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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	Change
	<i>RMB million</i>	<i>RMB million</i>	
		<i>(restated)</i>	
Revenue	9,821.3	10,881.7	-9.7%
Profit attributable to equity holders of the Company	1,012.8	2,509.3	-59.6%
Earnings per share - Basic	23.25 RMB cents	59.41 RMB cents	-60.9%
Interim dividend per share	12.5 HK cents	31.0 HK cents	-59.7%

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 unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 (the “**1H2025**”), together with the comparative figures for the six months ended 30 June 2024 (the “**1H2024**”), as follows:

Condensed Consolidated Balance Sheet

(All amounts in Chinese Renminbi thousands unless otherwise stated)

		As at	
		30 June 2025	31 December 2024
	Note	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	18,794,747	18,911,460
Right-of-use assets	5(A)	4,188,326	3,874,347
Investment properties	7	1,967,989	1,769,631
Prepayments for property, plant and equipment, right-of-use assets and intangible assets	9	800,393	1,312,026
Intangible assets		1,135,210	1,141,163
Investments in associates	8	9,452,032	9,203,629
Fixed bank deposits	10	40,000	70,000
Deferred income tax assets		4,858	5,152
		<u>36,383,555</u>	<u>36,287,408</u>
Current assets			
Inventories		3,860,789	3,492,205
Trade and other receivables	9	6,843,398	6,637,503
Financial assets at fair value through profit and loss	21	32,312	21,928
Pledged bank deposits	10	79,276	83,137
Fixed bank deposits	10	60,000	100,000
Cash and cash equivalents	10	1,853,697	1,456,115
		<u>12,729,472</u>	<u>11,790,888</u>
Total assets		<u><u>49,113,027</u></u>	<u><u>48,078,296</u></u>

		As at	
		30 June	31 December
		2025	2024
	Note	(Unaudited)	(Audited)
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	11	408,378	408,378
Share premium	11	2,639,646	3,048,090
Other reserves	12	3,241,827	3,256,030
Retained earnings	12	28,710,819	27,572,287
		35,000,670	34,284,785
Non-controlling interests		94,448	92,356
Total equity		35,095,118	34,377,141
LIABILITIES			
Non-current liabilities			
Bank borrowings	14	2,540,047	1,882,219
Deferred income tax liabilities		601,299	579,096
Lease liabilities	5(B)	150	2,743
Other payables	13	107,763	112,231
		3,249,259	2,576,289
Current liabilities			
Trade, other payables and contract liabilities	13	5,260,656	4,653,190
Current income tax liabilities		987,117	1,034,471
Lease liabilities	5(B)	6,164	6,336
Bank borrowings	14	4,514,713	5,430,869
		10,768,650	11,124,866
Total liabilities		14,017,909	13,701,155
Total equity and liabilities		49,113,027	48,078,296
Total assets less current liabilities		38,344,377	36,953,430

Condensed Consolidated Income Statement

(All amount in Chinese Renminbi thousands unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	2025	2024 (restated) (Note 3)
Revenue	4	9,821,324	10,881,695
Cost of sales	15	(6,719,640)	(7,157,320)
Gross profit		3,101,684	3,724,375
Other income		253,707	376,842
Other (losses)/gains – net	16	(273,784)	221,379
Selling and marketing costs	15	(661,272)	(563,285)
Administrative expenses	15	(1,107,069)	(1,087,352)
Net impairment losses on financial assets		(131,432)	(7,843)
Operating profit		1,181,834	2,664,116
Finance income	17	13,095	25,156
Finance costs	17	(62,815)	(119,385)
Share of profits of associates	8	202,865	419,760
Profit before income tax		1,334,979	2,989,647
Income tax expense	18	(316,944)	(471,549)
Profit for the period		1,018,035	2,518,098
Profit for the period attributable to:			
– Equity holders of the Company		1,012,838	2,509,339
– Non-controlling interests		5,197	8,759
Profit for the period		1,018,035	2,518,098
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in RMB cents per Share)			
– Basic and diluted	20	23.25	59.41

