bills and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade, bills and other receivables requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and the provision for expected credit losses in the period in which such estimate has been changed.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(c).

Information about the carrying amounts of trade, bills and other receivables is disclosed in Note 20 to the financial statements.

(B) PROPERTY, PLANT AND EQUIPMENT

Useful lives

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of these assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to changes in market conditions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment assessment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of fair value less costs of disposal and value-in-use calculations, taking into account the latest market information, past experience and the sustainability of the financial performance in the foreseeable future.

Information about the carrying amount of property, plant and equipment is disclosed in Note 15 to the financial statements.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(C) FAIR VALUE OF INVESTMENT PROPERTIES

Except for an investment property of RMB2,563,000 (2024: RMB2,563,000) which is stated at cost, the Group's investment properties are carried at their fair values at 31 December 2025 amounting to RMB2,790,760,000 (2024: RMB1,767,068,000). The fair values were based on valuation on these properties conducted by independent professionally qualified valuers using property valuation techniques which involve certain assumptions of market conditions. Favorable or unfavorable changes to these assumptions would result in changes in the fair values of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognised in the consolidated statement of profit or loss.

Information about the valuation of investment properties is provided in Note 17 to the financial statements.

(D) INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Estimation of useful life of float glass production capacity

Float glass production capacity that is considered to have an indefinite useful life is not amortised and is tested for impairment annually and when there is an indication that it may be impaired. Float glass production capacity is considered to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate net cash inflows. Judgement is required to estimate the useful life of float glass production capacity.

Impairment of intangible assets with indefinite useful life

The Group tests whether intangible assets with indefinite useful life has suffered any impairment on an annual basis. If the fair value less cost of disposal exceed the carrying amount of the intangible assets with indefinite useful life, there is no impairment. If not, the impairment test is performed at the cash-generating unit ("CGU") level for which the intangible assets with indefinite useful lives have been allocated to. The recoverable amount of CGUs was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Information about the carrying amount of intangible assets with indefinite useful life is disclosed in Note 18 to the financial statements.

(E) PROVISION FOR INVENTORIES

The provision for inventories involves significant management judgement based on consideration of key factors such as estimated future selling prices and selling expenses of the respective inventories. Management reassesses these estimation of provision for inventories at the end of each reporting period.

Information about the carrying amount of inventories is disclosed in Note 19 to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(F) CURRENT AND DEFERRED INCOME TAX

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax liabilities of the Group mainly arise from fair value gain from investment properties and unremitted earnings of the PRC subsidiaries. The realisability of the deferred income tax liabilities and assets mainly depends on its subsidiaries' dividend pay-out ratio and whether sufficient future profits or taxable temporary differences will be available in the future, whichever is applicable. In cases where the actual dividend pay-out ratio is more than expected or future profits generated are less than expected, such difference will impact the income taxes in the periods in which such estimates have been changed.

Information about the carrying amounts of current and deferred income tax is disclosed in Notes 10 and 28 to the financial statements.

Notes to the Consolidated Financial Statements

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION

Revenue and other income and gains - net recognised during the year are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-------------------|-------------------|
| Revenue | | |
| Sales of glass | 20,829,014 | 22,323,569 |
| – Sales of float glass | 11,514,157 | 12,909,925 |
| – Sales of automobile glass | 6,861,286 | 6,304,742 |
| – Sales of architectural glass | 2,453,571 | 3,108,902 |
| | <u>20,829,014</u> | <u>22,323,569</u> |
| Other income and gains - net | | |
| Rental income | 130,990 | 118,558 |
| Government grants (<i>Note (a)</i>) | 267,409 | 329,897 |
| Insurance compensation income | 7,008 | 16,615 |
| Income from sale of electricity (<i>Note (b)</i>) | 130,166 | 109,645 |
| Income from sale of automatic machines (<i>Note (c)</i>) | 1,186 | 55,362 |
| Shipping service income | 32,335 | 24,487 |
| Gain on disposal of a subsidiary (<i>Note 30</i>) | 30,376 | — |
| Compensation for surrendering leasehold land and related property, plant and equipment, net | 150,946 | — |
| Gain on disposal of intangible assets | 2,003 | — |
| Fair value gains/(losses) on financial assets at FVTPL (<i>Note 21</i>) | 3,890 | (492) |
| Foreign exchange (losses)/gains, net | (96,072) | 272,907 |
| Others | 62,428 | 67,477 |
| | <u>722,665</u> | <u>994,456</u> |

Notes:

- (a) Government grants mainly represent grants obtained from the PRC government in relation to the refund of value-added tax, land use tax and other operating costs of certain PRC subsidiaries. There are no unfulfilled conditions or contingencies relating to these grants.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

- (b) It represents income from sale of electricity generated from its wind power and solar power plants.
- (c) It represents the net income from sale of automatic machines for solar glass factory and other related industry and netted of the related cost of sales.

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

ACCOUNTING POLICY OF REVENUE AND OTHER INCOME RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

Revenue is recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

In some circumstances, the Group may not be able to reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

(a) *Sales of glass*

The Group manufactures and sells glass products. Revenue from sales of glass products are recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional and only the passage of time is required before the payment is due.

Notes to the Consolidated Financial Statements

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

ACCOUNTING POLICY OF REVENUE AND OTHER INCOME RECOGNITION (Continued)

(a) Sales of glass (Continued)

There is no material contract fulfilment cost or cost of obtaining contracts incurred by the Group.

The Group has applied the practical expedient in HKFRS 15 to all of its revenue for not disclosing the remaining performance obligations under the Group's existing contracts as the performance obligations are expected to be recognised as revenue with an original expected duration of one year or less.

(b) Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instruments or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms.

Insurance compensation income is recognised when it is virtually certain that the compensation will be received and the amount can be reliably measured.

Income from sale of electricity is recognised at a point in time in the accounting period when electricity is generated and transmitted.

Income from sale of automatic machines is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

Shipping service income is recognised at a time when the delivery is completed.

SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Company's executive directors that are used to make strategic decisions.

The executive directors consider the business from an operational perspective. Generally, the executive directors consider the performance of business of each operating segment within the Group separately. Thus, each business within the Group is an individual operating segment.

Among these operating segments, they are aggregated into three segments based on the products sold: (1) float glass; (2) automobile glass; and (3) architectural glass

The executive directors assess the performance of the operating segments based on a measure of gross profit. The Group does not allocate operating costs to its segments as this information is not reviewed by the executive directors.

Sales between segments are carried out at terms mutually agreed by both parties. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss.

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2025 is as follows:

| | Automobile | | Architectural | Unallocated | Total |
|--|-------------|-------------|---------------|-------------|--------------|
| | Float glass | glass | glass | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Segment revenue | 14,003,411 | 6,861,286 | 2,453,571 | — | 23,318,268 |
| Inter-segment revenue | (2,489,254) | — | — | — | (2,489,254) |
| Revenue from external customers (Note) | 11,514,157 | 6,861,286 | 2,453,571 | — | 20,829,014 |
| Cost of sales | (9,444,268) | (3,147,544) | (1,755,410) | — | (14,347,222) |
| Gross profit | 2,069,889 | 3,713,742 | 698,161 | — | 6,481,792 |
| Depreciation charge | | | | | |
| – property, plant and equipment (Note 15) | 1,099,559 | 138,452 | 109,050 | 36,910 | 1,383,971 |
| – right-of-use assets (Note 16) | 50,369 | 7,089 | 2,153 | 56,687 | 116,298 |
| Amortisation charge | | | | | |
| – intangible assets (Note 18) | 15,192 | 1,208 | — | — | 16,400 |
| (Decrease)/increase in provision for loss allowance, net | (9,710) | (1,012) | 4,064 | 596,484 | 589,826 |
| Losses on disposal of property, plant and equipment | 144,455 | 7,119 | 8,584 | 1,171 | 161,329 |
| Impairment losses of property, plant and equipment | 156,838 | — | — | — | 156,838 |
| Share of net profits of associates | — | — | — | 141,407 | 141,407 |

Note:

The Group's revenue from all segments during the year ended 31 December 2025 have been recognised at point in time.

Notes to the Consolidated Financial Statements

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

| | Assets and liabilities | | | | Total RMB'000 |
|---|------------------------|--------------------------------|-----------------------------------|------------------------|------------------|
| | Float glass RMB'000 | Automobile glass RMB'000 | Architectural glass RMB'000 | Unallocated RMB'000 | |
| Total assets | 24,462,631 | 5,360,036 | 1,930,170 | 15,870,791 | 47,623,628 |
| Total assets included: | | | | | |
| Investments in associates (Note 14) | — | — | — | 9,417,882 | 9,417,882 |
| Investment properties (Note 17) | — | — | — | 2,793,323 | 2,793,323 |
| Additions to non-current assets (other than financial assets and deferred income tax assets) | 519,636 | 387,074 | 239,632 | 451,651 | 1,597,993 |
| Total liabilities | 4,354,438 | 1,185,827 | 1,054,394 | 4,170,985 | 10,765,644 |

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2024 is as follows:

| | Float glass RMB'000 | Automobile glass RMB'000 | Architectural glass RMB'000 | Unallocated RMB'000 | Total RMB'000 |
|--|------------------------|--------------------------------|-----------------------------------|------------------------|------------------|
| Segment revenue | 15,343,516 | 6,304,742 | 3,108,902 | — | 24,757,160 |
| Inter-segment revenue | (2,433,591) | — | — | — | (2,433,591) |
| Revenue from external customers (Note) | 12,909,925 | 6,304,742 | 3,108,902 | — | 22,323,569 |
| Cost of sales | (9,966,250) | (3,004,801) | (2,120,761) | — | (15,091,812) |
| Gross profit | 2,943,675 | 3,299,941 | 988,141 | — | 7,231,757 |
| Depreciation charge | | | | | |
| – property, plant and equipment (Note 15) | 1,031,117 | 155,026 | 111,452 | 20,260 | 1,317,855 |
| – right-of-use assets (Note 16) | 48,644 | 7,206 | 2,775 | 70,564 | 129,189 |
| Amortisation charge | | | | | |
| – intangible assets (Note 18) | 1,713 | 1,255 | — | — | 2,968 |
| Increase in provision for loss allowance, net | 31 | 2,165 | 6,909 | 70,654 | 79,759 |
| Losses on disposal of property, plant and equipment | 12,162 | 20,552 | 424 | 279 | 33,417 |
| Impairment losses of property, plant and equipment | 502,097 | — | — | — | 502,097 |
| Impairment losses of right-of-use assets | 42,787 | — | — | — | 42,787 |
| Share of net profits of associates | — | — | — | 196,869 | 196,869 |

Note:

The Group's revenue from all segments during the year ended 31 December 2024 have been recognised at point in time.

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

| | Assets and liabilities | | | | |
|--|------------------------|------------------|------------------|------------------------|------------------|
| | Float glass RMB'000 | Automobile | Architectural | Unallocated RMB'000 | Total RMB'000 |
| | | glass RMB'000 | glass RMB'000 | | |
| Total assets | 23,622,776 | 6,173,720 | 1,965,539 | 16,316,261 | 48,078,296 |
| Total assets included: | | | | | |
| Investments in associates (<i>Note 14</i>) | — | — | — | 9,203,629 | 9,203,629 |
| Investment properties (<i>Note 17</i>) | — | — | — | 1,769,631 | 1,769,631 |
| Additions to non-current assets (other than financial assets and deferred income tax assets) | 4,062,894 | 267,403 | 342,233 | 739,760 | 5,412,290 |
| Total liabilities | 4,097,201 | 1,669,747 | 836,759 | 7,097,448 | 13,701,155 |

A reconciliation of segment gross profit to profit before income tax is provided as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Segment gross profit | 6,481,792 | 7,231,757 |
| Unallocated: | | |
| Other income and gains – net | 722,665 | 994,456 |
| Other losses | (360,584) | (661,271) |
| Selling and marketing expenses | (1,181,758) | (1,055,656) |
| Administrative and other operating expenses | (2,220,541) | (2,244,027) |
| Net impairment losses on financial assets | (589,826) | (79,759) |
| Finance income | 34,540 | 46,686 |
| Finance costs | (122,594) | (181,026) |
| Share of net profits of associates | 141,407 | 196,869 |
| Profit before income tax | 2,905,101 | 4,248,029 |

Notes to the Consolidated Financial Statements

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

Reportable segment assets/(liabilities) are reconciled to total assets/(liabilities) as follows:

| | Assets | | Liabilities | |
|--|-------------------|-------------------|---------------------|---------------------|
| | 2025 RMB'000 | 2024 RMB'000 | 2025 RMB'000 | 2024 RMB'000 |
| Segment assets/(liabilities) | 31,752,837 | 31,762,035 | (6,594,659) | (6,603,707) |
| Unallocated: | | | | |
| Property, plant and equipment | 1,522,772 | 2,068,039 | — | — |
| Right-of-use assets | 1,622,728 | 2,109,392 | — | — |
| Investment properties | 2,793,323 | 1,769,631 | — | — |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | 15,697 | 33,004 | — | — |
| Intangible assets | 18,228 | 19,885 | — | — |
| Financial assets at FVTPL | 32,091 | 21,928 | — | — |
| Investments in associates | 9,417,882 | 9,203,629 | — | — |
| Prepayments, deposits and other receivables | 156,752 | 921,632 | — | — |
| Cash and bank balances | 286,753 | 163,969 | — | — |
| Deferred income tax assets | 4,565 | 5,152 | — | — |
| Other payables | — | — | (261,096) | (436,142) |
| Current income tax liabilities | — | — | (3,067) | (68,857) |
| Deferred income tax liabilities | — | — | (406,510) | (375,709) |
| Bank borrowings | — | — | (3,500,312) | (6,216,740) |
| Total assets/(liabilities) | 47,623,628 | 48,078,296 | (10,765,644) | (13,701,155) |

The amounts provided to the executive directors with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment.

5. REVENUE, OTHER INCOME AND GAINS - NET AND SEGMENT INFORMATION (Continued)

The Group's revenue is mainly derived from customers located in Greater China (including Hong Kong and the PRC) and other countries whilst the Group's business activities are conducted predominately in Greater China. An analysis of the Group's sales by geographical area of its customers is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------|-------------------|-------------------|
| Greater China | 13,305,684 | 15,247,479 |
| Other countries | 7,523,330 | 7,076,090 |
| | 20,829,014 | 22,323,569 |

An analysis of the Group's non-current assets (excluding financial instruments and deferred income tax assets) by geographical area in which the assets are located is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------|-------------------|-------------------|
| Greater China | 32,143,159 | 33,102,667 |
| Malaysia | 1,370,873 | 1,347,663 |
| Other countries | 1,980,412 | 1,761,926 |
| | 35,494,444 | 36,212,256 |

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: None).

6. OTHER LOSSES

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Losses on disposal of property, plant and equipment | 161,329 | 33,417 |
| Impairment losses of property, plant and equipment | 156,838 | 502,097 |
| Impairment losses of right-of-use assets | — | 42,787 |
| Fair value losses on investment properties, net (<i>Note 17</i>) | 42,417 | 82,970 |
| | 360,584 | 661,271 |

Notes to the Consolidated Financial Statements

7. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, administrative and other operating expenses and net impairment losses on financial assets are analysed as follows

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-------------------|-------------------|
| Auditor's remuneration | | |
| – Audit services | 2,680 | 2,991 |
| Depreciation charge of property, plant and equipment (<i>Note 15</i>) | 1,383,971 | 1,317,855 |
| Depreciation charge of right-of-use assets (<i>Note 16</i>) | 116,298 | 129,189 |
| Amortisation charge of intangible assets (<i>Note 18</i>) | 16,400 | 2,968 |
| Employee benefit expenses (including directors' emoluments) (<i>Note 8</i>) | 2,269,191 | 2,210,505 |
| Cost of inventories (<i>Note 19</i>) | 10,659,840 | 11,518,398 |
| Transportation costs | 709,509 | 637,117 |
| Advertising costs | 4,104 | 8,184 |
| Research and development expenses | 485,132 | 520,643 |
| (Reversal of impairment)/impairment loss on trade receivables, net (<i>Note 20</i>) | (6,658) | 9,105 |
| Impairment losses on other receivables, net (<i>Note 20</i>) | 596,484 | 70,654 |
| Other expenses (<i>Note</i>) | 2,102,396 | 2,043,645 |
| Total cost of sales, selling and marketing costs and administrative and other operating expenses and net impairment losses on financial assets | 18,339,347 | 18,471,254 |

Note:

Other expenses mainly comprise custom duty expenses, other tax charges, insurance expenses and sundry expenses.

8. EMPLOYEE BENEFIT EXPENSES

| | 2025 | 2024 |
|--|------------------|------------------|
| | RMB'000 | RMB'000 |
| Wages and salaries | 1,960,868 | 1,919,529 |
| Share options granted to employees (Note 24) | 79,944 | 81,129 |
| Pension costs – defined contribution plans | 228,379 | 209,847 |
| Total | 2,269,191 | 2,210,505 |

The Group participates in a Mandatory Provident Fund scheme (the “MPF scheme”) in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. These plans are funded by contributions from employees and by the Group and the Group’s contributions to the plans are expensed as incurred. No forfeited contribution is available to reduce the contribution payable in future year. The assets are held separately from those of the Group and managed by related independent professional fund managers.

