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XINYI GLASS HOLDINGS LIMITED

信義玻璃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00868)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

| | Year Ended 31 December | | Change |
|---|------------------------|----------------------------------|--------|
| | 2024 | 2023 | |
| | <i>RMB million</i> | <i>RMB million</i> (restated) | |
| Revenue | 22,323.6 | 24,293.7 | -8.1% |
| Profit attributable to equity holders of the Company | 3,369.2 | 4,883.1 | -31.0% |
| Earnings per share – Basic | 79.23 RMB cents | 117.60 RMB cents | -32.6% |
| Proposed final dividend per share | 10.0 HK cents | 37.0 HK cents | -73.0% |

The board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Glass Holdings Limited (the “**Company**” or “**Xinyi Glass**”), together with its subsidiaries, (the “**Group**”) announces the audited consolidated results of the Group for the financial year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

| | <i>Note</i> | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------------------|-------------------------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Revenue | 4 | 22,323,569 | 24,293,673 |
| Cost of sales | | (15,593,909) | (16,476,198) |
| Gross profit | | 6,729,660 | 7,817,475 |
| Other income | | 721,747 | 605,720 |
| Other gains/(losses) – net | 5 | 113,535 | (40,432) |
| Selling and marketing costs | | (1,055,656) | (1,186,273) |
| Administrative and other operating expenses | | (2,244,027) | (2,051,087) |
| Net impairment losses on financial assets | | (79,759) | (3,784) |
| Operating profit | | 4,185,500 | 5,141,619 |
| Finance income | | 46,686 | 177,634 |
| Finance costs | | (181,026) | (456,361) |
| Share of profits of associates | | 196,869 | 912,257 |
| Profit before income tax | | 4,248,029 | 5,775,149 |
| Income tax expense | 6 | (876,119) | (879,666) |
| Profit for the year | | <u>3,371,910</u> | <u>4,895,483</u> |
| Profit for the year attributable to: | | | |
| – Equity holders of the Company | | 3,369,173 | 4,883,103 |
| – Non-controlling interests | | 2,737 | 12,380 |
| | | <u>3,371,910</u> | <u>4,895,483</u> |
| Earnings per share attributable to the equity holders of the Company (expressed in RMB cents per share) | | | |
| – Basic | 7 | 79.23 | 117.60 |
| – Diluted | 7 | 79.23 | 117.36 |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 2024 | 2023 |
|---|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Profit for the year | 3,371,910 | 4,895,483 |
| Other comprehensive income for the year, net of tax: | | |
| Items that will not be reclassified subsequently to the consolidated income statement: | | |
| Currency translation differences | 133,433 | 21,395 |
| Changes in fair value of financial assets at fair value through other comprehensive income | — | (24,849) |
| Dilution gains of interest in an associate | — | 3,554 |
| Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax | 104,713 | 24,496 |
| Items that may be reclassified subsequently to the consolidated income statement: | | |
| Currency translation differences | (191,953) | (238,055) |
| Share of other comprehensive income/(loss), of investments accounted for using the equity method | 57,668 | (113,091) |
| Total comprehensive income for the year | <u>3,475,771</u> | <u>4,568,933</u> |
| Total comprehensive income for the year attributable to: | | |
| – Equity holders of the Company | 3,473,527 | 4,555,347 |
| – Non-controlling interests | 2,244 | 13,586 |
| | <u>3,475,771</u> | <u>4,568,933</u> |

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

| | As at 31 December 2024 | As at 31 December 2023 | As at 1 January 2023 |
|--|------------------------------|-------------------------------------|-------------------------------------|
| <i>Note</i> | <u>RMB'000</u> | <u>RMB'000</u> <i>(restated)</i> | <u>RMB'000</u> <i>(restated)</i> |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 18,911,460 | 16,603,326 | 15,710,391 |
| Right-of-use assets | 3,874,347 | 3,977,852 | 3,781,435 |
| Investment properties | 1,769,631 | 1,404,153 | 1,334,104 |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | 9 1,312,026 | 848,801 | 823,894 |
| Intangible assets | 1,141,163 | 1,128,983 | 779,450 |
| Financial assets at fair value through other comprehensive income | — | — | 24,557 |
| Investments in associates | 9,203,629 | 9,066,707 | 8,366,720 |
| Loans to an associate | — | 25,000 | 25,000 |
| Fixed bank deposits | 70,000 | 850,000 | 4,336,444 |
| Deferred income tax assets | 5,152 | 4,025 | — |
| | <u>36,287,408</u> | <u>33,908,847</u> | <u>35,181,995</u> |
| Current assets | | | |
| Inventories | 3,492,205 | 3,470,936 | 3,845,077 |
| Trade and other receivables | 9 6,637,503 | 6,624,357 | 4,086,410 |
| Financial assets at fair value through profit and loss | 21,928 | 38,626 | 657,009 |
| Pledged bank deposits | 83,137 | 133,763 | 126,528 |
| Fixed bank deposits | 100,000 | 325,000 | — |
| Cash and cash equivalents | 1,456,115 | 1,814,614 | 2,845,921 |
| | <u>11,790,888</u> | <u>12,407,296</u> | <u>11,560,945</u> |
| Total assets | <u><u>48,078,296</u></u> | <u><u>46,316,143</u></u> | <u><u>46,742,940</u></u> |