The Group’s subsidiaries in the PRC, Canada, Indonesia, Japan, Malaysia and Saudi Arabia also participate in defined contribution retirement schemes covering its employees in the PRC, Canada, Indonesia, Japan, Malaysia and Saudi Arabia. The schemes are administered by the relevant government authorities in the PRC, Canada, Indonesia, Japan, Malaysia and Saudi Arabia. The Group and the eligible employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the relevant countries. The subsidiaries have no other legal or constructive obligation apart from the required contributions under the scheme.

During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contribution for the current year (2024: nil). As at 31 December 2025, no forfeited contribution was available to reduce the contribution payable in future years.

FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include three (2024: four) directors whose emoluments are reflected in the analysis shown below. The emoluments payable to the remaining two individual (2024: one individual) during the year are as follows:

| | 2025 | 2024 |
|--|---------------|--------------|
| | RMB'000 | RMB'000 |
| Basic salaries and allowances | 2,418 | 1,411 |
| Discretionary and performance bonus | 7,359 | 4,746 |
| Employer’s contributions to pension scheme | 39 | 21 |
| Share options granted | 1,149 | 682 |
| Total | 10,965 | 6,860 |

Notes to the Consolidated Financial Statements

8. EMPLOYEE BENEFIT EXPENSES (Continued)

FIVE HIGHEST PAID INDIVIDUALS (Continued)

The emoluments fell within the following bands:

| | Number of individuals | |
|-------------------------------|-----------------------|------|
| | 2025 | 2024 |
| Emolument bands | | |
| HK\$4,500,001 – HK\$5,000,000 | 1 | — |
| HK\$5,500,001 – HK\$6,000,000 | 1 | — |
| HK\$6,500,001 – HK\$7,000,000 | — | 1 |
| | 2 | 1 |

DIRECTORS' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | 2025 | 2024 |
|---|---------|---------|
| | RMB'000 | RMB'000 |
| Fees | 3,324 | 3,335 |
| Other emoluments: | | |
| – Salaries | 10,646 | 12,287 |
| – Discretionary bonus | 33,350 | 50,292 |
| – Employer's contribution to benefit scheme | 51 | 51 |
| Total | 44,047 | 62,630 |

8. EMPLOYEE BENEFIT EXPENSES (Continued)

DIRECTORS' EMOLUMENTS (Continued)

For the year ended 31 December 2025:

| Name of directors <i>(Note (i))</i> | Fees RMB'000 | Salaries RMB'000 | Discretionary bonus <i>(Note (iii))</i> RMB'000 | Employer's contribution to benefit scheme RMB'000 | Total RMB'000 |
|--|-----------------|---------------------|--|---|------------------|
| Executive directors | | | | | |
| LEE Yin Yee | 277 | 46 | 13,660 | — | 13,983 |
| TUNG Ching Bor | 277 | 1,358 | 2,927 | 17 | 4,579 |
| TUNG Ching Sai | 277 | 6,680 | 13,660 | 17 | 20,634 |
| LEE Shing Kan | 277 | 2,562 | 5,854 | 17 | 8,710 |
| Non-executive directors | | | | | |
| NG Ngan Ho | 277 | — | — | — | 277 |
| LI Ching Wai | 277 | — | — | — | 277 |
| SZE Nang Sze | 277 | — | — | — | 277 |
| LI Ching Leung | 277 | — | — | — | 277 |
| Independent non-executive directors | | | | | |
| Starry, LEE Wai-king | 277 | — | — | — | 277 |
| LAM Kwong Siu | 277 | — | — | — | 277 |
| WONG Chat Chor, Samuel | 277 | — | — | — | 277 |
| TRAN Chuen Wah, John | 277 | — | — | — | 277 |

Notes to the Consolidated Financial Statements

8. EMPLOYEE BENEFIT EXPENSES (Continued)

DIRECTORS' EMOLUMENTS (Continued)

For the year ended 31 December 2024:

| Name of directors <i>(Note (i))</i> | Fees RMB'000 | Salaries RMB'000 | Discretionary bonus <i>(Note (iii))</i> RMB'000 | Employer's contribution to benefit scheme RMB'000 | Total RMB'000 |
|--|-----------------|---------------------|--|---|------------------|
| Executive directors | | | | | |
| LEE Yin Yee | 276 | 46 | 17,602 | — | 17,924 |
| TUNG Ching Bor | 276 | 2,338 | 7,544 | 17 | 10,175 |
| TUNG Ching Sai | 276 | 7,385 | 17,602 | 17 | 25,280 |
| LEE Shing Kan | 276 | 2,518 | 7,544 | 17 | 10,355 |
| Non-executive directors | | | | | |
| NG Ngan Ho | 276 | — | — | — | 276 |
| LI Ching Wai | 276 | — | — | — | 276 |
| SZE Nang Sze | 276 | — | — | — | 276 |
| LI Ching Leung | 276 | — | — | — | 276 |
| Independent non-executive directors | | | | | |
| YANG Siu Shun | 138 | — | — | — | 138 |
| Starry, LEE Wai-king | 161 | — | — | — | 161 |
| LAM Kwong Siu | 276 | — | — | — | 276 |
| WONG Chat Chor, Samuel | 276 | — | — | — | 276 |
| TRAN Chuen Wah, John | 276 | — | — | — | 276 |

8. EMPLOYEE BENEFIT EXPENSES (Continued)

DIRECTORS' EMOLUMENTS (Continued)

Notes

- (i) During the years ended 31 December 2025 and 2024, none of the directors of the Company (a) received any allowances and benefits in kind; (b) received or paid emoluments in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking, except for the director set out in Note (v) below; and (c) received or paid any remuneration in respect of accepting office.
- (ii) The remuneration shown above represents remuneration received from the Group by these directors in respect of their services as directors and/or in their respect of their services as employees of the Company or its subsidiaries undertaking.
- (iii) The discretionary bonus is determined with reference to the operating results of the Group during the respective years.
- (iv) On 31 May 2024, YANG Siu Shun retired as an independent non-executive director and Starry LEE Wai-king had been appointed as an independent non-executive director and approved by the shareholders at the annual general meeting.
- (v) TUNG Ching Sai is also the Chief Executive Officer of the Group and his remuneration disclosed above include those for services rendered by him as the Chief Executive Officer.



9. FINANCE INCOME AND COSTS

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Finance income: | | |
| Interest income on bank deposits | 34,540 | 46,686 |
| | <u>34,540</u> | <u>46,686</u> |
| Finance costs: | | |
| Interest on lease liabilities (Note 16) | 397 | 779 |
| Interest on bank borrowings | 177,202 | 268,784 |
| | <u>177,599</u> | <u>269,563</u> |
| Less: Amounts capitalised on qualifying assets (Note 15) | (55,005) | (88,537) |
| | <u>122,594</u> | <u>181,026</u> |

Notes to the Consolidated Financial Statements

10. INCOME TAX EXPENSE

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Current income tax | | |
| – Hong Kong profits tax (<i>Note (b)</i>) | 14,332 | 83,318 |
| – PRC corporate income tax (<i>Note (c)</i>) | 473,466 | 562,853 |
| – Overseas income tax (<i>Note (d)</i>) | 33,737 | 2,298 |
| – Over provision in prior years (<i>Note (e)</i>) | (402,628) | (30,864) |
| – Withholding tax on remitted earnings (<i>Note (f)</i>) | 59,860 | 200,026 |
| | 178,767 | 817,631 |
| Deferred income tax (<i>Note 28</i>) | | |
| – Decrease/(increase) in deferred income tax assets | 587 | (1,164) |
| – (Decrease)/increase in deferred income tax liabilities | (11,687) | 59,652 |
| | (11,100) | 58,488 |
| | 167,667 | 876,119 |

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.
- (b) Hong Kong profits tax
Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.
- (c) PRC corporate income tax (“CIT”)
CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the year, calculated in accordance with the relevant tax rules and regulations.
The applicable CIT rates in the PRC is 25% (2024: 25%). Certain major subsidiaries located in Chongqing, Deyang, Dongguan, Guangxi, Shenzhen, Tianjin, Wuhu, Yingkou and Zhangjiagang enjoy high-tech enterprise income tax benefit and are entitled to a preferential tax treatment of reduction in the CIT rate to 15% (2024: 15%).
- (d) Overseas income tax
Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. Overseas income tax mainly represents Malaysia income tax which has been calculated on the estimated assessable profits for the year at the standard Malaysia corporate income tax rate of 24% (2024: 24%).
- (e) Over provision in prior years
Over provision in prior years mainly represent the settlement of a tax case resulting in reversal on income tax provision of RMB403,778,000.
- (f) Withholding tax on remitted earnings
Withholding tax rate on remitted earnings from the PRC subsidiaries is 5%.

10. INCOME TAX EXPENSE (Continued)

- (g) The Group falls within the scope of the Global Anti Base Erosion Model Rules (“Pillar Two Model Rules”) issued by the Organisation for Economic Co-operation and Development, with subsidiaries operating in some jurisdictions that have legislated domestic Pillar Two income tax requirements in alignment with this framework.

The Group’s earnings are subject to domestic minimum top up taxes in Hong Kong, Indonesia, Malaysia (effective from 1 January 2025), Japan (since 1 April 2024) and Canada (since 1 January 2024). From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 in respect of its earnings from operations in British Virgin Islands, Cayman Islands, Mainland China and Saudi Arabia, even though these jurisdictions have not yet enacted Pillar Two legislation.

The Group has assessed its potential Pillar Two income tax exposure in these jurisdictions based on the information available regarding the financial performance of the Group for the year ended 31 December 2025. Based on the assessment, all of the jurisdictions the Group operates, except for Hong Kong and Mainland China, qualify for the Transitional Country-by-Country Reporting (“CbCR”) Safe Harbor, and as a result, the Pillar Two income tax exposure for these jurisdictions is deemed to be zero. The Group notes that Hong Kong and Mainland China does not qualify for the Transitional CbCR Safe Harbor, and the Group has provided for tax provision in respect of the identified potential exposure in respect of Pillar Two top-up taxes on earnings in Hong Kong and Mainland China and is in the view that the remaining potential exposure is immaterial.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in May 2023.

The Group will continue to monitor developments in Pillar Two legislation across relevant jurisdictions and assess the potential future impact on its financial statements.

The tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Profit before income tax | 2,905,101 | 4,248,029 |
| Share of associates’ results reported | (141,407) | (196,869) |
| | 2,763,694 | 4,051,160 |
| Calculated at weighted average tax rate of 26.1% (2024: 24.3%) | 721,507 | 982,417 |
| Preferential tax rates on income of certain PRC and overseas subsidiaries | (282,883) | (338,498) |
| Over provision in prior years | (402,628) | (30,864) |
| Tax losses for which no deferred income tax asset was recognised | 21,214 | 137,086 |
| Income not subject to tax | (152,872) | (103,765) |
| Expenses not deductible for tax purposes | 203,469 | 29,717 |
| Tax effect of withholding tax on the distributable profits of the Group’s PRC subsidiaries | 59,860 | 200,026 |
| Income tax expense | 167,667 | 876,119 |

Notes to the Consolidated Financial Statements

11. EARNINGS PER SHARE

BASIC:

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue after taking into account the effect of the issuance of new shares and share repurchased and cancellation stated in Notes 23(a), 23(b) and 24 during 2025 and 2024.

| | 2025 | 2024 |
|---|-----------|-----------|
| Profit attributable to equity holders of the Company (RMB'000) | 2,729,004 | 3,369,173 |
| Weighted average number of ordinary shares in issue (thousands) | 4,379,593 | 4,252,139 |
| Basic earnings per share (RMB cents) | 62.31 | 79.23 |

DILUTED:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

| | 2025 | 2024 |
|--|-----------|-----------|
| Earnings | | |
| Profit attributable to equity holders of the Company (RMB'000) | 2,729,004 | 3,369,173 |
| Share of profit of an associate as a result of diluted earnings at associate level (RMB'000) | (1) | — |
| Profit used to determine diluted earnings per share (RMB'000) | 2,729,003 | 3,369,173 |
| Weighted average number of ordinary shares in issue (thousands) | 4,379,593 | 4,252,139 |
| Adjustments for: | | |
| Share options (thousands) | — | — |
| Weighted average number of ordinary shares for diluted earnings per share (thousands) | 4,379,593 | 4,252,139 |
| Diluted earnings per share (RMB cents) | 62.31 | 79.23 |

12. DIVIDENDS

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|------------------|
| Interim dividend of HK\$0.125 (2024: HK\$0.31) per share <i>(Note (a))</i> | 501,802 | 1,225,025 |
| Proposed final dividend of HK\$0.215 (2024: final dividend of HK\$0.10) per share <i>(Note (b))</i> | 855,589 | 408,444 |
| | 1,357,391 | 1,633,469 |

Notes:

- (a) During the year ended 31 December 2025, an interim dividend of HK\$0.125 per share (2024: HK\$0.31 per share) was partially paid in cash and partially settled by the issuance of shares in respect of scrip dividend for 2025 interim dividend whose names appeared on the Register of Members of the Company on 20 August 2025 (2024: 19 August 2024). Shares issued during the year on the shareholders' election to receive shares are set out in Note 23.
- (b) A final dividend in respect of the year ended 31 December 2025 of HK\$0.215 per share (2024: HK\$0.10 per share), amounting to a total dividend of RMB855,589,000 (2024: RMB408,444,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2025 proposed final dividend is based on 4,424,108,852 shares in issue as at 31 January 2026 (2024: 4,357,192,919 shares in issue as at 31 January 2025). These consolidated financial statements do not reflect the payable of proposed final dividend.

Notes to the Consolidated Financial Statements

13. SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2025 are as follows:

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|---|--|---|--|------------------|--|--|---|
| Kangchen Plastic (Shenzhen) Company Limited | The PRC, limited liability company | Manufacturing of plastic products in the PRC | Registered and paid up capital of RMB3,280,000 | 100% | — | 100% | — |
| Shenzhen Benson Automobile Glass Company Limited | The PRC, limited liability company | Manufacturing of automobile glass in the PRC | Registered and paid up capital of RMB140,000,000 | 100% | — | 100% | — |
| Dongguan Benson Automobile Glass Company Limited | The PRC, limited liability company | Manufacturing of automobile glass in the PRC | Registered and paid up capital of US\$45,980,000 | 100% | — | 100% | — |
| Xinyi Automobile Glass (Shenzhen) Company Limited | The PRC, limited liability company | Manufacturing of automobile glass in the PRC | Registered and paid up capital of RMB364,173,022 | 100% | — | 100% | — |
| Xinyi Automobile Parts (Wuhu) Company Limited | The PRC, limited liability company | Manufacturing of automobile glass in the PRC | Registered and paid up capital of US\$51,800,000 | 100% | — | 100% | — |
| Xinyi Glass (Tianjin) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered and paid up capital of US\$126,000,000 | 100% | — | 100% | — |

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|--|--|---|---|------------------|--|--|---|
| Xinyi Ultra-thin Glass (Dongguan) Company Limited | The PRC, limited liability company | Manufacturing of float glass in the PRC | Registered and paid up capital of US\$80,000,000 | 100% | — | 100% | — |
| Xinyi Glass Japan Company Limited | Japan, limited liability company | Trading of automobile glass in Japan | Authorised and paid up capital of 400 common shares of JP¥50,000 each | 55% | — | 55% | 45% |
| Xinyi Auto Glass (North America) Corporation | Canada, limited liability company | Trading of automobile glass in Canada | Authorised and paid up capital of 100,000 common shares of CAD0.1 each | 70% | — | 70% | 30% |
| Xinyi Group (Glass) Company Limited | Hong Kong, limited liability company | Investment holding and trading in Hong Kong | 1,000 ordinary shares | 100% | — | 100% | — |
| Xinyi International Investments Limited | Hong Kong, limited liability company | Investment holding and trading in Hong Kong | 10,000 ordinary shares | 100% | — | 100% | — |
| Xinyi Glass (BVI) Limited (Previously known as Xinyi Automobile Glass (BVI) Company Limited | The British Virgin Islands, limited liability company | Investment holding in Hong Kong | Authorised and paid up capital of 55,000 ordinary shares of US\$1 each | 100% | 100% | 100% | — |



Notes to the Consolidated Financial Statements

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|--|--|--|--|------------------|--|--|---|
| Xinyi Energy Smart (Wuhu) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered and paid up capital of US\$58,500,000 | 100% | — | 100% | — |
| Xinyi Special Glass (Jiangmen) Company Limited | The PRC, limited liability company | Manufacturing of float glass in the PRC | Registered capital of US\$180,800,000 and total paid up capital of US\$131,860,000 | 100% | — | 100% | — |
| Xinyi Glass Engineering (Dongguan) Company Limited | The PRC, limited liability company | Manufacturing of architectural glass in the PRC | Registered and paid up capital of US\$60,000,000 | 100% | — | 100% | — |
| Xinyi Glass (Yingkou) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered and paid up capital of US\$119,000,000 | 100% | — | 100% | — |
| Xinyi Automobile Parts (Tianjin) Company Limited | The PRC, limited liability company | Manufacturing of automobile glass in the PRC | Registered and paid up capital of US\$57,150,000 | 100% | — | 100% | — |
| Xinyi Glass (Xiamen) Co. Ltd | The PRC, limited liability company | Conducting research and trading of glass in the PRC | Registered and paid up capital of HK\$120,000,000 | 100% | 100% | 100% | — |

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|--|--|--|--|--------------------|--|--|---|
| Xinyi Electronic Glass (Wuhu) Company Limited | The PRC, limited liability company | Manufacturing of electronic glass in the PRC | Registered and paid up capital of US\$60,630,000 | 100% | — | 100% | — |
| Xinyi Energy Smart (Sichuan) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered and paid up capital of US\$99,000,000 | 100% | — | 100% | — |
| Xinyi Energy Smart (Malaysia) SDN.BHD | Malaysia, limited liability company | Manufacturing of float glass and automobile glass in Malaysia | Registered and paid up capital of RM\$20,000,000 | 100% | — | 100% | — |
| Xinyi Wind Power (Jinzhai) Company Limited | The PRC, limited liability company | Operate wind farm for electricity generation in the PRC | Registered and paid up capital of RMB12,195,129 | Nil (2024: 82%) | — | Nil (2024: 82%) | Nil (2024: 18%) |



Notes to the Consolidated Financial Statements

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|---|--|--|---|------------------|--|--|---|
| Xinyi Glass (Bozhou) Company Limited | The PRC, limited liability company | Manufacturing and sales of glass products in the PRC | Registered and paid up capital of RMB 10,000,000 | 100% | — | 100% | — |
| Xinyi Glass (GuangXi) Company Limited | The PRC, limited liability company | Manufacturing of float glass and automobile glass in the PRC | Registered and paid up capital of RMB 650,000,000 | 100% | — | 100% | — |
| Guangxi Xinyi Supply Chain Management Company Limited | The PRC, limited liability company | Provision of supply chain services in the PRC | Registered and paid up capital of RMB3,000,000 | 100% | — | 100% | — |
| Beihai Xinhe Logistics Company Limited | The PRC, limited liability company | Provision of logistic and related services in the PRC | Registered and paid up capital of RMB1,500,000 | 100% | — | 100% | — |
| Xinyi Glass (Jiangsu) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered and paid up capital of US\$200,000,000 | 100% | — | 100% | — |
| Ultimate Luck Global Limited | The British Virgin Islands, limited liability company | Investment holding in Hong Kong | Authorised and paid up capital of 50,000 ordinary shares of US\$1 each | 60% | — | 60% | 40% |

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|---|--|---|---|------------------|--|--|---|
| Xinyi Glass (Hainan) Company Limited | The PRC, limited liability company | Manufacturing of float glass and automobile glass in the PRC | Registered and paid up capital of RMB19,322,075,000 | 100% | — | 100% | — |
| Cheer Wise Investment Limited | Hong Kong, limited liability company | Property and car parks holding in Hong Kong | 1 ordinary share | 60% | — | 60% | 40% |
| Xinyi Supply Chain Management (Jiangsu) Company Limited | The PRC, limited liability company | Providing supply chain service in the PRC | Registered and paid up capital of US\$67,000,000 (2024: US\$47,000,000) | 100% | — | 100% | — |
| Xinyi Glass (Chongqin) Company Limited | The PRC, limited liability company | Manufacturing float glass and Low-E products in the PRC | Registered and paid up capital of RMB968,000,000 | 100% | — | 100% | — |
| Hepu Xinyi New Materials Company Limited | The PRC, limited liability company | Mining in the PRC | Registered and paid up capital of RMB10,660,000 | 100% | — | 100% | — |
| PT Xinyi Glass Indonesia | Indonesia, limited liability company | Manufacturing of float glass, automobile glass and architectural glass in Indonesia | Registered and paid up capital of Indonesia Rupiah 10,000,000,000 | 100% | — | 100% | — |

Notes to the Consolidated Financial Statements

13. SUBSIDIARIES (Continued)

| Name | Place of incorporation/ establishment and kind of legal entity | Principal activities and place of operation | Particulars of issued/ registered share capital | Interest held | Proportion of ordinary shares directly held by the Company (%) | Proportion of ordinary shares held by the Group (%) | Proportion of ordinary shares held by non- controlling interest (%) |
|--|--|--|--|------------------|--|--|---|
| Xinyi Energy Smart (Jiangmen) Company Limited | The PRC, limited liability company | Manufacturing of float glass and architectural glass in the PRC | Registered capital of US\$105,500,000 and paid up capital of US\$105,424,638 | 100% | — | 100% | — |

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

14. INVESTMENTS IN ASSOCIATES

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Investments in associates | | |
| At 1 January | 9,203,629 | 9,066,707 |
| Currency translation differences | (20,017) | 102,576 |
| Addition to investment in associates (<i>Note</i>) | 166,678 | 288,313 |
| Disposal of investment in an associate | (8,087) | — |
| Share of net profits of associates | 141,407 | 196,869 |
| Share of other comprehensive income | 44,207 | 57,668 |
| Dividends received | (109,935) | (508,504) |
| At 31 December | 9,417,882 | 9,203,629 |
| Share of net assets | 8,043,515 | 7,769,248 |
| Goodwill on acquisition | 1,374,367 | 1,434,381 |
| At 31 December | 9,417,882 | 9,203,629 |

14. INVESTMENTS IN ASSOCIATES (Continued)

Notes:

On 10 October 2025, Xinyi Solar Holdings Limited (“Xinyi Solar”) recommended the declaration the payment of 2025 interim dividend of 4.2 HK cents per ordinary share to its shareholders. As a result, the Group as the eligible shareholders elected to receive the scrip shares of 28,848,721 shares at the market price of HK\$3.13 per share, totaled RMB82,639,000.

On 10 October 2025, Xinyi Energy Holdings Limited (“Xinyi Energy”) recommended the declaration the payment of 2025 interim dividend of 2.9 HK cents per ordinary share to its shareholders. As a result, the Group as the eligible shareholders elected to receive the scrip shares of 12,131,470 shares at the market price of HK\$1.14 per share, totaled RMB12,615,000.

On 30 July 2025, Xinyi Energy recommended the declaration the payment of 2024 final dividend of 2.7 HK cents per ordinary share to its shareholders. As a result, the Group as the eligible shareholders elected to receive the scrip shares of 13,045,685 shares at the market price of HK\$0.96 per share, totaled RMB11,424,000.

During the year ended 31 December 2025, the Group invested in Ordos City Shuangxin New Material Company Limited (“Shuangxin”) at cost of RMB60,000,000 (2024: RMB24,000,000) representing a total of 30% (2024: 30%) of the ordinary shares of Shuangxin issued during the year.

During the year ended 31 December 2025, the Group disposed its entire equity interest in Beihai Yiyang Mineral Company Limited with carrying value of RMB8,087,000, no gain or loss on disposal was recognised.

On 16 October 2024, Xinyi Solar recommended the declaration the payment of 2024 interim dividend of 10 HK cents per share to its shareholders. As a result, the Group as the eligible shareholders elected to receive the scrip shares of 66,151,265 shares at the market price of HK\$3.15 per share, totaled RMB196,020,000.

On 16 October 2024, Xinyi Energy recommended the declaration the payment of 2024 interim dividend of 2.3 HK cents per share to its shareholders. As a result, the Group as the eligible shareholders elected to receive the scrip shares of 13,453,306 shares at the market price of HK\$0.77 per share, totaled RMB9,745,000.

During the year ended 31 December 2024, the Group invested in Jiangsu Dannai New Material Company Limited (“Dannai”) at cost of RMB30,000,000 representing a total of 30% of the ordinary shares of Dannai.

During the year ended 31 December 2024, the Group invested in PT Anxin Mining and Processing (“Anxin”) at cost of RMB3,548,000 representing a total of 35% of the ordinary shares of Anxin.

During January to February 2021, the Group entered into an investment agreement and subscribed for 50% ordinary shares of Wuxuan Xinbao Mining Company Limited (“Wuxuan Xinbao”) at a consideration of RMB25,000,000. According to the investment agreement, the Group will transfer the 50% interests to the other investor of Wuxuan Xinbao at RMB25,000,000 at the end of a 20-year operating period and the consideration shall be settled by Wuxuan Xinbao. Wuxuan Xinbao paid the Group an annual sum of RMB2,000,000 and the Group did not entitle to any profit or loss of Wuxuan Xinbao during the 20-year operating period. During the year ended 31 December 2024, the Group entered into a supplemental agreement for Wuxuan Xinbao, the Group would entitle to profit or loss of Wuxuan Xinbao and Wuxuan Xinbao would not pay the Group any annual sum. Therefore, the amount paid to Wuxuan Xinbao was reclassified from loans to an associate under amortised cost to investments in associates in that year.

Notes to the Consolidated Financial Statements

14. INVESTMENTS IN ASSOCIATES (Continued)

Details of the principal associates at 31 December 2025 are as follows:

| Name | Particulars of registered share capital | Principal activities and place of operation | Interest held |
|--|---|--|--------------------------|
| Xinyi Solar (Note (i)) | Authorised capital of HK\$8,000,000,000 and total paid up capital of HK\$914,704,000 (2024: HK\$8,000,000,000 and total paid up capital of HK\$907,845,000) | Production and sales of solar glass products in the PRC, and development and operation of solar farms and provision of engineering procurement and construction services | 23.82% (2024: 23.68%) |
| Xinyi Energy (Note (ii)) | Authorised capital of HK\$8,000,000,000 and total paid up capital of HK\$85,197,000 (2024: HK\$8,000,000,000 and total paid of HK\$83,767,000) | Management and operations of solar farms in the PRC | 5.74% (2024: 5.54%) |
| Xinyi Silicon Holdings Limited ("Xinyi Silicon") | Registered and paid up capital of RMB120,000,000 (2024: same) | Production and sales of silicon products in the PRC | 48% |
| Beihai Yiyang Mineral Company Limited | Registered and paid up capital of RMB25,454,500 (2024: same) | Exploration, mining and trading of silica in the PRC | Nil (2024: 45%) |
| Tianjin Wuqing District Xinke Natural Gas Investment Company Limited | Registered and paid up capital of RMB10,000,000 (2024: same) | Provision of natural gas in the PRC | 25% |
| Wuxuan Xinbao Mining Company Limited | Registered and paid up capital of RMB50,000,000 (2024: same) | Mining in the PRC | 50% |
| Jiangsu Lianxun Technology Company Ltd. | Registered capital of RMB30,000,000 and paid up capital of RMB10,000,000 (2024: same) | Provision of technology service in the PRC | 30% |
| Dannai | Registered capital and paid up capital of RMB100,000,000 (2024: same) | Manufacturing, developing and trading of refractory materials in the PRC | 30% |
| Shuangxin | Registered capital of RMB450,000,000 and paid up capital of RMB280,000,000 (2024: RMB79,400,000) | Manufacturing and trading of resin in the PRC | 30% |
| Anxin | Registered and paid up capital of IDR22,000,000,000 (2024: same) | Processing and production of silica sand in Indonesia | 35% |

14. INVESTMENTS IN ASSOCIATES (Continued)

The following is a list of the associates as at 31 December 2025: (continued)

Notes:

- (i) As at 31 December 2025, the fair value of the Group's interest in Xinyi Solar, which is listed on the Stock Exchange, was RMB5,820,603,000 (2024: RMB6,350,418,000) and the carrying amount of the Group's interest was RMB8,355,290,000 (2024: RMB8,159,354,000).
- (ii) As at 31 December 2025, the fair value of the Group's interest in Xinyi Energy, which is listed on the Stock Exchange, was RMB483,865,000 (2024: RMB344,709,000) and the carrying amount of the Group's interest was RMB907,660,000 (2024: RMB869,976,000).

During the years ended 31 December 2025 and 2024, Xinyi Energy remained a subsidiary of Xinyi Solar.

There are no contingent liabilities relating to the Group's investments in the associates.

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES

- (a) Set out below is the summarised financial information for Xinyi Solar and its subsidiaries which is accounted for using the equity method:

Summarised consolidated statement of financial position

| | 2025 | 2024 |
|---------------------------------------|--------------|--------------|
| | RMB'000 | RMB'000 |
| Current | | |
| Cash and cash equivalents | 4,986,259 | 821,606 |
| Other current assets (excluding cash) | 15,247,254 | 16,741,335 |
| Total current assets | 20,233,513 | 17,562,941 |
| Current liabilities | (13,251,814) | (15,343,872) |
| Non-current | | |
| Assets | 36,682,555 | 39,369,543 |
| Liabilities | (8,727,895) | (7,180,740) |
| Net assets | 34,936,359 | 34,407,872 |

Notes to the Consolidated Financial Statements

14. INVESTMENTS IN ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

- (a) Set out below is the summarised financial information for Xinyi Solar and its subsidiaries which is accounted for using the equity method: (Continued)

Summarised consolidated profit or loss

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------------------------|-----------------|-----------------|
| Revenue | 20,861,164 | 21,921,447 |
| Depreciation and amortisation | (2,173,602) | (2,025,408) |
| Interest income | 18,336 | 23,279 |
| Interest expense | (339,702) | (432,107) |
| Profit before income tax | 1,151,831 | 1,935,298 |
| Income tax expense | (492,262) | (526,227) |
| Post-tax profit for the year | 659,569 | 1,409,071 |
| Other comprehensive income | 89,994 | 242,648 |
| Total comprehensive income | 749,563 | 1,651,719 |
| Dividend received from Xinyi Solar | 82,639 | 484,236 |

14. INVESTMENTS IN ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

- (a) Set out below is the summarised financial information for Xinyi Solar and its subsidiaries which is accounted for using the equity method: (Continued)

Summarised consolidated profit or loss (Continued)

Reconciliation of summarised financial information of Xinyi Solar presented to the carrying amount of interest in an associate:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Opening net assets | 34,407,872 | 34,495,099 |
| Total comprehensive income for the year | 749,563 | 1,651,719 |
| Transactions with owners | (221,076) | (1,738,946) |
| Closing net assets | 34,936,359 | 34,407,872 |
| Less: non-controlling interests | (5,104,516) | (5,356,082) |
| Closing net assets attributable to owners of Xinyi Solar | 29,831,843 | 29,051,790 |
| The Group's ownership interest | 23.82% | 23.68% |
| Goodwill | 7,105,945 | 6,879,464 |
| Intangible assets and other assets and liabilities | 1,248,932 | 1,257,153 |
| | 413 | 22,737 |
| Carrying amount | 8,355,290 | 8,159,354 |

Notes to the Consolidated Financial Statements

14. INVESTMENTS IN ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

- (b) Set out below is the summarised financial information for Xinyi Energy and its subsidiaries which is accounted for using the equity method:

Summarised consolidated statement of financial position

| | 2025 RMB'000 | 2024 RMB'000 |
|---------------------------------------|-----------------|-----------------|
| Current | | |
| Cash and cash equivalents | 950,638 | 354,238 |
| Other current assets (excluding cash) | 4,658,891 | 4,586,881 |
| Total current assets | 5,609,529 | 4,941,119 |
| Current liabilities | (2,883,630) | (3,177,745) |
| Non-current | | |
| Assets | 16,806,696 | 16,727,382 |
| Liabilities | (6,294,298) | (5,986,271) |
| Net assets | 13,238,297 | 12,504,485 |

Summarised consolidated profit or loss

| | 2025 RMB'000 | 2024 RMB'000 |
|-------------------------------------|-----------------|-----------------|
| Revenue | 2,453,308 | 2,440,447 |
| Depreciation and amortisation | (779,824) | (693,578) |
| Interest income | 3,090 | 2,602 |
| Interest expense | (277,483) | (364,775) |
| Profit before income tax | 1,311,496 | 1,167,722 |
| Income tax expense | (301,875) | (376,220) |
| Post-tax profit for the year | 1,009,621 | 791,502 |
| Other comprehensive income/(loss) | 17,233 | (115,884) |
| Total comprehensive income | 1,026,854 | 675,618 |
| Dividend received from Xinyi Energy | 24,039 | 20,529 |

14. INVESTMENTS IN ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

(b) Set out below is the summarised financial information for Xinyi Energy and its subsidiaries which is accounted for using the equity method: (Continued)

Reconciliation of summarised financial information of Xinyi Energy presented to the carrying amount of interest in an associate:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Opening net assets | 12,504,485 | 12,129,619 |
| Total comprehensive income for the year | 1,026,854 | 675,618 |
| Transactions with owners | (293,042) | (300,752) |
| Closing net assets | 13,238,297 | 12,504,485 |
| Add: non-controlling interests | 391 | — |
| Closing net assets attributable to owners of Xinyi Energy | 13,238,688 | 12,504,485 |
| The Group's ownership interest | 5.74% | 5.54% |
| Goodwill | 759,901 | 692,748 |
| | 147,759 | 177,228 |
| Carrying amount | 907,660 | 869,976 |

The information above reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates, if any.

INDIVIDUALLY IMMATERIAL ASSOCIATES

In addition to the interests in the material associates disclosed above, the Group also has interests in eight (2024: nine) individually immaterial associates that are accounted for using the equity method.