| | As at 31 December 2024 | As at 31 December 2023 | As at 1 January 2023 |
|---|------------------------------|-------------------------------------|-------------------------------------|
| Note | <u>RMB'000</u> | <u>RMB'000</u> <i>(restated)</i> | <u>RMB'000</u> <i>(restated)</i> |
| EQUITY | | | |
| Equity attributable to the equity holders of the Company | | | |
| Share capital | 408,378 | 396,222 | 385,801 |
| Share premium | 3,048,090 | 2,246,103 | 1,101,629 |
| Other reserves | 3,256,030 | 2,979,129 | 2,767,593 |
| Retained earnings | 27,572,287 | 26,968,445 | 24,358,203 |
| | <u>34,284,785</u> | <u>32,589,899</u> | <u>28,613,226</u> |
| Non-controlling interests | <u>92,356</u> | <u>104,753</u> | <u>102,699</u> |
| Total equity | <u><u>34,377,141</u></u> | <u><u>32,694,652</u></u> | <u><u>28,715,925</u></u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Bank borrowings | 1,882,219 | 2,661,692 | 6,909,741 |
| Deferred income tax liabilities | 579,096 | 476,678 | 418,883 |
| Lease liabilities | 2,743 | 9,044 | 759 |
| Other payables | 10 112,231 | 130,099 | 45,868 |
| | <u>2,576,289</u> | <u>3,277,513</u> | <u>7,375,251</u> |
| Current liabilities | | | |
| Trade, other payables and contract liabilities | 10 4,653,190 | 4,447,670 | 4,829,423 |
| Current income tax liabilities | 1,034,471 | 1,100,187 | 618,796 |
| Lease liabilities | 6,336 | 7,185 | 18,104 |
| Bank borrowings | 5,430,869 | 4,788,936 | 5,185,441 |
| | <u>11,124,866</u> | <u>10,343,978</u> | <u>10,651,764</u> |
| Total liabilities | <u><u>13,701,155</u></u> | <u><u>13,621,491</u></u> | <u><u>18,027,015</u></u> |
| Total equity and liabilities | <u><u>48,078,296</u></u> | <u><u>46,316,143</u></u> | <u><u>46,742,940</u></u> |

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Xinyi Glass Holdings Limited and its subsidiaries were principally engaged in the production and sales of float glass, automobile glass and architectural glass, which were carried out internationally, through the production complexes located in Mainland China (the “PRC”) and Malaysia in 2024.

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.

These consolidated financial statements are presented in thousands of units of Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 February 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set forth below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3 BASIS OF PREPARATION

(1) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(II) Historical cost convention

The consolidated financial statements have been prepared under the historical cost basis, except for the following:

- financial assets at fair value through other comprehensive income (“FVOCI”), and
- financial assets at fair value through profit and loss (“FVTPL”), and
- investment properties, which are measured at fair values.

The preparation of financial statements in conformity with HKFRSs 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.

Changes in accounting policy and disclosures

- (a) The following amendments to existing standards and interpretation are mandatory for accounting periods beginning on or after 1 January 2024.

| | |
|--------------------------------------|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants |
| Hong Kong Interpretation 5 (Revised) | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| Amendments to HKFRS 16 | Lease Liability in Sale and Leaseback |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The amendments and interpretation listed above did not have material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- (b) Amended standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These new and amended standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and foreseeable future transactions:

| | | Effective for accounting periods beginning on or after |
|--|---|---|
| Amendments to HKAS 21 and HKFRS 1 | Lack of Exchangeability | 1 January 2025 |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual Improvements to HKFRS Accounting Standards — Volume 11 | 1 January 2026 |
| HKFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| Amendments to HK Int 5 | Hong Kong Interpretation 5 presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027 |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to HKFRS10 and HKAS 28 | Sale or contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

(c) Change in presentation currency

The consolidated financial statements were presented in Hong Kong Dollars (“HK\$”) in prior years. Starting from the financial year ended 31 December 2024, the Group has changed its presentation currency for the preparation of its consolidated financial statements from HK\$ to RMB. The change in the presentation currency is intended to reflect the fact that most of the business transactions engaged by the Group are settled in RMB and that a significant part of the business presence and the assets of the Group are located in the Mainland China. This enables the shareholders and potential investors of the Company to have a more accurate understanding of the Group’s financial performance.

For the purpose of presenting the Group’s consolidated financial statements in RMB, all assets and liabilities for the consolidated balance sheet have been translated from functional currency into RMB at the relevant closing rate of exchange at the end of the reporting period. Items in the consolidated statement of comprehensive income and the consolidated statement of cash flows are translated at the average exchange rates for the financial period. The share capital and reserves are translated at historical rates prevailing at the dates of transactions.

The change in the presentation currency have been applied retrospectively with comparative figures restated. The Group presents an additional consolidated balance sheet as at 1 January 2023 due to the change of presentation currency in accordance with HKAS 1 “Presentation of Financial Statements”.

(d) Change in accounting policy

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

“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.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the 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 income statement.

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:

| | Automobile | | Architectural | Unallocated | Total |
|---|------------------|------------------|----------------|-------------|------------------|
| | Float glass | glass | glass | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | 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 (<i>Note</i>) | 12,909,925 | 6,304,742 | 3,108,902 | — | 22,323,569 |
| Cost of sales | (10,468,347) | (3,004,801) | (2,120,761) | — | (15,593,909) |
| Gross profit | <u>2,441,578</u> | <u>3,299,941</u> | <u>988,141</u> | <u>—</u> | <u>6,729,660</u> |
| Depreciation charge | | | | | |
| – property, plant and equipment | 1,031,117 | 155,026 | 111,452 | 20,260 | 1,317,855 |
| – right-of-use assets | 48,644 | 7,206 | 2,775 | 70,564 | 129,189 |
| Amortisation charge | | | | | |
| – intangible assets | 1,713 | 1,255 | — | — | 2,968 |
| Increase in provision | | | | | |
| for loss allowance, net | 31 | 2,165 | 6,909 | 70,654 | 79,759 |
| Share of 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.