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Aggregate carrying amount of individually immaterial associates | 154,932 | 174,299 |
| Aggregate amounts of the Group's share of: | | |
| Loss from continuing operations | (92,202) | (57,325) |
| Other comprehensive income/(loss) | 24,208 | (8,747) |
| Total comprehensive loss | (67,994) | (66,072) |

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT

| | Construction in progress RMB'000 | Freehold land RMB'000 | Buildings RMB'000 | Plant and machinery RMB'000 | Office equipment RMB'000 | Total RMB'000 |
|--|--|-----------------------------|----------------------|-----------------------------------|--------------------------------|------------------|
| At 1 January 2025 | | | | | | |
| Cost | 4,133,150 | 148,968 | 6,490,586 | 19,801,344 | 304,395 | 30,878,443 |
| Accumulated depreciation and impairment | — | — | (1,985,642) | (9,768,083) | (213,258) | (11,966,983) |
| Net book amount | 4,133,150 | 148,968 | 4,504,944 | 10,033,261 | 91,137 | 18,911,460 |
| Year ended 31 December 2025 | | | | | | |
| Opening net book amount | 4,133,150 | 148,968 | 4,504,944 | 10,033,261 | 91,137 | 18,911,460 |
| Currency translation differences | (98,915) | 9,679 | 26,868 | 35,313 | 42 | (27,013) |
| Additions | 1,424,593 | — | 13,614 | 516,179 | 7,527 | 1,961,913 |
| Transfer | (4,577,923) | — | 1,524,178 | 3,023,313 | 30,432 | — |
| Transfer to investment properties (Note 17) | — | — | (397,966) | — | — | (397,966) |
| Impairment | — | — | — | (156,838) | — | (156,838) |
| Disposals | (29,521) | — | (243,384) | (33,913) | (741) | (307,559) |
| Surrender of assets | — | — | (12,955) | — | — | (12,955) |
| Disposal of a subsidiary (Note 30) | — | — | (46,080) | (198,289) | — | (244,369) |
| Depreciation charge | — | — | (253,705) | (1,331,489) | (17,634) | (1,602,828) |
| Closing net book amount | 851,384 | 158,647 | 5,115,514 | 11,887,537 | 110,763 | 18,123,845 |
| At 31 December 2025 | | | | | | |
| Cost | 851,384 | 158,647 | 7,254,309 | 22,181,694 | 334,715 | 30,780,749 |
| Accumulated depreciation and impairment | — | — | (2,138,795) | (10,294,157) | (223,952) | (12,656,904) |
| Net book amount | 851,384 | 158,647 | 5,115,514 | 11,887,537 | 110,763 | 18,123,845 |

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

| | Construction in progress RMB'000 | Freehold land RMB'000 | Buildings RMB'000 | Plant and machinery RMB'000 | Office equipment RMB'000 | Total RMB'000 |
|--|--|-----------------------------|----------------------|-----------------------------------|--------------------------------|------------------|
| At 1 January 2024 | | | | | | |
| Cost | 1,110,364 | 140,568 | 6,240,720 | 19,787,298 | 267,984 | 27,546,934 |
| Accumulated depreciation | — | — | (1,748,388) | (9,022,556) | (172,664) | (10,943,608) |
| Net book amount | 1,110,364 | 140,568 | 4,492,332 | 10,764,742 | 95,320 | 16,603,326 |
| Year ended 31 December 2024 | | | | | | |
| Opening net book amount | 1,110,364 | 140,568 | 4,492,332 | 10,764,742 | 95,320 | 16,603,326 |
| Currency translation differences | 406 | 8,400 | 34,580 | 42,832 | 53 | 86,271 |
| Additions | 4,026,289 | — | 69,547 | 357,947 | 35,322 | 4,489,105 |
| Transfers | (1,003,909) | — | 319,224 | 681,913 | 2,772 | — |
| Transfer to investment properties (Note 17) | — | — | (190,316) | — | — | (190,316) |
| Impairment | — | — | — | (502,097) | — | (502,097) |
| Disposals | — | — | (2,018) | (118,419) | (326) | (120,763) |
| Depreciation charge | — | — | (218,405) | (1,193,657) | (42,004) | (1,454,066) |
| Closing net book amount | 4,133,150 | 148,968 | 4,504,944 | 10,033,261 | 91,137 | 18,911,460 |
| At 31 December 2024 | | | | | | |
| Cost | 4,133,150 | 148,968 | 6,490,586 | 19,801,344 | 304,395 | 30,878,443 |
| Accumulated depreciation and impairment | — | — | (1,985,642) | (9,768,083) | (213,258) | (11,966,983) |
| Net book amount | 4,133,150 | 148,968 | 4,504,944 | 10,033,261 | 91,137 | 18,911,460 |

Depreciation expense of approximately RMB1,164,156,000 (2024: RMB1,120,820,000) has been charged in cost of sales, RMB219,815,000 (2024: RMB197,035,000) in selling and marketing costs and administrative and other operating expenses and RMB1,534,990,000 (2024: RMB1,316,133,000) has been capitalised in inventories.

During the year, the Group capitalised borrowing costs amounted to RMB55,005,000 (2024: RMB88,537,000) on qualifying assets (Note 9). Borrowing costs were capitalised at the weighted average rate of its general borrowings of 2.5% (2024: 3.4%) per annum.

During the year ended 31 December 2025, part of the float glass production facilities in certain locations in the PRC ceased operations due to suspension on a permanent basis or update and transformation. Certain production assets were scrapped and the loss incurred for those scrapped assets were RMB156,838,000 (2024: RMB502,097,000).

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

ACCOUNTING POLICY OF DEPRECIATION METHODS AND USEFUL LIVES

Construction in progress represents buildings, plant and machinery and other office equipment on which construction or installation work has not been completed and which, upon completion, management intends to hold for glass production purposes. Construction in progress is carried at cost which includes development and construction expenditures incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, construction in progress is transferred to appropriate categories of property, plant and equipment.

Depreciation of property, plant and equipment commences when the assets are ready for use.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

| | |
|-----------------------|-------------|
| – Buildings | 20-30 years |
| – Plant and machinery | 5-20 years |
| – Office equipment | 3-7 years |

See note 37.5 for the other accounting policies relevant to property, plant and equipment.

16. LEASES

THE GROUP AS A LEASEE

The Group has lease contracts for various items of assets used in its operations. The Group acquired leasehold lands in Mainland China and Indonesia by one-off prepayment with lease terms of 19 to 50 years. The leasehold lands were classified as “right-of-use assets”. The Group also leases various offices and warehouses. Rental contracts are typically made for fixed periods of 1 year to 3 years.

Lease terms for offices and warehouses are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the eased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. LEASES (Continued)

THE GROUP AS A LEASEE (Continued)

(a) The carrying amounts of the Group's right-of-use assets and the movement during the year are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|------------------|------------------|
| Right-of-use assets | | |
| At 1 January | 3,874,347 | 3,977,852 |
| Additions | 451,251 | 175,658 |
| Depreciation charge | (116,298) | (130,249) |
| Transfer to investment properties (<i>Note 17</i>) | (460,449) | (105,453) |
| Impairment (<i>Note</i>) | — | (42,787) |
| Surrender of leasehold land | (2,591) | — |
| Disposal of a subsidiary (<i>Note 30</i>) | (2,509) | — |
| Currency translation difference | (1,556) | (674) |
| At 31 December | <u>3,742,195</u> | <u>3,874,347</u> |
| Analysed into: | | |
| Leasehold land and land-use rights | 3,739,429 | 3,865,696 |
| Buildings | <u>2,766</u> | <u>8,651</u> |
| | <u>3,742,195</u> | <u>3,874,347</u> |

Note:

As at 31 December 2024, due to the downturn of the property development market in Mainland China, the Group performed an impairment test on a leasehold land located in Guangxi, the PRC which is an unallocated asset in segment reporting. The recoverable amount of the leasehold land was RMB306,000,000 which was determined based on its fair value less cost of disposal using the current prices in an active market for similar properties in the same location and condition and subject to similar lease. The fair value measurement was categorised within Level 2 of the fair value hierarchy. The key assumption involved in the impairment test was the market value which is RMB136,000 per square meter. The increase in the market value adopted would result in an increase in the fair value measurement of the right-of-use asset, and vice versa.

The impairment loss recognised was included in "Other losses" in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

16. LEASES (Continued)

THE GROUP AS A LEASEE (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-------------------------------------|-----------------|-----------------|
| Lease liabilities | | |
| At 1 January | 9,079 | 16,229 |
| Principal element of lease payments | (6,511) | (6,811) |
| Interest paid | (397) | (779) |
| Additions | 440 | — |
| Interest for lease liabilities | 397 | 779 |
| Currency translation difference | (1) | (339) |
| At 31 December | 3,007 | 9,079 |
| Analysed into: | | |
| Current | 2,990 | 6,336 |
| Non-current | 17 | 2,743 |
| | 3,007 | 9,079 |

The consolidated statement of profit or loss shows the following amounts relating to leases:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Depreciation charge of right-of-use assets (Note) | | |
| Leasehold land and land use rights | 107,192 | 121,075 |
| Buildings | 9,106 | 9,174 |
| | 116,298 | 130,249 |
| Unwinding of interest on lease liabilities (Note 9) | 397 | 779 |
| Impairment of right-of-use assets | — | 42,787 |
| Expenses relating to short-term leases (Included in selling and marketing expenses and Other operating expenses) | 9,257 | 3,627 |
| Compensation for surrendering leasehold land | 77,541 | — |

Notes: Depreciation charge of nil (2024: RMB1,060,000) were capitalised as direct cost of construction in progress during the year ended 31 December 2025 when the buildings thereon were not yet ready for production purposes. For the year ended 31 December 2025, depreciation of the Group's right-of-use assets amounted to RMB116,298,000 (2024: RMB129,189,000) were charged to the consolidated statement of profit or loss (Note 7).

16. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

(c) The total cash outflow for leases in 2025 was RMB9,257,000 (2024: RMB3,627,000) and RMB6,908,000 (2024: RMB7,590,000) included in operating activities and financing activities, respectively. In addition, the cash inflow for proceed from surrendering leasehold land amounted to RMB80,132,000 (2024: Nil) and the cash outflow for acquiring leasehold land amounted to RMB88,562,000 (2024: RMB352,991,000) were included in investing activities.

THE GROUP AS A LESSOR

The Group leases its investment properties consisting of three (2024: two) commercial buildings located in PRC, two (2024: two) office unit located in Hong Kong and PRC and seven (2024: four) factory buildings located in PRC under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB130,990,000 (2024: RMB118,558,000), details of which are included in note 17 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Within one year | 117,820 | 78,113 |
| After one year but within two years | 108,563 | 69,198 |
| After two years but within three years | 103,827 | 63,141 |
| After three years but within four years | 86,906 | 58,938 |
| After four years but within five years | 69,019 | 52,408 |
| After five years | 260,641 | 182,228 |
| | 746,776 | 504,026 |

17. INVESTMENT PROPERTIES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|------------------|
| At 1 January | 1,769,631 | 1,404,153 |
| Currency translation differences | (1,890) | 1,702 |
| Additions | 11,708 | 11,359 |
| Transferred from property, plant and equipment (Note 15) | 397,966 | 190,316 |
| Transferred from right-of-use assets (Note 16) | 460,449 | 105,453 |
| Reduction upon receipt of government grant | (24,507) | — |
| Fair value losses (Note 6) | (42,417) | (82,970) |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets | 222,383 | 139,618 |
| At 31 December | 2,793,323 | 1,769,631 |

Notes to the Consolidated Financial Statements

17. INVESTMENT PROPERTIES (Continued)

(i) Amounts recognised in profit or loss for investment properties

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Rental income from operating leases (Note 5) | 130,990 | 118,558 |
| Fair value losses recognised in other losses (Note 6) | (42,417) | (82,970) |

(ii) Measuring investment property at fair value

Investment properties, principally comprising leasehold lands, office buildings and factory buildings, are held for long-term rental yields, capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including related transaction costs and interest expense capitalised. After initial recognition at cost, investment properties (except for an investment property of RMB2,563,000 (2024: RMB2,563,000) which is subsequently measured using cost model) are subsequently carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of profit or loss as fair value gain or loss in "Other losses".

For the investment property that is subsequently measured using cost model, it is stated at cost less accumulated depreciation and impairment losses.

(iii) Presenting cash flows

The Group classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

(iv) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

Minimum lease payments receivable on leases of investment properties are set out in Note 16 to the financial statements.

As at 31 December 2025, the Group had twelve (2024: eight) investment properties located in the PRC and one (2024: one) investment property in Hong Kong. The Group obtained independent valuations from Graval Consulting Limited for eleven (2024: seven) investment properties located in the PRC and one (2024: one) investment property in Hong Kong.

17. INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES OF THE GROUP

The Group's investment properties were valued at 31 December 2025 and 2024 by independent professionally qualified valuers who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer and group senior management for discussions in relation to the valuation processes and the reasonableness of the valuation results.

At each financial year end the Group's finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

The following table analyses the investment properties carried at their fair values, by valuation method.

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Fair value hierarchy (level 3): | | |
| – Commercial building - Xiamen, the PRC | 906,900 | 965,200 |
| – Commercial building 3 - Shenzhen, the PRC | 84,300 | 94,500 |
| – Commercial building 4 - Shenzhen, the PRC | 463,400 | — |
| – Office unit - Wuhu, the PRC | 110,138 | 109,543 |
| – Office unit - Hong Kong | 30,942 | 47,035 |
| – Factory building - Jiangsu, the PRC | 250,500 | 160,100 |
| – Factory building 1 - Wuhu, the PRC | 365,100 | 165,200 |
| – Factory building 2 - Wuhu, the PRC | 93,400 | 91,100 |
| – Factory building 3 - Wuhu, the PRC | 171,570 | — |
| – Factory building - Sichuan, the PRC | 116,700 | — |
| – Factory building - Maanshan, the PRC | 161,210 | 134,390 |
| – Factory building - Beihai, the PRC | 36,600 | — |
| At cost | | |
| – Commercial building 2 - Shenzhen, the PRC (<i>Note</i>) | 2,563 | 2,563 |

Note: As at 31 December 2025 and 2024, the fair value of this investment property could not be reliably measured as the market for comparable properties was inactive due to the Group was in the process of obtaining the property ownership certificate in respect of property interest held. In addition, alternative for reliably measurement of fair value of the property was not available. In the opinion of the Company's directors, the absence of the property ownership certificate to this property interest does not impair the carrying amount to the Group as the Group has paid the full purchase consideration of this property interest and the probability of being evicted on the ground of an absence of property ownership certificate is remote.

Notes to the Consolidated Financial Statements

17. INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES OF THE GROUP (Continued)

Fair value measurement using significant unobservable input (level 3)

| | Commercial buildings RMB'000 | Office units RMB'000 | Factory buildings RMB'000 | Total RMB'000 |
|---|------------------------------------|-------------------------|---------------------------------|------------------|
| At 1 January 2025 | 1,059,700 | 156,578 | 550,790 | 1,767,068 |
| Currency translation differences | — | (1,890) | — | (1,890) |
| Additions | — | — | 11,708 | 11,708 |
| Transfer from property, plant and equipment (Note 15) | 120,543 | — | 277,423 | 397,966 |
| Transfer from right-of-use assets (Note 16) | 329,085 | — | 131,364 | 460,449 |
| Reduction upon receipt of government grant | — | — | (24,507) | (24,507) |
| Fair value (losses)/gains (Note 6) | (68,500) | (13,610) | 39,693 | (42,417) |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets | 13,773 | — | 208,610 | 222,383 |
| At 31 December 2025 | 1,454,601 | 141,078 | 1,195,081 | 2,790,760 |
| Total (losses)/gains for the year included in the consolidated statement of profit or loss for assets held at the end of year | (68,500) | (13,610) | 39,693 | (42,417) |
| Change in unrealised (losses)/gains for the year included in the consolidated statement of profit or loss for assets held at the end of year | (68,500) | (13,610) | 39,693 | (42,417) |

17. INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES OF THE GROUP (Continued)

| | Commercial buildings RMB'000 | Office units RMB'000 | Factory buildings RMB'000 | Total RMB'000 |
|---|------------------------------------|-------------------------|---------------------------------|------------------|
| At 1 January 2024 | 1,134,500 | 168,638 | 98,452 | 1,401,590 |
| Currency translation differences | — | 1,702 | — | 1,702 |
| Additions | — | — | 11,359 | 11,359 |
| Transfer from property, plant and equipment (<i>Note 15</i>) | — | — | 190,316 | 190,316 |
| Transfer from right-of-use assets (<i>Note 16</i>) | — | — | 105,453 | 105,453 |
| Fair value (losses)/gains (<i>Note 6</i>) | (74,800) | (13,762) | 5,592 | (82,970) |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets | — | — | 139,618 | 139,618 |
| At 31 December 2024 | 1,059,700 | 156,578 | 550,790 | 1,767,068 |
| Total (losses)/gains for the year included in the consolidated statement of profit or loss for assets held at the end of year | (74,800) | (13,762) | 5,592 | (82,970) |
| Change in unrealised (losses)/gains for the year included in the consolidated statement of profit or loss for assets held at the end of year | (74,800) | (13,762) | 5,592 | (82,970) |

Notes to the Consolidated Financial Statements

17. INVESTMENT PROPERTIES (Continued)

INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

| Description | Fair value at 31 December 2025 | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs (probability- weighted average) | Relationship of unobservable inputs to fair value |
|--|---|---|------------------------------|--|---|
| Commercial building – Xiamen, the PRC | RMB906,900,000 (2024: RMB965,200,000) | Based on current prices in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Market value (2024: same) | RMB17,065 per square meter (2024: RMB18,162 per square meter) | The higher the market value, the higher the fair value |
| Commercial building 3 – Shenzhen, the PRC | RMB84,300,000 (2024: RMB94,500,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Market value (2024: same) | RMB27,978 per square meter (2024: RMB31,363 per square meter) | The higher the market value, the higher the fair value |
| Commercial building 4 – Shenzhen, the PRC | RMB463,400,000 | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease | Market value | RMB31,115 per square meter | The higher the market value, the higher the fair value |
| Office unit – Wuhu, the PRC | RMB110,138,000 (2024: RMB109,543,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: Same) | Market value (2024: same) | RMB4,492 per square meter (2024: RMB4,468 per square meter) | The higher the market value, the higher the fair value |
| Factory building - Jiangsu, the PRC | RMB250,500,000 (2024: RMB160,100,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: Same) | Market value (2024: Same) | RMB2,482 per square meter (2024: RMB2,546 per square meter) | The higher the market value, the higher the fair value |
| Factory building 1 - Wuhu, the PRC | RMB365,100,000 (2024: RMB165,200,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Market value (2024: same) | RMB2,353 per square meter (2024: RMB2,307 per square meter) | The higher the market value, the higher the fair value |
| Factory building 2 - Wuhu, the PRC | RMB93,400,000 (2024: RMB91,100,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Market value (2024: same) | RMB2,307 per square meter (2024: RMB2,250 per square meter) | The higher the market value, the higher the fair value |

17. INVESTMENT PROPERTIES (Continued)

INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) (Continued)

| Description | Fair value at 31 December 2025 | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs (probability- weighted average) | Relationship of unobservable inputs to fair value |
|---|---|--|--|--|--|
| Factory building 3 - Wuhu, the PRC | RMB171,570,000 | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease | Market value | RMB2,816 per square meter | The higher the market value, the higher the fair value |
| Factory building - Sichuan, the PRC | RMB116,700,000 | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease | Market value | RMB1,821 per square meter | The higher the market value, the higher the fair value |
| Factory building - Maanshan, the PRC | RMB161,210,000 (2024: RMB134,390,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Market value (2024: same) | RMB1,341 per square meter (2024: RMB1,575 per square meter) | The higher the market value, the higher the fair value |
| Factory building - Beihai, the PRC | RMB36,600,000 | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease | Market value | RMB1,692 per square meter | The higher the market value, the higher the fair value |
| Office unit – Hong Kong | RMB30,942,000 (2024: RMB47,035,000) | Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2024: same) | Recent market price (2024: same) | RMB8,068 per square feet (2024: RMB12,264 per square feet) | The higher the market value, the higher the fair value |
| | | | Level adjustment (2024: same) | 2.5% (2024:2.5%) | The higher the level, the higher the fair value |
| | | | View adjustment (2024: same) | 5.0% (2024:11.7%) | The better the view, the higher the fair value |

There were no changes to the valuation techniques during the year.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

Notes to the Consolidated Financial Statements

18. INTANGIBLE ASSETS

| | Goodwill | Trademark | Customer relationship | Patent | Float glass production capacity | Mining rights | Total |
|------------------------------|----------|-----------|-----------------------|---------|---------------------------------|---------------|-----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Year ended 31 December 2024 | | | | | | | |
| At 1 January 2024 | | | | | | | |
| Cost | 49,170 | 19,088 | 5,080 | 7,232 | 829,388 | 248,704 | 1,158,662 |
| Accumulated amortisation | — | (15,430) | (4,106) | (7,077) | — | (3,066) | (29,679) |
| Net book amount | 49,170 | 3,658 | 974 | 155 | 829,388 | 245,638 | 1,128,983 |
| Opening net book amount | 49,170 | 3,658 | 974 | 155 | 829,388 | 245,638 | 1,128,983 |
| Additions | — | — | — | — | 12,509 | 2,639 | 15,148 |
| Amortisation charge (Note 7) | — | (954) | (254) | (56) | — | (1,704) | (2,968) |
| Closing net book amount | 49,170 | 2,704 | 720 | 99 | 841,897 | 246,573 | 1,141,163 |
| At 31 December 2024 | | | | | | | |
| Cost | 49,170 | 19,088 | 5,080 | 7,232 | 841,897 | 251,343 | 1,173,810 |
| Accumulated amortisation | — | (16,384) | (4,360) | (7,133) | — | (4,770) | (32,647) |
| Net book amount | 49,170 | 2,704 | 720 | 99 | 841,897 | 246,573 | 1,141,163 |
| Year ended 31 December 2025 | | | | | | | |
| Opening net book amount | 49,170 | 2,704 | 720 | 99 | 841,897 | 246,573 | 1,141,163 |
| Disposal | — | — | — | — | (27,242) | — | (27,242) |
| Amortisation charge (Note 7) | — | (954) | (254) | (56) | — | (15,136) | (16,400) |
| Closing net book amount | 49,170 | 1,750 | 466 | 43 | 814,655 | 231,437 | 1,097,521 |
| At 31 December 2025 | | | | | | | |
| Cost | 49,170 | 19,088 | 5,080 | 7,232 | 814,655 | 251,343 | 1,146,568 |
| Accumulated amortisation | — | (17,338) | (4,614) | (7,189) | — | (19,906) | (49,047) |
| Net book amount | 49,170 | 1,750 | 466 | 43 | 814,655 | 231,437 | 1,097,521 |

Amortisation charge of RMB16,400,000 (2024: RMB2,968,000) has been included in administrative and other operating expenses in the consolidated statement of profit or loss (Note 7).

18. INTANGIBLE ASSETS (Continued)

(I) AMORTISATION METHODS AND PERIODS

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

| | |
|---|-------------|
| – Trademark, customer relationship and patent | 3-20 years |
| – Mining rights | 12-15 years |

IMPAIRMENT TESTS FOR GOODWILL

Goodwill is related to the acquisition of a subsidiary, which is principally engaged in manufacturing of automobile glass in the PRC. For the purposes of impairment testing, goodwill has been allocated to the cash-generating units (the “CGU”) of the subsidiary.

Assumptions were used in the value in use calculations of the CGU as at 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – in respect the revenue from the manufacturing of automobile glass, the budgeted revenue is based on the expected growth rate of the market in PRC. Management estimated compound revenue annual growth rate of 4.5% (2024: 4.5%). Cash flows beyond the five-year period are extrapolated using the terminal growth rate of 2.0% (2024: 2.0%).

Discount rates – management determined forecast profitability based on past performance and its expectation of future changes in revenue growth rate and net profit ratio. Future cash flows are discounted at 12% (2024: 12%) per annum. The discount rate used is pre-tax and reflects specific risks relating to this CGU.

Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

IMPAIRMENT TESTS FOR INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

The impairment of float glass production capacity is first tested whether its fair value less costs to sell exceed the carrying amount. If yes, there is no impairment loss of the float glass production capacity. If not, impairment test for float glass production capacity will be performed at the related CGUs level.

As at 31 December 2025, the Group’s PRC float glass production capacity acquired from external parties were held by six (2024: six) subsidiaries. Fair value less costs of disposal of float glass production capacity held by six (2024: three) subsidiaries exceeded the carrying amount and no impairment is required. The impairment tests based on value in use calculations were performed for remaining three subsidiaries at respective CGU’s level during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

18. INTANGIBLE ASSETS (Continued)

IMPAIRMENT TESTS FOR INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE (Continued)

The fair value less cost of disposal is determined based on recent transaction prices for similar float glass production capacity. The fair value measurement is categorised within Level 3 of the fair value hierarchy. The key assumption involved in the impairment test was the recent transaction prices which is approximately RMB146,000 per ton. The increase in the recent transaction price adopted would result in an increase in the fair value measurement of the float glass production capacity, and vice versa.

For the purposes of impairment testing based on value in use calculations, the float glass production capacity had been allocated to the respective CGU.

Assumptions were used in the value in use calculations of the CGU as at 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of float glass production capacity:

Budgeted revenue – in respect the revenue from the manufacturing of float glass, the budgeted revenue was based on the estimated manufacturing volume, inventory turnover rate and expected growth rate of the market in PRC. Management estimated compound annual growth rate of 3.0%. Cash flows beyond the five-year period are extrapolated using the terminal growth rate of 2.5%.

Discount rates – Future cash flows were discounted at 12% per annum. The discount rate used was pre-tax and reflects specific risks relating to this CGU.

Management believed that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of each float glass production capacity to exceed the respective recoverable amount.

19. INVENTORIES

| | 2025 | 2024 |
|------------------|------------------|------------------|
| | RMB'000 | RMB'000 |
| Raw materials | 1,081,093 | 1,203,674 |
| Work in progress | 216,214 | 219,068 |
| Finished goods | 2,246,103 | 2,069,463 |
| | 3,543,410 | 3,492,205 |

The Group identified certain inventory items that were subject to obsolescence due to the impact of typhoon in Hainan in September 2024. Specifically, the Group recognised impairment losses of RMB35,871,000 in 2024.

The cost of inventories recognised as expenses and included in cost of sales amounted to approximately RMB10,659,840,000 (2024: RMB 11,518,398,000) (Note 7).

19. INVENTORIES (Continued)

ACCOUNTING POLICY OF INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). 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.

20. TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

| | 2025 RMB'000 | 2024 RMB'000 |
|--|------------------|--------------------|
| Trade receivables (<i>Note (a)</i>) | 2,021,825 | 1,928,573 |
| Less: provision for loss allowance of trade receivables (<i>Note (b)</i>) | (34,273) | (47,417) |
| | <u>1,987,552</u> | <u>1,881,156</u> |
| Bills receivables (<i>Note (c)</i>) | 1,221,689 | 1,403,428 |
| Trade and bills receivables - net | <u>3,209,241</u> | <u>3,284,584</u> |
| Prepayments, deposits and other receivables (<i>Note (f)</i>) | 3,313,023 | 4,735,599 |
| Less: provision for loss allowance of deposits and other receivables (<i>Note (g)</i>) | (667,138) | (70,654) |
| | <u>2,645,885</u> | <u>4,664,945</u> |
| Less: non-current portion | 5,855,126 | 7,949,529 |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | <u>(319,678)</u> | <u>(1,312,026)</u> |
| Current portion | <u>5,535,448</u> | <u>6,637,503</u> |
| Current portion analysis into: | | |
| Trade and bills receivables | 3,209,241 | 3,284,584 |
| Prepayments, deposits and other receivables | <u>2,326,207</u> | <u>3,352,919</u> |
| | <u>5,535,448</u> | <u>6,637,503</u> |

Notes to the Consolidated Financial Statements

20. TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

(Continued)

Notes:

(a) Trade receivables

The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2025 and 2024, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------|------------------|------------------|
| 0 - 90 days | 1,703,222 | 1,535,151 |
| 91 - 180 days | 230,718 | 268,219 |
| 181 - 365 days | 33,593 | 74,551 |
| 1 - 2 years | 36,787 | 30,676 |
| Over 2 years | 17,505 | 19,976 |
| | <u>2,021,825</u> | <u>1,928,573</u> |

The ageing analysis of the Group's trade receivables based on due date was as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------|------------------|------------------|
| Current | 1,710,628 | 1,659,209 |
| 0 - 90 days | 248,671 | 200,317 |
| 91 - 180 days | 19,000 | 15,184 |
| 181 - 365 days | 20,879 | 14,139 |
| 1 - 2 years | 10,415 | 21,667 |
| Over 2 years | 12,232 | 18,057 |
| | <u>2,021,825</u> | <u>1,928,573</u> |

20. TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(a) Trade receivables (Continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------|------------------|------------------|
| RMB | 767,016 | 973,421 |
| US\$ | 1,060,218 | 817,976 |
| HK\$ | 6,751 | 5,945 |
| Other currencies | 187,840 | 131,231 |
| | <u>2,021,825</u> | <u>1,928,573</u> |

(i) *Classification as trade receivables*

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 37.9(d).

(b) Movements in the Group's provision for loss allowance of trade receivables was as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| At 1 January | 47,417 | 54,555 |
| Currency translation differences | (847) | 163 |
| (Decrease)/increase in provision for loss allowance of trade receivables, net | (6,658) | 9,105 |
| Receivables written off during the year | (5,639) | (16,406) |
| At 31 December | <u>34,273</u> | <u>47,417</u> |

Notes to the Consolidated Financial Statements

20. TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(b) Movements in the Group's provision for loss allowance of trade receivables was as follows: (Continued)

(i) *Impairment and risk exposure*

The provision for loss allowance of trade receivables has been included in "Net impairment loss on financial assets" in the consolidated statement of profit or loss. The amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The Group applies HKFRS 9 simplified approach to measure provision for loss allowance which uses a lifetime expected loss allowance for all trade receivables.

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk can be found in Note 3(c) to the financial statements.

The top five customers and the largest customer accounted for approximately 13.2% (2024: 15.9%) and 9.9% (2024: 7.8%) of the trade and bills receivables, net as at 31 December 2025, respectively. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

- (c) All bills receivables are issued by licensed banks in the PRC with maturities within 12 months (2024: 12 months).
- (d) The carrying amounts of trade and bills and other receivables approximate their fair values.
- (e) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.
- (f) Nature of prepayments, deposits and other receivables is as below:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|------------------|
| Prepayments for property, plant and equipment, land use right and intangible assets | 319,678 | 1,312,026 |
| Prepayment for inventories | 370,096 | 363,329 |
| Prepaid expenses | 288,519 | 181,746 |
| Deposits | 6,658 | 7,309 |
| Tax recoverable (<i>Note</i>) | 482,686 | 890,924 |
| Amount due from an associate (<i>Note 32(B)</i>) | 1,769,865 | 1,713,028 |
| Others | 75,521 | 267,237 |
| | 3,313,023 | 4,735,599 |

Note: Tax recoverable mainly represents value added tax ("VAT") recoverable, which is creditable input VAT on purchase of property, plant and equipment offset against output VAT on sales of glass product. The balance is denominated in RMB.

20. TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(g) Movements in the Group's provision for loss allowance of deposits and other receivables was as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| At 1 January | 70,654 | — |
| Increase in provision for loss allowance of deposits and other receivables, net (<i>note</i>) | 596,484 | 70,654 |
| At 31 December | 667,138 | 70,654 |

Note: Given the industry production capacity for polysilicon exceeds demand and the polysilicon prices have remained depressed for a prolonged period, the Group measured the expected credit losses on the amount due from an associate - Xinyi Silicon, which is principally engaged in production and sales of silicon products in the PRC, and recognised a provision for loss allowance of RMB596,484,000 during the year ended 31 December 2025 (2024: RMB70,654,000).

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

(A) CLASSIFICATION OF FINANCIAL ASSETS AT FVTPL

The Group classifies the following financial assets at FVTPL:

- equity investments that are held for trading, and
- equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income, and
- debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income ("FVOCI").

Notes to the Consolidated Financial Statements

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Continued)

(A) CLASSIFICATION OF FINANCIAL ASSETS AT FVTPL (Continued)

As at 31 December, financial assets measured at FVTPL include the following:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------------------|-----------------|-----------------|
| Current assets | | |
| Listed equity securities | 25,206 | 21,821 |
| Structure deposits | 96,000 | — |
| Derivative financial assets | 6,885 | 107 |
| | 128,091 | 21,928 |

As at 31 December 2025, financial assets at FVTPL represent equity securities listed in the PRC (Zotye Automobile Co. Ltd and Tangshan Sanyou Chemical Industries Co., Ltd), structured deposits placed in registered banks and derivative financial instruments which are held for trading.

See Note 37.9 to the financial statements for the remaining relevant accounting policies.

(B) AMOUNTS RECOGNISED IN PROFIT OR LOSS

During the year, the following gains/(losses) were recognised in consolidated statement of profit or loss:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Fair value gains/(losses) of financial assets at FVTPL (Note 6) | 3,890 | (492) |

(C) RISK EXPOSURE AND FAIR VALUE MEASUREMENTS

Information about the Group's exposure to price risk is provided in Note 3(d) to the financial statements. For information about the methods and assumptions used in determining fair value please refer to Note 3(f) to the financial statements.

22. CASH AND BANK BALANCES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Cash and cash equivalents | 2,626,042 | 1,456,115 |
| Fixed bank deposits | | |
| – Short-term (<i>Note (a)</i>) | — | 100,000 |
| – Long-term (<i>Note (a)</i>) | 212,000 | 70,000 |
| Pledged bank deposits (<i>Note (b)</i>) | 79,628 | 83,137 |
| Total cash and bank balances | 2,917,670 | 1,709,252 |

Notes:

- (a) The Group placed fixed bank deposits with major licensed banks in the PRC, with fixed maturities and fixed interest rates. The effective interest rate on fixed bank deposits was 1.7% (2024: 3.4%) per annum. Long-term fixed bank deposits have an average maturity of 3.0 years (2024: 3.0 years) and denominated in RMB.
- (b) Pledged bank deposits represent deposits pledged as collateral principally as security for import duties payable to the United States government.

The carrying amounts of the Group's cash and bank balances and bank deposits are denominated in the following currencies:

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------|-----------------|-----------------|
| RMB | 2,203,903 | 1,180,795 |
| US\$ | 497,808 | 359,847 |
| MYR | 98,276 | 34,355 |
| HK\$ | 42,980 | 52,661 |
| Other currencies | 74,703 | 81,594 |
| | 2,917,670 | 1,709,252 |

RMB and MYR are currently not freely convertible currencies in international market. The conversion of RMB and MYR into foreign currencies and remittance of RMB out of the PRC and MYR out of Malaysia, respectively, are subject to the rules and regulations of the foreign exchange control promulgated by the PRC government and Malaysian government.