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

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2023 is as follows:

| | Float glass | Automobile glass | Architectural glass | Unallocated | Total |
|---|--------------------|-----------------------------|--------------------------------|--------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(restated)</i> | <i>(restated)</i> | <i>(restated)</i> | <i>(restated)</i> | <i>(restated)</i> |
| Segment revenue | 19,442,414 | 5,417,288 | 3,036,696 | — | 27,896,398 |
| Inter-segment revenue | (3,602,725) | — | — | — | (3,602,725) |
| Revenue from external customers (<i>Note</i>) | 15,839,689 | 5,417,288 | 3,036,696 | — | 24,293,673 |
| Cost of sales | (11,617,829) | (2,838,538) | (2,019,831) | — | (16,476,198) |
| Gross profit | <u>4,221,860</u> | <u>2,578,750</u> | <u>1,016,865</u> | <u>—</u> | <u>7,817,475</u> |
| Depreciation charge | | | | | |
| – property, plant and equipment | 951,721 | 146,952 | 146,630 | 3,926 | 1,249,229 |
| – right-of-use assets | 58,587 | 6,330 | 1,058 | 51,321 | 117,296 |
| Amortisation charge | | | | | |
| – intangible assets | 1,713 | 1,512 | — | — | 3,225 |
| Increase in provision | | | | | |
| for loss allowance, net | 19 | 815 | 2,950 | — | 3,784 |
| Share of profits of associates | <u>—</u> | <u>—</u> | <u>—</u> | <u>912,257</u> | <u>912,257</u> |

Note: The Group's revenue from all segments during the year ended 31 December 2023 have been recognised at point in time.

| | Assets and liabilities | | | | Total |
|---|-------------------------------|-------------------------|----------------------------|--------------------|-------------------|
| | Float glass | Automobile glass | Architectural glass | Unallocated | |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | |
| | <i>(restated)</i> | <i>(restated)</i> | <i>(restated)</i> | <i>(restated)</i> | |
| Total assets | <u>20,990,994</u> | <u>6,461,496</u> | <u>1,777,164</u> | <u>17,086,489</u> | <u>46,316,143</u> |
| Total assets included: | | | | | |
| Investments in associates | — | — | — | 9,066,707 | 9,066,707 |
| Loans to an associate | — | — | — | 25,000 | 25,000 |
| Investment properties | — | — | — | 1,404,153 | 1,404,153 |
| Additions to non-current assets (other than financial assets at FVOCI) | <u>2,466,637</u> | <u>125,640</u> | <u>20,730</u> | <u>704,927</u> | <u>3,317,934</u> |
| Total liabilities | <u>3,131,517</u> | <u>1,895,447</u> | <u>831,412</u> | <u>7,763,115</u> | <u>13,621,491</u> |

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

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Segment gross profit | 6,729,660 | 7,817,475 |
| Unallocated: | | |
| Other income | 721,747 | 605,720 |
| Other gain/(losses) – net | 113,535 | (40,432) |
| Selling and marketing costs | (1,055,656) | (1,186,273) |
| Administrative and other operating expenses | (2,244,027) | (2,051,087) |
| Net impairment losses on financial assets | (79,759) | (3,784) |
| Finance income | 46,686 | 177,634 |
| Finance costs | (181,026) | (456,361) |
| Share of profits of associates | 196,869 | 912,257 |
| Profit before income tax | <u>4,248,029</u> | <u>5,775,149</u> |

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

| | Assets | | Liabilities | |
|---|--------------------------|-------------------|----------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(restated)</i> | | <i>(restated)</i> |
| Segment assets/(liabilities) | 31,762,035 | 29,229,654 | (6,603,707) | (5,858,376) |
| Unallocated: | | | | |
| Property, plant and equipment | 2,068,039 | 2,274,753 | — | — |
| Right-of-use assets | 2,109,392 | 2,184,014 | — | — |
| Investment properties | 1,769,631 | 1,404,153 | — | — |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | 33,004 | 103,325 | — | — |
| Intangible assets | 19,885 | 21,542 | — | — |
| Fixed deposits | — | 90,000 | — | — |
| Financial assets at FVTPL | 21,928 | 38,626 | — | — |
| Investments in associates | 9,203,629 | 9,066,707 | — | — |
| Loans to an associate | — | 25,000 | — | — |
| Prepayments, deposits and other receivables | 921,632 | 1,132,407 | — | — |
| Cash and bank balances | 163,969 | 742,180 | — | — |
| Deferred tax assets | 5,152 | 3,782 | — | — |
| Other payables | — | — | (436,142) | (686,618) |
| Current income tax liabilities | — | — | (68,857) | (104,223) |
| Deferred income tax liabilities | — | — | (375,709) | (330,562) |
| Bank borrowings | — | — | (6,216,740) | (6,641,712) |
| Total assets/(liabilities) | <u>48,078,296</u> | <u>46,316,143</u> | <u>(13,701,155)</u> | <u>(13,621,491)</u> |

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.

Breakdown of the revenue from the sales of products is as follows:

| | <u>2024</u> | <u>2023</u> |
|------------------------------|--------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Sales of float glass | 12,909,925 | 15,839,689 |
| Sales of automobile glass | 6,304,742 | 5,417,288 |
| Sales of architectural glass | 3,108,902 | 3,036,696 |
| Total | <u>22,323,569</u> | <u>24,293,673</u> |

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:

| | <u>2024</u> | <u>2023</u> |
|-----------------|--------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Greater China | 15,247,479 | 17,619,310 |
| Other countries | 7,076,090 | 6,674,363 |
| | <u>22,323,569</u> | <u>24,293,673</u> |

An analysis of the Group's non-current assets other than financial assets at FVOCI by geographical area in which the assets are located is as follows:

| | <u>2024</u> | <u>2023</u> |
|-----------------|--------------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(restated)</i> |
| Greater China | 32,999,611 | 31,975,331 |
| Malaysia | 1,525,871 | 1,478,985 |
| Other countries | 1,761,926 | 454,531 |
| | <u>36,287,408</u> | <u>33,908,847</u> |

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2024 (2023: None).

Sales of goods are recognised at a point in time when a group entity has delivered products to the customers, the customer has accepted the products and collectability of the related receivables is reasonably assured.

5 OTHER GAINS/(LOSSES) – NET

Included in other gains/(losses) – net, there were other foreign exchange gains, net of RMB272.9 million (2023: RMB57.3 million) and fair value losses on investment properties of RMB83.0 million (2023: RMB29.5 million) during the year ended 31 December 2024.