Notes to the Consolidated Financial Statements

22. CASH AND BANK BALANCES (Continued)

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------------------------|------------------|------------------|
| Total cash and bank balances | 2,917,670 | 1,709,252 |
| Less: | | |
| – Long-term fixed bank deposits | (212,000) | (70,000) |
| – Short-term fixed bank deposits | — | (100,000) |
| – Pledged bank deposits | (79,628) | (83,137) |
| | <u>2,626,042</u> | <u>1,456,115</u> |

23. SHARE CAPITAL AND PREMIUM

| | <i>Notes</i> | Number of shares | Ordinary shares of HK\$0.1 each RMB'000 | Share premium RMB'000 | Total RMB'000 |
|---------------------------------------|--------------|----------------------|--|-----------------------------|------------------|
| At 1 January 2025 | | 4,357,192,919 | 408,378 | 3,048,090 | 3,456,468 |
| Scrip Dividend | (a) | 73,142,933 | 6,690 | 510,333 | 517,023 |
| Repurchase and cancellation of shares | (b) | (6,227,000) | (571) | (45,029) | (45,600) |
| Dividend relating to 2024 | 12 | — | — | (408,444) | (408,444) |
| Dividend relating to 2025 | 12 | — | — | (501,802) | (501,802) |
| At 31 December 2025 | | <u>4,424,108,852</u> | <u>414,497</u> | <u>2,603,148</u> | <u>3,017,645</u> |

| | <i>Note</i> | Number of shares | Ordinary shares of HK\$0.1 each RMB'000 | Share premium RMB'000 | Total RMB'000 |
|---|-------------|----------------------|--|-----------------------------|------------------|
| At 1 January 2024 | | 4,222,545,672 | 396,222 | 2,246,103 | 2,642,325 |
| Issue of shares under an employees share option scheme | 24 | 1,990,600 | 184 | 17,942 | 18,126 |
| Scrip dividend | (a) | 132,656,647 | 11,972 | 784,045 | 796,017 |
| At 31 December 2024 | | <u>4,357,192,919</u> | <u>408,378</u> | <u>3,048,090</u> | <u>3,456,468</u> |

23. SHARE CAPITAL AND PREMIUM (Continued)

(A) SCRIP DIVIDEND

On 1 August 2025, the board of directors declared an interim dividend of 12.5 HK cents per share for the six months ended 30 June 2025. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 10 October 2025, 32,918,825 shares were issued at an issue price of HK\$8.19 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 28 February 2025, the board of directors proposed a final dividend of 10.0 HK cents per share for the year ended 31 December 2024. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 30 July 2025, 40,224,108 shares were issued at an issue price of HK\$7.35 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 31 July 2024, the board of directors declared an interim dividend of 31.0 HK cents per share for the six months ended 30 June 2024. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 16 October 2024, 132,139,235 shares were issued at an issue price of HK\$6.64 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 28 February 2024, the board of directors proposed a final dividend of 37.0 HK cents per share for the year ended 31 December 2023. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 7 August 2024, 517,412 shares were issued at an issue price of HK\$8.84 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

(B) REPURCHASE AND CANCELLATION OF SHARES

During the year ended 31 December 2025, the Company repurchased a total of 6,227,000 shares on the Stock Exchange and cancelled in August 2025. Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares and the premium paid on these shares upon the repurchase were charged against share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's share capital to the capital redemption reserve. The table below sets forth further information of these repurchases:

| <u>Month of repurchase</u> | <u>Number of shares of HK\$0.10 each repurchased</u> | <u>Highest price paid per share HK\$</u> | <u>Lowest price paid per share HK\$</u> | <u>Aggregate consideration paid HK\$000</u> |
|----------------------------|--|--|---|---|
| <u>August 2025</u> | <u>6,227,000</u> | <u>8.08</u> | <u>7.82</u> | <u>49,732</u> |

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities (including sale of treasury shares) of the Company during the year ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

24. SHARE BASED PAYMENTS

SHARE OPTION SCHEME OF THE COMPANY

In 2015, the Company adopted a share option scheme (“2015 Share Option Scheme”). Under the Share Option Scheme, the Company’s directors may, at their sole discretion, grant options to any employee of the Group to subscribe for shares of the Company at the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotation sheet for the five trading days immediately preceding the day of the offer of the grant; and (iii) the nominal value of shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 30% of the relevant shares or securities of the Company in issue from time to time.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 10% of the shares in issue upon completion of the placing and the capitalisation issue of the shares of the Company, unless the Company obtains further approval from the shareholders

The 2015 Share Option Scheme was expired on 14 January 2025 and the Company has adopted a new share option scheme (the “2025 Share Option Scheme”) on 30 May 2025.

Information in relation to the share options granted to employees of the Group is as follows:

| <u>Date of grant</u> | <u>Number of share Options granted (Note 1)</u> | <u>Exercise price (HK\$)</u> | <u>Validity period</u> | <u>Expiry date</u> |
|----------------------|---|----------------------------------|-----------------------------------|--------------------|
| 17 March 2020 | 32,000,000 | 8.82 (Note 2) | 17 March 2020 to 31 March 2024 | 31 March 2024 |
| 2 March 2021 | 34,700,000 | 23.35 (Note 3) | 2 March 2021 to 31 March 2025 | 31 March 2025 |
| 1 March 2022 | 35,000,000 | 21.80 (Note 3) | 1 March 2022 to 31 March 2026 | 31 March 2026 |
| 1 March 2023 | 35,000,000 | 15.52 (Note 2) | 1 March 2023 to 31 March 2027 | 31 March 2027 |
| 1 March 2024 | 37,500,000 | 8.04 (Note 3) | 1 March 2024 to 31 March 2028 | 31 March 2028 |
| 9 June 2025 | 38,000,000 | 7.88 (Note 3) | 9 June 2025 to 31 March 2029 | 31 March 2029 |

24. SHARE BASED PAYMENTS (Continued)

SHARE OPTION SCHEME OF THE COMPANY (Continued)

Notes:

1. One third of the options will vest on each of the year-end date within the three years after the date of the grant of options.
2. The exercise prices of the share options are equal to the average closing price of the Company's share for the five trading days immediately preceding the respective dates of grant.
3. The exercise prices of the share options are equal to the closing price of the Company's share on the date of grant.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | 2025 | | 2024 | |
|----------------|--|---------------------|--|---------------------|
| | Average exercise price in HK\$ per share | Options (thousands) | Average exercise price in HK\$ per share | Options (thousands) |
| At 1 January | 16.75 | 122,419 | 17.64 | 117,391 |
| Granted | 7.88 | 38,000 | 8.04 | 37,500 |
| Exercised | — | — | 8.82 | (1,991) |
| Forfeited | 12.38 | (8,046) | 13.98 | (6,851) |
| Expired | 23.35 | (28,071) | 8.82 | (23,630) |
| At 31 December | 12.83 | 124,302 | 16.75 | 122,419 |

Out of the 124,302,000 (2024: 122,419,000) outstanding options, 27,765,000 (2024: 28,071,000) options were exercisable as at 31 December 2025. Options exercised in 2024 resulted in 1,991,000 shares being issued at a weighted average in 2024 exercise price of HK\$8.82 each. The weighted average market price at the time of exercise was HK\$9.24 each in 2024.

Notes to the Consolidated Financial Statements

24. SHARE BASED PAYMENTS (Continued)

SHARE OPTION SCHEME OF THE COMPANY (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise price:

| | Exercise price in HK\$ per share | Options (thousands) | |
|---------------|----------------------------------|---------------------|----------------|
| | | 2025 | 2024 |
| Expiry date | | | |
| 31 March 2025 | 23.35 | — | 28,071 |
| 31 March 2026 | 21.80 | 27,765 | 29,422 |
| 31 March 2027 | 15.52 | 29,254 | 30,936 |
| 31 March 2028 | 8.04 | 32,264 | 33,990 |
| 31 March 2029 | 7.88 | 35,019 | — |
| | | 124,302 | 122,419 |

The weighted average fair value of options granted during the year determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited, was approximately HK\$1.91 (2024: HK\$1.85) per option.

The significant inputs into the model are as follows:

| | 2025 | 2024 |
|---------------------------------------|--------|--------|
| Share price, at the grant date (HK\$) | 7.88 | 8.04 |
| Exercise price (HK\$) | 7.88 | 8.04 |
| Volatility (%) | 45.17% | 47.55% |
| Dividend yield (%) | 5.20 | 7.84 |
| Expected share option life (years) | 3.30 | 3.60 |
| Annual risk-free interest rate (%) | 2.16 | 3.65 |

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the previous year. See Note 8 to the financial statements for the total expense recognised in the consolidated statement of profit or loss for share options granted to employees of the Group.

25. RESERVES

| | Statutory reserve fund RMB'000 <i>(Note (a))</i> | Enterprise expansion fund RMB'000 <i>(Note (a))</i> | Foreign currency translation reserve RMB'000 | Other reserves | | | | | Sub-total RMB'000 | Retained earnings RMB'000 | Total RMB'000 |
|---|--|---|--|--|---------------------------------------|---|---|--|----------------------|---------------------------------|------------------|
| | | | | Capital reserve RMB'000 <i>(Note (b))</i> | Share option reserve RMB'000 | Property revaluation reserve RMB'000 | Capital redemption reserve RMB'000 | FVOCI reserve RMB'000 <i>(Note (c))</i> | | | |
| At 1 January 2025 | 3,624,295 | 39,837 | (1,163,642) | 354,163 | 254,138 | 158,747 | 22,397 | (33,905) | 3,256,030 | 27,572,287 | 30,828,317 |
| Profit for the year | — | — | — | — | — | — | — | — | — | 2,729,004 | 2,729,004 |
| Currency translation differences | — | — | (74,989) | — | — | — | — | — | (74,989) | — | (74,989) |
| Share of other comprehensive income of associates <i>(Note 14)</i> | — | — | 44,207 | — | — | — | — | — | 44,207 | — | 44,207 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax <i>(Note 17)</i> | — | — | — | — | — | 184,746 | — | — | 184,746 | — | 184,746 |
| Employees share option scheme: | | | | | | | | | | | |
| – value of employee services <i>(Note 24)</i> | — | — | — | — | 79,944 | — | — | — | 79,944 | — | 79,944 |
| – adjustment relating to expired share options | — | — | — | — | (128,866) | — | — | — | (128,866) | 128,866 | — |
| Repurchase and cancellation of shares | — | — | — | — | — | — | 571 | — | 571 | (571) | — |
| Transfer to reserves | 115,010 | — | — | — | — | — | — | — | 115,010 | (115,010) | — |
| Disposal of a subsidiary | (8,890) | — | — | — | — | — | — | — | (8,890) | 8,890 | — |
| At 31 December 2025 | 3,730,415 | 39,837 | (1,194,424) | 354,163 | 205,216 | 343,493 | 22,968 | (33,905) | 3,467,763 | 30,323,466 | 33,791,229 |

Notes to the Consolidated Financial Statements

25. RESERVES (Continued)

| | Statutory reserve fund RMB'000 <i>(Note (a))</i> | Enterprise expansion fund RMB'000 <i>(Note (a))</i> | Foreign currency translation reserve RMB'000 | Other reserves | | | | | Sub-total RMB'000 | Retained earnings RMB'000 | Total RMB'000 |
|--|--|---|--|--|---------------------------------------|---|---|--|----------------------|---------------------------------|------------------|
| | | | | Capital reserve RMB'000 <i>(Note (b))</i> | Share option reserve RMB'000 | Property revaluation reserve RMB'000 | Capital redemption reserve RMB'000 | FVOCI reserve RMB'000 <i>(Note (c))</i> | | | |
| At 1 January 2024 | 3,507,831 | 39,837 | (1,163,283) | 354,163 | 198,055 | 54,034 | 22,397 | (33,905) | 2,979,129 | 26,968,445 | 29,947,574 |
| Profit for the year | — | — | — | — | — | — | — | — | — | 3,369,173 | 3,369,173 |
| Currency translation differences | — | — | (58,027) | — | — | — | — | — | (58,027) | — | (58,027) |
| Share of other comprehensive income of associates <i>(Note 14)</i> | — | — | 57,668 | — | — | — | — | — | 57,668 | — | 57,668 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax | — | — | — | — | — | 104,713 | — | — | 104,713 | — | 104,713 |
| Employees share option scheme: | | | | | | | | | | | |
| – proceeds from shares issued | — | — | — | — | (1,946) | — | — | — | (1,946) | — | (1,946) |
| – value of employee services <i>(Note 24)</i> | — | — | — | — | 81,129 | — | — | — | 81,129 | — | 81,129 |
| – adjustment relating to expired share options | — | — | — | — | (23,100) | — | — | — | (23,100) | 23,100 | — |
| Transfer to reserves | 116,464 | — | — | — | — | — | — | — | 116,464 | (116,464) | — |
| Dividends relating to 2023 | — | — | — | — | — | — | — | — | — | (1,446,942) | (1,446,942) |
| Dividends relating to 2024 | — | — | — | — | — | — | — | — | — | (1,225,025) | (1,225,025) |
| At 31 December 2024 | 3,624,295 | 39,837 | (1,163,642) | 354,163 | 254,138 | 158,747 | 22,397 | (33,905) | 3,256,030 | 27,572,287 | 30,828,317 |

25. RESERVES (Continued)

Notes:

- (a) The statutory reserve fund and enterprise expansion fund are provided for in accordance with laws in the PRC and regulations by certain subsidiaries which are the wholly owned foreign enterprises incorporated in the PRC. These funds are appropriated from net profit as recorded in the PRC statutory accounts of the respective subsidiaries. The statutory reserve fund can only be used, upon approval by the relevant authority, to make good of previous years' losses or to increase the capital of these group companies. The enterprise expansion fund can only be used to increase capital of the Group companies or to expand their production operations upon approval by the relevant authority.

During the year ended 31 December 2025, the boards of directors of the subsidiaries resolved to appropriate approximately RMB115,010,000 (2024: RMB116,464,000) from retained earnings to statutory reserve fund. No enterprise expansion fund was appropriated during the years ended 31 December 2025 and 2024.

- (b) The opening balance of capital reserve of the Group comprises the followings 1) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to a reorganisation occurred in 2004 and the nominal value of the share capital of the Company issued in exchange thereof, and 2) the share of gain in Xinyi Solar resulting from the spin-off and initial public offering of Xinyi Energy in 2019.

- (c) Financial assets at FVOCI

The Group elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income in prior years. These changes are accumulated under the FVOCI reserve within equity. For equity securities elected to present changes in FVOCI, the Group will never transfer amounts from this reserve to retained earnings or recycle the reserve to profit or loss when the relevant equity securities are derecognised.

26. TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Trade payables (<i>Note (a)</i>) | 1,817,474 | 1,781,649 |
| Bills payable (<i>Note (b)</i>) | 448,260 | 19,000 |
| | 2,265,734 | 1,800,649 |
| Other payables (<i>Note (c)</i>) | 1,745,310 | 2,460,663 |
| Contract liabilities (<i>Note (d)</i>) | 555,534 | 504,109 |
| Less: non-current portion | | |
| Other payables | (77,848) | (112,231) |
| Current portion | 4,488,730 | 4,653,190 |

Trade payables are unsecured and are usually paid within 30-90 days of recognition.

Notes to the Consolidated Financial Statements

26. TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Notes:

(a) Trade payables

At 31 December 2025 and 2024, the ageing analysis of the Group's trade payables based on invoice date was as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--------------|------------------|------------------|
| 0 - 90 days | 1,734,804 | 1,666,892 |
| 91-180 days | 20,435 | 51,475 |
| 181-365 days | 28,017 | 19,988 |
| 1-2 years | 16,442 | 21,104 |
| Over 2 years | 17,776 | 22,190 |
| | <u>1,817,474</u> | <u>1,781,649</u> |

The carrying amounts of the Group's trade payables are denominated in the following currencies:

| | 2025 RMB'000 | 2024 RMB'000 |
|--------------------------|------------------|------------------|
| RMB | 1,663,097 | 1,630,371 |
| MYR | 43,527 | 74,001 |
| US\$ | 83,863 | 65,075 |
| Indonesia Rupiah ("IRD") | 24,400 | 4,371 |
| Other currencies | 2,587 | 7,831 |
| | <u>1,817,474</u> | <u>1,781,649</u> |

(b) Bills payable have maturities ranging within 12 months (2024: 12 months).

(c) Nature of other payables is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|------------------|------------------|
| Payables for investment properties | 36,324 | 16,325 |
| Payables for property, plant and equipment | 509,445 | 1,216,940 |
| Payables for employee benefits and welfare | 456,786 | 486,399 |
| Payables for value-added tax | 402,652 | 246,365 |
| Payables for utilities | 72,654 | 75,855 |
| Payables for transportation charges | 109,497 | 103,613 |
| Payables for commission | 59,745 | 58,387 |
| Others | 98,207 | 256,779 |
| | <u>1,745,310</u> | <u>2,460,663</u> |

26. TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Notes: (Continued)

- (d) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of glass products.

The following table shows the amount of the revenue recognised in the current reporting period relates to contract liabilities balance at the beginning of the year.

| | 31 December 2025 RMB'000 | 31 December 2024 RMB'000 | 1 January 2024 RMB'000 |
|---|--------------------------------|--------------------------------|------------------------------|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 504,109 | 559,551 | 559,060 |

27. BANK BORROWINGS

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Non-current | | |
| Long-term bank borrowings | 2,826,412 | 3,262,088 |
| Less: Current portion of long-term bank borrowings | (1,521,362) | (1,379,869) |
| | 1,305,050 | 1,882,219 |
| Shown as non-current liabilities | 1,305,050 | 1,882,219 |
| Current | | |
| Short-term bank borrowings | 1,977,760 | 4,051,000 |
| Current portion of long-term bank borrowings | 1,521,362 | 1,379,869 |
| Shown as current liabilities | 3,499,122 | 5,430,869 |
| Total bank borrowings | 4,804,172 | 7,313,088 |

Notes to the Consolidated Financial Statements

27. BANK BORROWINGS (Continued)

At 31 December 2025 and 2024, the Group's bank borrowings were repayable as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------------|------------------|------------------|
| Within 1 year | 3,499,122 | 5,430,869 |
| Between 1 and 2 years | 459,550 | 1,587,869 |
| Between 2 and 5 years | 845,500 | 257,150 |
| Over 5 years | — | 37,200 |
| | 4,804,172 | 7,313,088 |

These bank borrowings are repayable by installments up to 2028 (2024: 2031) and the carrying amounts of bank borrowings approximate their fair values as at 31 December 2025 and 2024. The fair values are categorised within level 2 of the fair value hierarchy. The fair values of the bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group is required to comply with the related financial bank covenants for the next financial year and the Group complied with the financial bank covenants of its bank loans during both periods presented.

At 31 December 2025 and 2024, the carrying amounts of the Group's bank borrowings are denominated in the following currencies:

| | 2025 RMB'000 | 2024 RMB'000 |
|------|------------------|------------------|
| RMB | 4,804,172 | 7,033,487 |
| HK\$ | — | 279,601 |
| | 4,804,172 | 7,313,088 |

The effective interest rate is as follows:

| | 2025 | 2024 |
|-----------------|-------|-------|
| Bank borrowings | 2.60% | 3.30% |

The bank borrowings were guaranteed by corporate guarantee provided by the Company and cross guarantees provided by certain subsidiaries of the Group.

28. DEFERRED INCOME TAX

The analysis of deferred income tax is as follows:

DEFERRED INCOME TAX ASSETS:

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------------------|-----------------|-----------------|
| Deferred income tax assets | 4,565 | 5,152 |

The gross movements on the deferred income tax assets are as follows:

| | Tax losses RMB'000 | Government grants relating to purchase of land use rights RMB'000 | Total RMB'000 |
|--|-----------------------|---|------------------|
| At 1 January 2024 | 243 | 3,782 | 4,025 |
| Currency translation differences (Charged) /credited to the consolidated statement of profit or loss (Note 10) | (37) | — | (37) |
| | (206) | 1,370 | 1,164 |
| At 31 December 2024 | — | 5,152 | 5,152 |
| Charged to the consolidated statement of profit or loss (Note 10) | — | (587) | (587) |
| At 31 December 2025 | — | 4,565 | 4,565 |

The Group did not recognise deferred income tax assets of approximately RMB204,061,000 (2024: RMB182,069,000) in respect of losses amounting to approximately RMB874,989,000 (2024: RMB774,588,000) that can be carried forward against future taxable income.

Notes to the Consolidated Financial Statements

28. DEFERRED INCOME TAX (Continued)

DEFERRED INCOME TAX ASSETS: (Continued)

The time frame of tax losses expiration is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------|-----------------|-----------------|
| Expiring in 2025 | — | 53,117 |
| Expiring in 2026 | 48,363 | 48,363 |
| Expiring in 2027 | 48,185 | 51,642 |
| Expiring in 2028 | 49,170 | 50,605 |
| Expiring in 2029 | 552,813 | 554,889 |
| Expiring in 2030 | 159,760 | — |
| No expire date | 16,698 | 15,972 |
| | 874,989 | 774,588 |

DEFERRED INCOME TAX LIABILITIES:

| | 2025 RMB'000 | 2024 RMB'000 |
|---------------------------------|-----------------|-----------------|
| Deferred income tax liabilities | 613,106 | 579,096 |

The gross movements on the deferred income tax liabilities are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Beginning of the year | 579,096 | 476,678 |
| Currency translation differences | 8,060 | 7,861 |
| (Credited) /charged to the consolidated statement of profit or loss (Note 10) | (11,687) | 59,652 |
| Charged to other comprehensive income | 37,637 | 34,905 |
| End of the year | 613,106 | 579,096 |

28. DEFERRED INCOME TAX (Continued)

DEFERRED INCOME TAX LIABILITIES: (Continued)

| | Accelerated tax depreciation RMB'000 | Fair value gains RMB'000 | Undistributed profits of subsidiaries RMB'000 | Total RMB'000 |
|--|---|--------------------------------|--|------------------|
| At 1 January 2024 | 97,354 | 215,142 | 164,182 | 476,678 |
| Charged/(credited) to the consolidated statement of profit or loss (<i>Note 10</i>) | 77,303 | (17,651) | — | 59,652 |
| Charged to other comprehensive income | — | 34,905 | — | 34,905 |
| Currency translation differences | 7,861 | — | — | 7,861 |
| At 31 December 2024 | 182,518 | 232,396 | 164,182 | 579,096 |
| Credited to the consolidated statement of profit or loss (<i>Note 10</i>) | (4,241) | (7,446) | — | (11,687) |
| Charged to other comprehensive income | — | 37,637 | — | 37,637 |
| Currency translation differences | 8,060 | — | — | 8,060 |
| At 31 December 2025 | 186,337 | 262,587 | 164,182 | 613,106 |

As at 31 December 2025, investment properties located in the PRC amounted to RMB2,762,381,000 (2024: RMB1,722,596,000) are held by certain subsidiaries with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The investment property located in Hong Kong amounted to RMB30,942,000 (2024: RMB47,035,000) is held by a subsidiary and expected to be recovered entirely through sale. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 17).

Deferred income tax liabilities of approximately RMB1,587,078,000 (2024: RMB1,478,713,000) have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries in the PRC. Such temporary differences are not expected to be reversed in the foreseeable future. At 31 December 2025, total unremitted earnings for which deferred withholding tax liability has not been recognised amounted to approximately RMB31,741,561,000 (2024: RMB29,574,267,000).

Notes to the Consolidated Financial Statements

29. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax to cash generated from operations:

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|---|-------------|------------------|------------------|
| Profit before income tax | | 2,905,101 | 4,248,029 |
| Adjustments for: | | | |
| – Depreciation charge of property, plant and equipment | 7 | 1,383,971 | 1,317,855 |
| – Losses on disposal of property, plant and equipment | 6 | 161,329 | 33,417 |
| – Losses on impairment of property, plant and equipment | 6 | 156,838 | 502,097 |
| – Impairment losses of right-of-use assets | 6 | — | 42,787 |
| – Impairment losses of inventories | | — | 35,871 |
| – Compensation for surrendering leasehold land and related property, plant and equipment, net | 5 | (150,946) | — |
| – Gain on disposal of intangible assets | 5 | (2,003) | — |
| – Gain on disposal of a subsidiary | 5 | (30,376) | — |
| – Depreciation charge of right-of-use assets | 7 | 116,298 | 129,189 |
| – Fair value losses on investment properties - net | 6 | 42,417 | 82,970 |
| – Amortisation charge of intangible assets | 7 | 16,400 | 2,968 |
| – Share of net profits of associates | 14 | (141,407) | (196,869) |
| – Interest income | 9 | (34,540) | (46,686) |
| – Interest expense | 9 | 122,594 | 181,026 |
| – Share options granted to employees | 8 | 79,944 | 81,129 |
| – Fair value (gains)/losses on financial assets at FVTPL | 5 | (3,890) | 492 |
| – Net impairment losses on financial assets | 20 | 589,826 | 79,759 |
| Changes in working capital: | | | |
| – Inventories | | 181,487 | 94,574 |
| – Trade and bills and other receivables | | 459,216 | 83,869 |
| – Trade, other payables and contract liabilities | | 77,733 | 14,412 |
| Cash generated from operations | | <u>5,929,992</u> | <u>6,686,889</u> |

29. CASH GENERATED FROM OPERATIONS (Continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Net book amount of property, plant and equipment (<i>Note 15</i>) | 307,559 | 120,763 |
| Losses on disposal of property, plant and equipment | (161,329) | (33,417) |
| Proceeds from disposal of property, plant and equipment | 146,230 | 87,346 |

In the consolidated statement of cash flows, proceeds from compensation for surrendering of leasehold land and related property, plant and equipment comprise:

| | 2025 RMB'000 |
|---|-----------------|
| Net book amount of property, plant and equipment (<i>Note 15</i>) | 12,955 |
| Net book amount of right-of-use assets (<i>Note 16</i>) | 2,591 |
| Compensation for surrendering assets, net | 150,946 |
| Proceeds from compensation for surrendering assets, net (<i>Note 5</i>) | 166,492 |

Notes to the Consolidated Financial Statements

29. CASH GENERATED FROM OPERATIONS (Continued)

(c) Changes in liabilities arising from financing activities:

| | Bank and other borrowings due within 1 year RMB'000 | Bank and other borrowings due after 1 year RMB'000 | Lease liabilities RMB'000 |
|---|--|---|---------------------------------|
| At 1 January 2024 | (4,788,936) | (2,661,692) | (16,229) |
| Unwinding of interest on lease liabilities | — | — | (779) |
| Cash flows from financing activities | (617,189) | 779,473 | 7,590 |
| Foreign exchange movement | (24,744) | — | 339 |
| At 31 December 2024 and 1 January 2025 | (5,430,869) | (1,882,219) | (9,079) |
| Addition of lease liabilities | — | — | (440) |
| Unwinding of interest on lease liabilities | — | — | (397) |
| Disposal of a subsidiary (<i>Note 30</i>) | 74,400 | — | — |
| Cash flows from financing activities | 1,843,830 | 577,169 | 6,908 |
| Foreign exchange movement | 13,517 | — | 1 |
| At 31 December 2025 | (3,499,122) | (1,305,050) | (3,007) |

30. DISPOSAL OF A SUBSIDIARY

| | <i>Notes</i> | 2025 RMB'000 |
|--|--------------|-----------------|
| Net assets disposed of: | | |
| Property, plant and equipment | 15 | 244,369 |
| Cash and bank balances | | 3,417 |
| Right-of-use assets | 16(a) | 2,509 |
| Inventories | | 186 |
| Prepayments for property, plant and equipment | | 324 |
| Prepayments, deposits and other receivables | | 93,911 |
| Trade, other payables and contract liabilities | | (242,193) |
| Income tax payable | | (3,167) |
| Bank borrowings | | (74,400) |
| Non-controlling interests | | (4,492) |
| Subtotal | | 20,464 |
| Gain on disposal of a subsidiary | 5 | 30,376 |
| Total consideration | | 50,840 |
| Satisfied by: | | |
| Cash | | 50,840 |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follow:

| | 2025 RMB'000 |
|--|-----------------|
| Cash consideration | 50,840 |
| Cash and bank balance disposed of | (3,417) |
| Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary | 47,423 |

Notes to the Consolidated Financial Statements

31. COMMITMENTS

CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| | 2025 | 2024 |
|--|---------|-----------|
| | RMB'000 | RMB'000 |
| Property, plant and equipment, intangible assets and right-of-use assets contracted but not provided for | 886,600 | 1,173,955 |

32. RELATED PARTY TRANSACTIONS

As at 31 December 2025, the Group was controlled by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai J.P., Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung which in aggregate owns 2,928,004,046 (2024: 2,845,060,997) of the Company's shares.

32. RELATED PARTY TRANSACTIONS (Continued)

The following transactions were carried out with related parties:

(A) TRANSACTIONS WITH RELATED PARTIES

| | <i>Notes</i> | 2025 RMB'000 | 2024 RMB'000 |
|--|--------------|-----------------|-----------------|
| Purchase of goods from associates | | | |
| – Tianjin Wuqing District Xinke Natural Gas Investment Company Limited | i | 314,826 | 311,265 |
| – Wuxuan Xinbao Mining Company Limited | i, x | 104,561 | 50,133 |
| – Jiangsu Lianxun Technology Company Ltd. | i | 4,240 | 394 |
| Sales of goods to an associate | | | |
| – Subsidiaries of Xinyi Solar | ii, xiii | 14,634 | 5,417 |
| Sales of consumable goods to an associate | | | |
| – Subsidiaries of Xinyi Solar | ii, vii | 1,155 | 1,939 |
| Sales of goods to related parties | | | |
| – An entity controlled by a controlling party | ii, xiv | 11,122 | 9,263 |
| – Entities controlled by a controlling party | ii, vii | 23 | 1 |
| Sales of machineries to an associate | | | |
| – Subsidiaries of Xinyi Solar | iii | 1,186 | 199,371 |
| Sales of fixed assets to an associate | | | |
| – Tianjin Wuqing District Xinke Natural Gas Investment Company Limited | iii | — | 13,084 |
| Rental income received from associates | | | |
| – Subsidiaries of Xinyi Solar | v, xvi | 16,498 | 28,683 |
| – Jiangsu Lianxun Technology Company Ltd. | v | 543 | 810 |
| Rental expenses paid to an associate | | | |
| – A subsidiary of Xinyi Solar | v, vii | 6,369 | 6,369 |

Notes to the Consolidated Financial Statements

32. RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|---|-------------|-----------------|-----------------|
| Purchase of silica sand from an associate | | | |
| – Subsidiaries of Xinyi Solar | i, xvii | 1,220 | 51,668 |
| Purchase of electricity from an associate | | | |
| – Subsidiaries of Xinyi Solar | viii | 14,820 | — |
| Purchase of machineries from an associate | | | |
| – Subsidiaries of Xinyi Solar | vii, viii | 2,425 | — |
| Rental income received from a related party | | | |
| – An entity controlled by a controlling party | v, vii | 560 | 674 |
| Wind farm management fees paid to a related party | | | |
| – An entity controlled by a controlling party | vi, xviii | 9,434 | 9,434 |
| Sales and processing income of silica sands and raw materials from an associate | | | |
| – Subsidiaries of Xinyi Solar | ii, xii | 13,106 | — |
| Purchase and processing charge of silica sands to an associate | | | |
| – Subsidiaries of Xinyi Solar | i, vii | — | 1,624 |
| Purchase of electric storage products from a related party | | | |
| – An entity controlled by a controlling party | viii, xix | 8,351 | 20,625 |
| Purchase of consumables from an associate | | | |
| – Subsidiaries of Xinyi Solar | vii, ix | 5,178 | 8,976 |
| Provision of shipping services to an associate | | | |
| – A subsidiary of Xinyi Solar | xi, xx | 29,540 | 23,782 |
| Consultancy fee income from associates | | | |
| – Ordos City Shunagxin New Material Limited | iv | 195 | — |
| – Jiangsu Dannai New Material Company Limited | iv | 85 | — |

32. RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

| | <i>Note</i> | 2025 RMB'000 | 2024 RMB'000 |
|--|-------------|-----------------|-----------------|
| Purchase of green electricity certificate | | | |
| – A subsidiary of Xinyi Solar | vii, ix | — | 138 |
| Rental expenses paid to a related party | | | |
| – An entity controlled by a controlling party | v, vii | 2,558 | 2,514 |
| Purchase of automobile glass from an entity controlled by a controlling party | | | |
| – An entity controlled by a controlling party | vii, viii | 389 | 646 |
| Purchase of electricity from a related party | | | |
| – An entity controlled by a controlling party | vii, viii | 2,273 | 2,510 |
| Purchase of fixed assets from associates | | | |
| – A subsidiary of Xinyi Solar | i, vii | — | 5 |
| – Jiangsu Dannai New Material Company Limited | i | 73,425 | 11,062 |
| – Jiangsu Lianxun Technology Company Limited | i | 10,705 | — |
| Purchase of consumable and fixed assets from an entity controlled by a controlling party | | | |
| – An entity controlled by a controlling party | vii, viii | 4,601 | 713 |
| Equity transfer consideration received from an associate | | | |
| – A subsidiary of Xinyi Solar | xxi | 50,840 | — |

Notes:

- (i) The purchases of goods and fixed assets from associates and processing charge were charged at mutually agreed prices and terms.
- (ii) The sales of goods to associates and related parties were charged at mutually agreed prices and terms.
- (iii) The sales of machineries and fixed assets to an associate was charged at considerations based on mutually agreed terms.
- (iv) Consultancy income received from associates was charged at mutually agreed fee.
- (v) The leases of premises were charged at mutually agreed rental.
- (vi) Wind farm management fees were charged at mutually agreed fees.
- (vii) The transactions were de minimis transactions entered into in the ordinary course of business and under normal commercial terms.
- (viii) The purchase of machineries, electric storage products, automobile glass, electricity consumable and fixed assets were charged at mutually agreed prices and terms.