6 INCOME TAX EXPENSE

| | <u>2024</u> | <u>2023</u> |
|--|-----------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Current income tax | | |
| – Hong Kong profits tax <i>(Note (a))</i> | 83,318 | 67,658 |
| – PRC corporate income tax <i>(Note (b))</i> | 562,853 | 671,509 |
| – Overseas income tax <i>(Note (c))</i> | 2,298 | 1,508 |
| – Over provision in prior years | (30,864) | (51,229) |
| – Withholding tax on remitted earnings <i>(Note (d))</i> | 200,026 | 142,733 |
| Deferred income tax | | |
| – Increase in deferred income tax assets | (1,164) | (4,027) |
| – Increase in deferred income tax liabilities | 59,652 | 51,514 |
| | 876,119 | 879,666 |

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year.

(b) 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% (2023: 25%). Sixteen (2023: Sixteen) major subsidiaries located in Chongqing, Deyang, Dongguan, Guangxi, Jiangmen, 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% (2023: 15%).

(c) 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% (2023: 24%).

(d) Withholding tax on remitted earnings

Withholding tax on remitted earnings from the PRC subsidiaries is 5%.

7 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 during 2024 and 2023.

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|----------------------|
| | | <i>(restated)</i> |
| Profit attributable to equity holders of the Company (RMB'000) | <u>3,369,173</u> | <u>4,883,103</u> |
| Weighted average number of ordinary shares in issue (thousands) | <u>4,252,139</u> | <u>4,152,115</u> |
| Basic earnings per share (RMB cents) | <u><u>79.23</u></u> | <u><u>117.60</u></u> |

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.

| | <u>2024</u> | <u>2023</u> |
|--|-------------------------|-------------------|
| | | <i>(restated)</i> |
| Earnings | | |
| Profit attributable to equity holders of the Company (RMB'000) | 3,369,173 | 4,883,103 |
| Share of profit of an associate as a result of diluted earnings at associate level (RMB'000) | <u>—</u> | <u>(195)</u> |
| Profit used to determine diluted earnings per share (RMB'000) | <u>3,369,173</u> | <u>4,882,908</u> |
| Weighted average number of ordinary shares in issue (thousands) | 4,252,139 | 4,152,115 |
| Adjustments for: | | |
| Share options (thousands) | <u>—</u> | <u>8,188</u> |
| Weighted average number of ordinary shares for diluted earnings per share (thousands) | <u>4,252,139</u> | <u>4,160,303</u> |
| Diluted earnings per share (RMB cents) | <u>79.23</u> | <u>117.36</u> |

8 DIVIDENDS

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Interim dividend of HK\$0.31 (2023: HK\$0.26) per share (<i>Note (a)</i>) | 1,225,025 | 980,404 |
| Proposed final dividend of HK\$0.10 (2023: HK\$0.37) per share (<i>Note (b)</i>) | <u>409,881</u> | <u>1,446,942</u> |
| | <u>1,634,906</u> | <u>2,427,346</u> |

Notes:

- (a) During the year ended 31 December 2024, an interim dividend of HK\$0.31 per share (2023: HK\$0.26 per share) was partially paid in cash and partially settled by the issuance of shares in respect of scrip dividend for 2024 interim dividend whose names appeared on the Register of Members of the Company on 19 August 2024 (2023: 17 August 2023).
- (b) A final dividend in respect of the year ended 31 December 2024 of HK\$0.10 per share (2023: HK\$0.37 per share), amounting to a total dividend of RMB409,881,000 (2023: RMB1,446,942,000), is to be proposed at the forthcoming annual general meeting. The amount of 2024 proposed final dividend is based on 4,357,192,919 shares in issue as of 31 January 2025 (2023: 4,224,536,272 shares in issue as of 4 June 2024). These consolidated financial statements do not reflect this proposed dividend payable.

9 TRADE AND OTHER RECEIVABLES

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| Trade receivables <i>(Note (a))</i> | 1,928,573 | 1,624,450 |
| Less: provision for loss allowance <i>(Note (b))</i> | <u>(47,417)</u> | <u>(54,555)</u> |
| | 1,881,156 | 1,569,895 |
| Bills receivables <i>(Note (d))</i> | <u>1,403,428</u> | <u>1,491,275</u> |
| Trade and bills receivables, net | <u>3,284,584</u> | <u>3,061,170</u> |
| Prepayments, deposits and other receivables | 4,735,599 | 4,411,988 |
| Less: provision for loss allowance of deposits and other receivables | <u>(70,654)</u> | <u>—</u> |
| | <u>4,664,945</u> | <u>4,411,988</u> |
| | 7,949,529 | 7,473,158 |
| Less: non-current portion | | |
| Prepayments for property, plant and equipment, right-of-use assets and intangible assets | <u>(1,312,026)</u> | <u>(848,801)</u> |
| Current portion | <u><u>6,637,503</u></u> | <u><u>6,624,357</u></u> |

Notes:

- (a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2024 and 2023, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| 0 - 90 days | 1,535,151 | 1,320,717 |
| 91 - 180 days | 268,219 | 186,691 |
| 181 - 365 days | 74,551 | 53,873 |
| 1 - 2 years | 30,676 | 34,892 |
| Over 2 years | 19,976 | 28,277 |
| | <u>1,928,573</u> | <u>1,624,450</u> |

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

| | <u>2024</u> | <u>2023</u> |
|------------------|-------------------------|-------------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> <i>(restated)</i> |
| RMB | 973,421 | 740,456 |
| USD | 817,976 | 785,605 |
| HKD | 5,945 | 2,748 |
| Other currencies | 131,231 | 95,641 |
| | <u>1,928,573</u> | <u>1,624,450</u> |

- (b) Movements in the Group’s provision for loss allowance of trade receivables are as follows:

| | <u>2024</u> | <u>2023</u> |
|---|------------------------|-------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| | | <i>(restated)</i> |
| At 1 January | 54,555 | 55,562 |
| Currency translation differences | 163 | 484 |
| Increase in provision for loss allowance of trade receivables, net | 9,105 | 3,784 |
| Receivables written off during the year | <u>(16,406)</u> | <u>(5,275)</u> |
| At 31 December | <u>47,417</u> | <u>54,555</u> |

The provision for loss allowance of trade receivables has been included in “Net impairment losses on financial assets” in the consolidated income statement. 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.

- (c) The top five customers and the largest customer accounted for approximately 15.9% (2023: 16.6%) and 7.8% (2023: 6.3%) of the trade and bills receivables, net as at 31 December 2024, 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.
- (d) All bills receivables are issued by licensed banks in the PRC with maturities ranging within 12 months (2023: 12 months), including the bills receivables classified as financial assets at FVOCI, which the Group had discounted or endorsed for treasuring management purpose.
- (e) The carrying amounts of trade and other receivables approximate their fair values.
- (f) 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.

10 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

| | <u>2024</u> | <u>2023</u> |
|--|------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(restated)</i> |
| Trade payables <i>(Note (a))</i> | 1,781,649 | 1,423,331 |
| Bills payable <i>(Note (b))</i> | 19,000 | 423,442 |
| | 1,800,649 | 1,846,773 |
| Other payables | 2,460,663 | 2,171,445 |
| Contract liabilities <i>(Note (d))</i> | 504,109 | 559,551 |
| Less: non-current portion | | |
| Other payables | (112,231) | (130,099) |
| Current portion | 4,653,190 | 4,447,670 |

Notes:

- (a) At 31 December 2024 and 2023, the ageing analysis of the Group's trade payables based on invoice date was as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------|------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(restated)</i> |
| 0 - 90 days | 1,666,892 | 1,262,757 |
| 91 - 180 days | 51,475 | 42,580 |
| 181 - 365 days | 19,988 | 47,589 |
| 1 - 2 years | 21,104 | 22,602 |
| Over 2 years | 22,190 | 47,803 |
| | 1,781,649 | 1,423,331 |

- (b) Bills payable have maturities ranging within 12 months (2023: 12 months).
- (c) The carrying amounts of trade payables and other payables approximate their fair values.
- (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.

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(restated)</i> |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | <u>559,551</u> | <u>559,060</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The Group is engaged in the production and sales of a wide range of glass products, including automobile glass, energy-saving architectural glass, high-quality float 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 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. In Malaysia, the Group operates a production plant in Malacca. 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) installed on the automobile glass.

The Group's customers are located in over 140 countries and territories, including the PRC, Hong Kong, the United States ("US"), Canada, Australia, New Zealand and other countries in Asia, the Middle East, Europe, Africa and the Americas. The Group's customers include companies engaged in different 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 year ended 31 December 2024, strong US dollars macro economic environment with high interest rates, the slowdown of the PRC property market 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 and pressure in the sales volume and the selling prices.

In 2024, the revenue of the Group decreased by 8.1% to RMB22,323.6 million, as compared to RMB24,293.7 million in 2023. The amount of the profit for the year attributable to the equity holders of the Company decreased by 31.0% to RMB3,369.2 million, as compared to RMB4,883.1 million in 2023. The compound annual growth rate of the Group's sales during the five-year period including 2024 was 7.6%. Basic earnings per share amounted to RMB 79.2 cents, representing a decrease of 32.6% as compared to 2023. 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 10.0 HK cents per share, subject to the approval by the shareholders (the "**Shareholders**") of the Company at the forthcoming annual general meeting (the "**AGM**").

Operational Review

Sales

The sales revenue of the Group decrease by 8.1% in 2024. Such decrease was primarily due to the significant decrease in the average selling prices of float 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 | | | |
|---|------------------------|--------------|--------------------|-------------------|
| | 2024 | | 2023 | |
| | <i>RMB'million</i> | <i>%</i> | <i>RMB'million</i> | <i>%</i> |
| | | | | <i>(restated)</i> |
| By Products | | | | |
| Float glass products | 12,909.9 | 57.8 | 15,839.7 | 65.2 |
| Automobile glass products (<i>Note</i>) | 6,304.8 | 28.3 | 5,417.3 | 22.3 |
| Architectural glass products | 3,108.9 | 13.9 | 3,036.7 | 12.5 |
| | 22,323.6 | 100.0 | 24,293.7 | 100.0 |

Note:

Included sales of automobile glass and automobile rubber and plastic components on an original equipment manufacturing (“OEM”) basis and on an aftermarket basis.

Year ended 31 December

| | 2024 | | 2023 | |
|---------------------------------|--------------------|--------------|--------------------|----------|
| | <i>RMB'million</i> | <i>%</i> | <i>RMB'million</i> | <i>%</i> |
| | | | <i>(restated)</i> | |
| By Geographical Regions | | | | |
| Greater China <i>(Note (a))</i> | 15,247.5 | 68.3 | 17,619.3 | 72.5 |
| Others <i>(Note (b))</i> | 7,076.1 | 31.7 | 6,674.4 | 27.5 |
| | 22,323.6 | 100.0 | 24,293.7 | 100.0 |

Notes:

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

Cost of Sales

The cost of sales (excluding losses on impairment and disposal of property, plant and equipment) decreased by 8.4% to RMB15,091.8 million in 2024, as compared to RMB16,476.2 million in 2023. The decrease in the production costs was mainly attributable to the decrease in the sales volume of float 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 (excluding of the losses on impairment and disposal of property, plant and equipment) of the Group in 2024 amounted to RMB7,231.8 million, representing a decrease of 7.5%, as compared to RMB7,817.5 million in 2023. The gross profit margin slightly increased from 32.2% to 32.4% principally due to the increases in the average selling prices of automobile glass products.

Other Income

Other income increased significantly to RMB721.7 million, as compared to RMB605.7 million in 2023. The increase was mainly due to the increase in the rental income and the sales of self-generated electricity to the grid during the year.

Other Gains/(Losses), Net

There were the net other gains of RMB113.5 million. As compared to the net other losses of RMB40.4 million in 2023, the significant difference was mainly due to the significant increase in other foreign exchange gain in 2024.

Selling and Marketing Costs

The Group's selling and marketing costs decreased by 11.0% to RMB1,055.7 million in 2024. The decrease was principally due to the decrease in the domestic transportation costs and duties expenses.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by 9.4% to RMB2,244.0 million in 2024, mainly due to the increase in the staff costs for the new production plants under construction.