Notes to the Consolidated Financial Statements

32. RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

Notes: (Continued)

- (ix) The purchase of consumables and green electricity certificate was charged at mutually agreed prices and terms.
- (x) The purchase was under a long-term supply contract under which the Group has an option to purchase pre-determined quantity of goods from the associate annually. The long-term contract has a period of 20 years. The purchase prices under the contract were fixed for the first 5 years and will be adjusted upward or downward by a predetermined percentage according to the market trend for the remaining 15 years.
- (xi) The shipping services was charged at mutually agreed prices and terms.
- (xii) The processing income received from an associate was charged at mutually agreed fee.
- (xiii) Sales of goods to an associate constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2024.
- (xiv) Included in sales of goods to related parties, RMB8,857,000 (2024: RMB7,575,000) constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (xv) Sales of machineries to an associate constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2025 and 2024.
- (xvi) Included in rental income received from associates, RMB11,037,000 (2024: RMB24,150,000) constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (xvii) Purchase of silica sand from an associate constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2024.
- (xviii) Wind farm management fees paid to a related party constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2025 and 2024.
- (xix) Purchase of electric storage products from a related party constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2025 and 2024.
- (xx) Included in provision of shipping services to an associate, RMB28,082,000 (2024: RMB23,771,000) constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (xxi) Equity transfer consideration received from an associate constitute connected transactions as defined in Chapter 14A of the Listing Rules during the year ended 31 December 2025.

32. RELATED PARTY TRANSACTIONS (Continued)

(B) YEAR-END BALANCES WITH RELATED PARTIES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Prepayment to an associate (<i>Note (i)</i>) | | |
| – Dongyuan County Xinhuali Quartz Sand Company Limited | 17,700 | 20,000 |
| Receivable from an associate arising from sales of machineries and land parcel (<i>Note (ii)</i>) | | |
| – Subsidiaries of Xinyi Solar | 80,211 | 127,130 |
| Receivable from related parties arising from sales of goods (<i>Note (i)</i>) | | |
| – An entity controlled by a controlling party | 2,265 | 1,718 |
| Advance to an associate (<i>Note (iii)</i>) | | |
| – Subsidiaries of Xinyi Solar | 1,769,865 | 1,713,028 |
| Payable to a related party arising from purchase of goods and processing fee and management fee (<i>Note (i)</i>) | | |
| – An entity controlled by a controlling party | 6,760 | 23,833 |
| | 2025 RMB'000 | 2024 RMB'000 |
| Payable to an associate arising from purchase of goods (<i>Note (ii)</i>) | | |
| – Subsidiaries of Xinyi Solar | 895 | 757 |
| Payable to associate arising from provision of EPC service (<i>Note (i)</i>) | | |
| – A subsidiary of Xinyi Solar | 137 | 137 |
| Prepayment to associates arising from purchase of goods (<i>Note (i)</i>) | | |
| – Beihai Yiyang Mineral Company Limited | 1,381 | 1,381 |
| – Tianjin Wuqing District Xinke Natural Gas Investment Company Limited | 10,402 | 11,966 |
| Prepayment to associates arising from purchase of fixed assets (<i>Note (i)</i>) | | |
| – Jiangsu Lianxun Technology Company Ltd. | 9,259 | 23,084 |
| – Jiangsu Dannai New Material Company Limited | — | 22,125 |
| Payable to an associate arising from purchase of goods (<i>Note (i)</i>) | | |
| – Wuxuan Xinbao Mining Company Ltd. | 2,840 | 5,829 |
| – PT Anxin Mining and Processing | 89 | — |
| Payable to an associate arising from purchase of fixed assets (<i>Note (i)</i>) | | |
| – Jiangsu Dannai New Material Limited | 4,131 | — |
| Receivable from an associate arising from provision of shipping service (<i>Note (iv)</i>) | | |
| – A subsidiary of Xinyi Solar | 1,635 | 2,006 |
| Receivable from an associate arising from sales of goods (<i>Note (i)</i>) | | |
| – Subsidiaries of Xinyi Solar | 13,566 | 782 |

Notes to the Consolidated Financial Statements

32. RELATED PARTY TRANSACTIONS (Continued)

(B) YEAR-END BALANCES WITH RELATED PARTIES (Continued)

Note:

- (i) As at 31 December 2025 and 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values and are denominated in RMB.
- (ii) As at 31 December 2025, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values and are denominated in RMB (2024: RMB124,135,000 are denominated in RMB and RMB2,995,000 are denominated in MYR).
- (iii) As at 31 December 2025, balances with related parties are unsecured, interest-free and repayable on demand. RMB1,169,537,000 (2024: RMB1,150,655,000) are denominated in RMB and RMB537,742,000 (2024: RMB562,373,000) are denominated in HK\$.
- (iv) As at 31 December 2025 and 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values and are denominated in US\$.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Basic salaries and allowances | 15,533 | 17,742 |
| Discretionary and performance bonus | 45,337 | 62,475 |
| Employer's contributions to pension scheme | 203 | 104 |
| Share options granted | 3,446 | 4,894 |
| | 64,519 | 85,215 |

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

| | Financial assets at FVTPL RMB'000 | Financial assets at amortised cost RMB'000 | Total RMB'000 |
|---|--|--|------------------|
| Financial assets at FVTPL (<i>Note 21</i>) | 128,091 | — | 128,091 |
| Trade, bills and other receivables excluding non-financial assets | — | 4,394,147 | 4,394,147 |
| Pledged bank deposits (<i>Note 22</i>) | — | 79,628 | 79,628 |
| Fixed bank deposits (<i>Note 22</i>) | — | 212,000 | 212,000 |
| Cash and cash equivalents (<i>Note 22</i>) | — | 2,626,042 | 2,626,042 |
| Total | 128,091 | 7,311,817 | 7,439,908 |

2024

| | Financial assets at FVTPL RMB'000 | Financial assets at amortised cost RMB'000 | Total RMB'000 |
|---|--|--|------------------|
| Financial assets at FVTPL (<i>Note 21</i>) | 21,928 | — | 21,928 |
| Trade, bills and other receivables excluding non-financial assets | — | 5,201,504 | 5,201,504 |
| Pledged bank deposits (<i>Note 22</i>) | — | 83,137 | 83,137 |
| Fixed bank deposits (<i>Note 22</i>) | — | 170,000 | 170,000 |
| Cash and cash equivalents (<i>Note 22</i>) | — | 1,456,115 | 1,456,115 |
| Total | 21,928 | 6,910,756 | 6,932,684 |

Notes to the Consolidated Financial Statements

33. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|-------------------|
| Financial liabilities as per consolidated statement of financial position | | |
| Liabilities at amortised cost | | |
| Bank borrowings (<i>Note 27</i>) | 4,804,172 | 7,313,088 |
| Trade and other payables excluding non-financial liabilities | 3,151,606 | 3,528,548 |
| Lease liabilities (<i>Note 16</i>) | 3,007 | 9,079 |
| Total | 7,958,785 | 10,850,715 |

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

34. COMPARATIVE AMOUNTS

Certain prior year grouping have been made, and certain comparative amounts have been re-presented to conform with the current year's presentation.

35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

| Statement of financial position of the Company | Note | 2025 RMB'000 | 2024 RMB'000 |
|--|------|-------------------|-------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | | 190,607 | 199,337 |
| Investment in an associate | | 443,104 | 450,567 |
| Amounts due from subsidiaries | | 1,938,108 | 2,026,879 |
| | | <u>2,571,819</u> | <u>2,676,783</u> |
| Current assets | | | |
| Amount due from subsidiaries | | 23,120,326 | 20,885,404 |
| Prepayments and other receivables | | — | 2,924 |
| Cash and bank balances | | 1,713 | 1,440 |
| | | <u>23,122,039</u> | <u>20,889,768</u> |
| Total assets | | <u>25,693,858</u> | <u>23,566,551</u> |
| Equity | | | |
| Share capital | | 414,497 | 408,378 |
| Share premium | (a) | 2,603,148 | 3,048,090 |
| Other reserves | (a) | 210,671 | 418,348 |
| Retained earnings | (a) | 199,429 | 140,425 |
| Total equity | | <u>3,427,745</u> | <u>4,015,241</u> |

Notes to the Consolidated Financial Statements

35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(Continued)

| Statement of financial position of the Company | Note | 2025 RMB'000 | 2024 RMB'000 |
|--|------|-------------------|-------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Other payables | | — | 2,825 |
| Amounts due to subsidiaries | | 22,265,441 | 19,544,454 |
| Current income tax liabilities | | 672 | 4,031 |
| | | <u>22,266,113</u> | <u>19,551,310</u> |
| Total liabilities | | <u>22,266,113</u> | <u>19,551,310</u> |
| Total equity and liabilities | | <u>25,693,858</u> | <u>23,566,551</u> |

The statement of financial position of the Company was approved by the Board of Directors on 27 February 2026 and was signed on its behalf.

LEE Yin Yee, S.B.S.
Chairman

LEE Shing Kan, M.H.
Director

35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(Continued)

Note (a) Reserve movements of the Company

| | Share premium | Share option reserve | Capital redemption reserve | Foreign currency translation reserve | Sub-total | Retained earnings | Total |
|--|------------------|----------------------|----------------------------|--------------------------------------|------------------|-------------------|------------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2024 | 2,246,103 | 198,055 | 22,397 | 8,380 | 2,474,935 | 72,942 | 2,547,877 |
| Profit for the year | — | — | — | — | — | 2,716,350 | 2,716,350 |
| Currency translation differences | — | — | — | 133,433 | 133,433 | — | 133,433 |
| Employees share option scheme: | | | | | | | |
| – proceeds from shares issued | 17,942 | (1,946) | — | — | 15,996 | — | 15,996 |
| – value of employee services | — | 81,129 | — | — | 81,129 | — | 81,129 |
| – adjustments relating to expired share options | — | (23,100) | — | — | (23,100) | 23,100 | — |
| Issuance of shares in respect of scrip dividend of 2023 final dividend and 2024 interim dividend | 784,045 | — | — | — | 784,045 | — | 784,045 |
| Dividend relating to 2023 | — | — | — | — | — | (1,446,942) | (1,446,942) |
| Dividend relating to 2024 | — | — | — | — | — | (1,225,025) | (1,225,025) |
| At 31 December 2024 | 3,048,090 | 254,138 | 22,397 | 141,813 | 3,466,438 | 140,425 | 3,606,863 |
| At 1 January 2025 | 3,048,090 | 254,138 | 22,397 | 141,813 | 3,466,438 | 140,425 | 3,606,863 |
| Loss for the year | — | — | — | — | — | (69,291) | (69,291) |
| Currency translation differences | — | — | — | (159,326) | (159,326) | — | (159,326) |
| Repurchase and cancellation of shares | (45,029) | — | 571 | — | (44,458) | (571) | (45,029) |
| Employees share option scheme: | | | | | | | |
| – value of employee services | — | 79,944 | — | — | 79,944 | — | 79,944 |
| – adjustments relating to expired share options | — | (128,866) | — | — | (128,866) | 128,866 | — |
| Issuance of shares in respect of scrip dividend of 2024 final dividend and 2025 interim dividend | 510,333 | — | — | — | 510,333 | — | 510,333 |
| Dividend relating to 2024 | (408,444) | — | — | — | (408,444) | — | (408,444) |
| Dividend relating to 2025 | (501,802) | — | — | — | (501,802) | — | (501,802) |
| At 31 December 2025 | 2,603,148 | 205,216 | 22,968 | (17,513) | 2,813,819 | 199,429 | 3,013,248 |

36. EVENTS AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2025 and up to the date of these financial statements.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES

This note provides a list of other material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group.

37.1 SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and consolidated statement of financial position respectively.

(a) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.1 SUBSIDIARIES (Continued)

(a) *Business combinations* (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interests in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Contingent consideration is classified either as equity or a financial asset or liability. Amounts classified as a financial asset or liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.1 SUBSIDIARIES (Continued)

(b) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.2 ASSOCIATES

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the consolidated statement of profit or loss where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of net profits of associates" in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

37.4 FOREIGN CURRENCY TRANSLATION

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within "Other income and gains - net".

Changes in the fair value of monetary securities denominated in foreign currency classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement of profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in the consolidated statement of profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as FVOCI are included in other comprehensive income.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.4 FOREIGN CURRENCY TRANSLATION (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

37.5 PROPERTY, PLANT AND EQUIPMENT

Freehold land is stated at historical cost less any subsequent impairment losses.

Buildings comprise mainly factories and offices. Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.5 PROPERTY, PLANT AND EQUIPMENT (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 37.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other losses" in the consolidated statement of profit or loss.

37.6 INVESTMENT PROPERTIES

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

37.7 INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.7 INTANGIBLE ASSETS (Continued)

(b) *Trademark, customer relationship and patent*

Separately acquired trademarks are shown at historical cost. Trademark, customer relationship and patent acquired in a business combination are recognised at fair value at the acquisition date. Trademark, customer relationship and patent have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

(c) *Mining rights*

Separately acquired mining licences are stated at historical cost less accumulated amortisation and any impairment losses. The Group amortises mining licences with a finite useful life using the straight-line method over twelve to fifteen years.

(d) *Float glass production capacity*

Float glass production capacity acquired from external parties are recognised at fair value at the acquisition date. The management considered that the float glass production capacity has indefinite useful life because it is expected to contribute to net cash inflows indefinitely. It has no foreseeable limit to the period over which the Group can use to generate net cash flows. The float glass production capacity will not be amortised until its useful life is determined to be finite. Float glass production capacity is subjected to impairment test annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Float glass production capacity is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the using of the float glass production capacity. The units or groups of units are identified at the lowest level at which float glass production capacity is monitored for internal management purposes, being the operating segments.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

37.9 FINANCIAL ASSETS

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.9 FINANCIAL ASSETS (Continued)

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and presented in "Other income and gains - net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in consolidated statement of profit or loss and presented within "Other income and gains - net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.9 FINANCIAL ASSETS (Continued)

(c) *Measurement* (Continued)

Changes in the fair value of financial assets at FVTPL are recognised in “Other income and gains - net” in the consolidated statement of profit or loss as applicable.

Details on how the fair value of financial instruments is determined are disclosed in Note 3(f) to the financial statements.

(d) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

37.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount are reported in the consolidated statement of financial position when the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparties.

37.11 CASH AND BANK BALANCES

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

37.12 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if the payables are expected to be settled in normal operating cycle, the payables are held by the Group for the purpose of trading, payment is due to be settled within one year or less after the reporting period, or the Group does not have the right at the end of the reporting period to defer settlement of the payables for at least twelve months after the reporting period.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.13 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

37.14 BORROWINGS

Accounting policy of borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.15 BORROWINGS COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

37.16 CURRENT AND DEFERRED INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.16 CURRENT AND DEFERRED INCOME TAX (Continued)

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered either through sale or through use.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(d) *Investment allowances and similar tax incentives*

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that can be carried forward and when it is probable that future taxable amounts will be available to utilise the unclaimed tax credits.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.17 PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

37.18 EMPLOYEE BENEFITS

(a) Pension obligations

The Group participates in a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.18 EMPLOYEE BENEFITS (Continued)

(b) *Employees leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

37.19 SHARE-BASED PAYMENT

Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

When the options are forfeited, the expense recognised in prior periods is reversed. When the options are expired, the reserve related to the expired options is transferred to retained earnings.

Notes to the Consolidated Financial Statements

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.20 LEASES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

37. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

37.21 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Note 5(a) provides further information on how the Group accounts for government grants.

37.22 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

37.23 INTEREST INCOME

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 February 2026.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is presented below.

| | Year ended 31 December | | | | |
|--|--------------------------|------------------|------------------|------------------|-------------------|
| | 2025 RMB'000 | 2024 RMB'000 | 2023 RMB'000 | 2022 RMB'000 | 2021 RMB'000 |
| Revenue | 20,829,014 | 22,323,569 | 24,293,673 | 22,005,354 | 25,318,636 |
| Cost of sales | (14,347,222) | (15,091,812) | (16,476,198) | (14,597,508) | (12,204,161) |
| Gross profit | 6,481,792 | 7,231,757 | 7,817,475 | 7,407,846 | 13,114,475 |
| Profit before income tax | 2,905,101 | 4,248,029 | 5,775,149 | 5,085,762 | 11,223,081 |
| Income tax expense | (167,667) | (876,119) | (879,666) | (719,297) | (1,605,146) |
| Profit for the year | 2,737,434 | 3,371,910 | 4,895,483 | 4,366,465 | 9,617,935 |
| Profit attributable to | | | | | |
| – equity holders of the Company | 2,729,004 | 3,369,173 | 4,883,103 | 4,351,845 | 9,605,639 |
| – non-controlling interests | 8,430 | 2,737 | 12,380 | 14,620 | 12,296 |
| | 2,737,434 | 3,371,910 | 4,895,483 | 4,366,465 | 9,617,935 |
| Dividends | 1,357,391 | 1,633,469 | 2,427,346 | 2,257,053 | 4,766,587 |
| Asset and Liabilities | As at 31 December | | | | |
| | 2025 RMB'000 | 2024 RMB'000 | 2023 RMB'000 | 2022 RMB'000 | 2021 RMB'000 |
| Total assets | 47,623,628 | 48,078,296 | 46,316,143 | 46,742,940 | 46,193,308 |
| Total liabilities | 10,765,644 | 13,701,155 | 13,621,491 | 18,027,015 | 17,817,254 |
| | 36,857,984 | 34,377,141 | 32,694,652 | 28,715,925 | 28,376,054 |
| Equity attributable to equity holders of the Company | 36,808,874 | 34,284,785 | 32,589,899 | 28,613,226 | 28,287,854 |
| Non-controlling interests | 49,110 | 92,356 | 104,753 | 102,699 | 88,200 |
| | 36,857,984 | 34,377,141 | 32,694,652 | 28,715,925 | 28,376,054 |