Share of Profits of Associates

Share of profits of associates was mainly generated from the Company's associate companies, namely Xinyi Solar Holdings Limited (“**Xinyi Solar**”) and Xinyi Energy Holdings Limited. The share of profits decreased to RMB196.9 million, as compared to RMB912.3 million in 2023. The decrease was mainly due to the decreased profit contribution from these two associate companies.

Finance Costs

The Group's finance costs decreased significantly by 60.3% to RMB181.0 million in 2024 mainly due to the refinancing of most 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 RMB88.5 million was capitalised under construction-in-progress in 2024, which represented a slight decrease of 6.4%, as compared to RMB94.6 million in 2023. Such slight decrease in 2024 was due to the significant decrease in the total finance costs and an increase 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 21.4% to RMB5,832.4 million for the year ended 31 December 2024, as compared to RMB7,423.6 million in 2023.

Income Tax Expense

The Group's income tax expense decreased by 0.4% to RMB876.1 million in 2024 due to the decreased amount of profits generated and the increase in the payment of PRC dividend withholding tax during the year. The effective tax rate was 20.6% (2023: 15.2%), which was lower than the standard tax rates and higher than effective tax rate in 2023 mainly due to less profits shared from by the associate companies as compared to 2023.

The PRC dividend withholding tax of RMB200.0 million was paid in 2024 (2023: RMB142.7 million).

A total amount of RMB826.1 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 2024.

Net Profit

Net profit attributable to equity holders of the Company was RMB3,369.2 million in 2024, representing a decrease of 31.0%, as compared to RMB4,883.1 million in 2023. Net profit margin decreased to 15.1% in 2024.

Current Ratio

The Group's current ratio as of 31 December 2024 was 1.06, as compared with 1.20 as of 31 December 2023. The decrease in the current ratio was mainly due to the lower cash balance and the higher short-term bank borrowings as of 31 December 2024.

Net Current Assets

As of 31 December 2024, the Group had net current assets of RMB666.0 million, as compared to RMB2,063.3 million as of 31 December 2023. The decrease was generally consistent with the decreases in the current ratio and net profit and increase of capital expenditure.

Capital Expenditure and Commitments

For the year ended 31 December 2024, the Group incurred capital expenditure of RMB5,124.0 million (2023: RMB3,202.9 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 2024 amounted to RMB1,174.0 million (2023: RMB1,419.5 million), which was mainly related to the new production capacities of architectural glass, automobile glass and float glass, to be expanded 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 2024, 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 RMB5,589.7 million (2023: RMB4,476.4 million) as a result of efficient working capital management which led to a net cash increase from operations. As of 31 December 2024, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of RMB1,709.3 million (2023: RMB3,123.4 million).

Bank Borrowings

As of 31 December 2024, the Group's bank borrowings amounted to RMB7,313.1 million, representing a decrease of 1.8%, as compared to RMB7,450.6 million as of 31 December 2023, 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 2024 was 16.3% (31 December 2023: 13.3%). 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 2024.

Pledge of Assets

As of 31 December 2024, bank balance of RMB83.1 million has been pledged as collateral principally for import duties payable to the US government.

Employees and Remuneration Policy

As of 31 December 2024, the Group had 16,485 full-time employees, of whom 15,039 were based in the PRC and 1,446 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.

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).

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 depreciation in the exchange rate of RMB during the year, the Group reported non-cash translation decreases in the exchange reserve of its consolidated balance sheet — when converting HKD, MYR and IDR-denominated assets into RMB. For the year ended 31 December 2024, an exchange reserve decrease of RMB0.36 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 RMB1,163.6 million as of 31 December 2024, as compared to a debit balance of RMB1,163.3 million as of 31 December 2023.

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 2024, 96.2% of the bank borrowings of the Group were denominated in RMB and 3.8% of the bank borrowings of the Group were denominated in HKD.

The Group has not experienced any material difficulties and liquidity issues resulting from currency exchange fluctuations. During the year ended 31 December 2024, the Group has not used any financial instrument for hedging purposes.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group did not have any significant contingent liability (31 December 2023: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in this announcement, there was no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2024.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no significant events have taken place subsequent to 31 December 2024 and up to the date of this announcement.

BUSINESS REVIEW

The growth of the PRC glass market was slow during the year as there were very few property projects completed even though the PRC government encourages the property projects to be completed and delivered according to their original plans and timelines. The PRC property market has remained weak since the fourth quarter in 2021 due to the debt crisis and the liquidity problems faced by those leveraged property developers.

Due to the inflation in the overseas markets and high bank interest rates for loans denominated in HKD, the Group repaid most of the HKD bank loans out of its financial resources and RMB loans. With a high percentage of low interest cost of RMB bank loans, the Group successfully reduced its interest expenses in 2024. The low average costs of raw materials and energy in 2024 have also mitigated the negative impact of the low average selling prices (“ASP”) of the float glass products during the year. These factors have improved the processed glass market’s profitability. As a result, the Group’s operations in the automotive glass, architectural glass and float glass segments encountered different unusual challenges and more importantly, opportunities that emerged from positive development in the global market in future.

The Group’s net profit for the year decreased by 31.0%, mainly due to the net impact of the significant drop of ASP of the float glass, the one-time losses on impairment and disposal of property, plant and equipment (“PPE”) and the decrease in the profit shared from the associate company, Xinyi Solar in 2024.

The Group implemented stringent policies on the control of the production costs and energy conservation. Also, the Group focused on the development of innovated and high value-added components and features, float glass products of different colours and thickness, automotive glass and architectural glass products as well as window structure-upgraded and energy-saving coating glass products. As for operations, the Group streamlined the production flow with automated connecting line, the automated logistics and adopted flexible global marketing strategies for its float glass, architectural glass and automotive glass products.

The PRC's float glass demand was weak during the year, as reflected in the decrease in the ASP and the sales volume, primarily due to the slowdown in completion of the property projects and the window installation in real estate industry in the PRC. On the other hand, in order to achieve the carbon neutrality, the PRC government currently suspends the grant of new approval for new float glass production capacity.

As a significant number of the PRC property developers encounter liquidity issues, the Group's architectural glass project business has focused on the new glass window installation projects in commercial and public projects. Most of these projects are led by the government related entities, the state-owned enterprises in the PRC or the property developers with strong financial position. The sales volume of the architectural glass products posted growth, even though the overall new construction projects in the PRC market slowed down since the fourth quarter of 2021 due to a number of liquidity issues of the private property developers.

The demand for the architectural energy-saving Low-E glass products continued the growth as supported by the Group's strong reputation and the outstanding track records, aggressive and flexible marketing strategies and a wide range of new and advanced coating material choices and advanced structured glass products. As a result, the Group has increased the sales volume of the architectural glass in the 2024.

The Group's marketing and production strategies for the automobile glass business in 2024 continued to focus on the tackling challenges in the slowdown of the overseas demand due to high inflation, high loan interest cost, fierce local competition and high international freight costs with long shipping time due to the Red Sea crisis. The Group has developed new automotive glass products for applications on advanced driver assistance systems (“**ADAS**”), head-up displays (“**HUD**”), sound proofing, low-e coating, sunroofs, heat lining system and value-added parts which are suitable for both new and existing car models, as well as the EV models, and are ready to be launched as and when appropriate.

The Group has explored new business opportunities in the PRC and overseas markets. The Group strengthens its business relationship with the existing customers for the purpose of increasing the sales volume for both new and existing product models. The Group has also participated in a wide range of exhibitions in the overseas and actively visited the overseas customers in 2024. As a result, the Group's automotive glass products are currently sold to customers in over 140 countries or territories.

As one of the leading players in the global glass industry, the Group has secured its market leading position and enhanced the economies of scale through the strategic expansion and the acquisition of production capacity across different product segments, which uses streamlined and automated and connected production processes, at different geographical locations in the PRC and Malaysia. The Group is building new float glass production facilities in Gresik, the Indonesia for the purpose of increasing its overseas production capacity at low production costs.

The Group has also implemented a series of measures which are aimed to improve its performance. Such measures include enhancing the cost control on the supply and consumption of raw materials, securing the source and the operation of silica sand mines and shipping vessels, improving the supply chain and production flow and recycling the use of principal raw materials. Furthermore, the Group has also improved its production process, adding more automation features and centralised control management system to boost the production efficiency, installed the rooftop distributed solar power generation systems and low-temperature recycling residual heat power co-generation systems to generate electricity and hot water for internal consumption and implemented energy conservation scheme, which at the same time are also in line with the national carbon neutral policies.

To enhance its competitiveness, the Group will continue to develop a range of unique and innovated glass products with different colours, thickness, special coating materials, advanced glass window structure, high value-added features and parts, accessories and specialties, advanced designs and functions, adopting proactive pricing and flexible marketing strategies and make use of the favourable policies implemented under the 14th Five-Year Plan of the PRC government.

Improved productivity, product quality and features, technology and economies of scale to enhance production profitability; research and development (“R&D”) in new products, new equipment and automation and advanced float glass line design

The Group’s continuing R&D investments in new materials and coatings, production engineering, information technology, big data analysis, environmental control, carbon neutrality awareness as well as improvements to the connected production flow, automation and equipment maintenance programs, design of the new equipment and advanced float glass line, have enhanced the Group’s productivity and yield rate, thus, reducing the carbon emissions, wastage, excess labour, production and energy costs for the year.

The Group’s engineering and design division has designed the latest world-class, environmental-friendly, large capacity, energy efficient and high yield rate float glass production lines in the PRC, Malaysia and Indonesia. The economies of scale have enabled significant cost savings in the procurement, automated production process and also facilitated the increased efficiency in the use of fuel and principal raw materials. To further control the energy costs and the carbon emissions, the Group uses clean environmental-friendly energy by employing the rooftop distributed solar power generation systems and the low-temperature recycling residual heat power co-generation systems to support the electricity consumption and hot water supply for the Group’s production.

In addition, the use of natural gas as fuel for the production of high-quality float glass can reduce the carbon emissions and fulfil the carbon neutral target, improve float glass product quality and enhance the Group’s energy cost structure.

The R&D division of the Group will continue to develop new glass products, advanced low-e coating materials and features, value-added components for automotive glass, improve product quality and production flow to capture the new market and business opportunities.

Exploring new and differentiated product mix and new markets which enhance the Group's overall competitiveness

While the global market was affected by the high inflation rate, high interest cost, high freight cost, high US import tariff, severe competition and the geopolitical risks, the Group achieved a reasonable level of profit performance in the automobile glass, architectural glass and the high-quality float glass businesses. These demonstrate that the Group's diversified product segments, integrated and automated production flow, well-established full ranged supply chain, global market coverage, overseas production facilities, upgraded product structures, state-of-the-art production lines, the expanded high value-added and differentiated product mix and strong cashflow management could mitigate the operational pressure and risks in any specific business segment or country in a less favourable market environment.

Solid financial position and resources to future expansion

The Group has solid financial position with RMB1,709.3 million cash and bank deposits, current ratio of 1.06 with low net debt gearing ratio of 16.3% and sufficient credit facilities available as of 31 December 2024. The Group's strong credit history has allowed it to reduce the effective borrowing rate to 3.3%. For the year of 2024, the Group has new bank borrowings of RMB5,417.6 million with the net cash generated from operations of RMB5,589.7 million, demonstrating its ability to secure financing and cash inflow from multiple channels to support its capital expenditure and future expansion.

The Group has repaid net amount of RMB162.3 million bank loan during the year and has repaid all of its HKD loan balance since January 2025 in order to reduce the overall interest expense.

BUSINESS OUTLOOK

Through its continued emphasise on the use of innovative technologies and equipment with the centralised improvement measures on the operational efficiency and the product quality control, the Group will continue to adopt and enhance flexible and pro-active strategies in integrating and improving the production flow and supply chains, automation, better logistics arrangement, differentiated product mix and the all-round marketing strategies to maintain its leadership and competitive position in the global glass manufacturing industry.

In response to the increasingly tightened environmental protection standards on the waste emission and energy consumption under the national carbon neutrality policy, the PRC government has continued its strict supply-side reform and control on the expansion of the new float glass production capacity, consolidation of the existing capacity and discontinuation of the obsolete and non-compliant float glass production facilities. The Group uses prudent and flexible strategies in response to the current competitive situation of the float glass market in the PRC and other countries.

The prices for the soda ash are expected to maintain at low level in 2025, as compared to 2024, due to the increasing supply in the PRC and other countries. Energy costs has decreased in 2024 as the prices of crude oil have been moving within a narrow and low range in the global market. Thus, the Group is cautiously optimistic on the prospects for the float glass market in 2025. The float glass market is also expected to be supported by the PRC government initiative of ensuring the property projects to be completed and delivered, the issue of “White Name List” to the PRC banks and the release of the multiple property buying restrictions in different cities.

The Group has operated silica sand mine and processing factories in Beihai, Guangxi Zhuang Autonomous Region since the end of 2020. Such source of silica sand demonstrates the Group’s capability to achieve a high level of vertical integration of the glass production flow and maintain a strong control on the costs and the quality of the principal raw material. The Group will continue to explore more opportunities on new source of silica sand and raw materials in Asia in future.

The Sino-US trade conflict continues to have an adverse impact by imposing additional import tariff on the US aftermarket automobile glass customers. It may cause inflation in the US. The Group’s new automobile glass production lines in the Malaysia has mitigated the impact of the import tariff. Another new automobile glass production lines in Gresik, East Java, Indonesia will commence its operation during first half of 2025. The Group will continue to explore other opportunities for the expansion of the overseas production capacity in order to counter the import tariff issues.

The PRC government is expected to launch in the near future further stimulating economic and monetary policies to promote the domestic consumption cycle and improve the property market environment. The policies would result in reduced pressure on the funding channels for completion of the designated property projects and the delivery of new property projects to the property buyers, which would result in more construction projects and window installations in 2025 and would increase the demand for the float glass and the architectural glass products.

The Directors are also optimistic on the continuous development of the Group's automobile glass aftermarket and OEM businesses in both the PRC and global market as the number of vehicles and the new cars sales globally and in the PRC are expected to increase in 2025, as well as on the prospects of increasing sales in the advanced glass window structure products, such as the energy-saving and single, double and triple insulated Low-E glass segments, with the target of carbon neutrality in the PRC in the future.

After years of expansion of its production facilities in the major economic zones of the PRC and Southeast Asia, the Group continues to explore acquisitions and new expansion opportunities in the PRC and overseas, which can provide direct access to other markets, lower labour and raw material costs, better production and energy costs and more favourable tax treatment and other incentives. Currently, the Group is building a new float glass production complex with automobile glass and architectural glass facilities in Gresik, Indonesia to expand its business footprints in the ASEAN countries.

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

The Directors also believe that clean and renewable energy will become the major source of energy in the future and that the demand for clean and renewable energy will continue to increase in the PRC and global market.

Solar energy is among the most efficient and reliable form of renewable energy with lower investment and installation costs and a shorter installation time than hydropower, nuclear power and wind power. It is also safe in operation. There will be an increasing number of solar farms to be constructed in the PRC and global market in the near future in support of the national goal of “carbon neutrality” by 2060. European market has enjoyed a high growth due to the energy crisis brought by the Russia-Ukraine war since 2022.

The Group will continue to allocate sufficient resources to R&D, enhancement of product quality and development of new products and materials, models and features, promoting innovative technologies, new equipment, automation, improved production flow as well as exploring new markets, increasing production efficiency, achieving carbon neutrality goal and integrated logistics arrangement. The Group will also focus on the staff trainings for the purpose of maintaining the production safety standards, competitiveness, marketing skill and hence, enhancing profitability.

CONCLUSION

The Group continues to tackle and overcome different challenges arising from the changes in the global market, financial risks, geopolitical risks and the tariff threat by bolstering its efficiency and increasing its profit performance through more pro-active, effective and flexible management strategies across its different management functions, such as cash management, credit control, ESG, human capital, 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. The Directors believe that these will enable the Group to maximise the profit from the domestic market in the PRC and other emerging and overseas markets in addition to being cautiously optimistic about the Group’s long-term business development prospects.

The Group will continue to enhance its proven business strategies with innovative ideas to maintain and strengthen its growth and performance in future. To sustain its industry-leading position, the Group is also exploring opportunities for expanding its business presence in the global glass and related upstream markets across a broad spectrum of industries, applications, technologies and products as well as developing other business partnerships that would be beneficial to the overall business development of the Group and its employees, shareholders and stakeholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance Code (the “**Code**”) as set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2024.

AUDIT COMMITTEE OF THE BOARD

The Company has established an audit committee (the “**Audit Committee**”), comprising 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 Chairlady of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group and provide comment and advice to the Board. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

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 throughout the year ended 31 December 2024.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 15 January 2015, an aggregate of 37,500,000 share options were granted to selected employees in March 2024. The share options are valid from 1 March 2024 to 31 March 2028. One third of the options would be vested on each of 31 December 2024, 2025 and 2026 if the relevant grantee has satisfied the conditions of vesting as stated in the letter of grant.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF 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 announcement, there is sufficient public float of not less than 25% of the shares are in the hands of the public as required under the Listing Rules.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in due course.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

At the meeting of the Board held on 28 February 2025, 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 10.0 HK cents per share for the year ended 31 December 2024. 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, 30 May 2025. 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, 9 June 2025.

Shareholders will be given an option to receive the Final Dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash. 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, 3 June 2025 until Monday, 9 June 2025 (both days inclusive) rounded down to two decimal places.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 30 May 2025. The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of shares will be registered. 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 Monday, 26 May 2025.

The register of members of the Company will be closed from Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, 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 Wednesday, 4 June 2025.

On behalf of the Board
XINYI GLASS HOLDINGS LIMITED
Dr. LEE Yin Yee, S.B.S.
Chairman

Hong Kong, 28 February 2025

As of the date of this announcement, the 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.; the non-executive Directors are Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung and Mr. NG Ngan Ho; and the 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..

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyiglass.com.