Condensed Consolidated Statement of Comprehensive Income

(All amount in Chinese Renminbi thousands unless otherwise stated)

	Unaudited	
	Six months ended	
	30 June	
	2025	2024
		(restated)
		(Note 3)
Profit for the period	1,018,035	2,518,098
Other comprehensive income		
Items that will not be reclassified subsequently to the consolidated income statement:		
Currency translation differences	(103,158)	81,506
Items that may be reclassified subsequently to the consolidated income statement:		
Currency translation differences	119,408	(292,157)
Share of other comprehensive income of investments accounted for using the equity method	48,733	6,673
Total comprehensive income for the period	1,083,018	2,314,120
Total comprehensive income for the period attributable to:		
– Equity holders of the Company	1,076,265	2,305,870
– Non-controlling interests	6,753	8,250
	1,083,018	2,314,120

Condensed Consolidated Statement of Changes in Equity

(All amount in Chinese Renminbi thousands unless otherwise stated)

Note	Unaudited						
	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 31 December 2024 and 1 January 2025	408,378	3,048,090	3,256,030	27,572,287	34,284,785	92,356	34,377,141
Comprehensive income							
Profit for the period	—	—	—	1,012,838	1,012,838	5,197	1,018,035
Other comprehensive income							
Currency translation differences	—	—	14,694	—	14,694	1,556	16,250
Share of other comprehensive income of investments accounted for using equity method	—	—	48,733	—	48,733	—	48,733
Total comprehensive income	—	—	63,427	1,012,838	1,076,265	6,753	1,083,018
Transactions with owners							
Employees share option scheme:							
– value of employee services	—	—	48,064	—	48,064	—	48,064
– adjustment relating to expired share options	—	—	(127,463)	127,463	—	—	—
Transfer to reserve	—	—	1,769	(1,769)	—	—	—
Dividends relating to 2024	19	(408,444)	—	—	(408,444)	—	(408,444)
Dividend paid to non-controlling interests	—	—	—	—	—	(4,661)	(4,661)
Total transactions with owners	—	(408,444)	(77,630)	125,694	(360,380)	(4,661)	(365,041)
Balance at 30 June 2025	408,378	2,639,646	3,241,827	28,710,819	35,000,670	94,448	35,095,118

Unaudited							
Attributable to equity holders of the Company							
Note	Share	Share	Other	Retained		Non-	Total
	capital	premium	reserves	earnings	Total	controlling	equity
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Balance at 31 December 2023							
and 1 January 2024	396,222	2,246,103	2,979,129	26,968,445	32,589,899	104,753	32,694,652
Comprehensive income							
Profit for the period	—	—	—	2,509,339	2,509,339	8,759	2,518,098
Other comprehensive income							
Currency translation differences	—	—	(210,142)	—	(210,142)	(509)	(210,651)
Share of other comprehensive income of investments accounted for using equity method	—	—	6,673	—	6,673	—	6,673
Total comprehensive income	—	—	(203,469)	2,509,339	2,305,870	8,250	2,314,120
Transactions with owners							
Employees share option scheme:							
– Proceeds from shares issued	184	17,942	(1,946)	—	16,180	—	16,180
– Value of employee services	—	—	43,884	—	43,884	—	43,884
– Adjustment relating to expired share options	—	—	(23,100)	23,100	—	—	—
Liquidation of a subsidiary	—	—	—	—	—	(4,302)	(4,302)
Dividends relating to 2023	19	—	—	(1,446,942)	(1,446,942)	—	(1,446,942)
Dividend paid to non-controlling interests	—	—	—	—	—	(10,122)	(10,122)
Total transactions with owners	184	17,942	18,838	(1,423,842)	(1,386,878)	(14,424)	(1,401,302)
Balance at 30 June 2024	396,406	2,264,045	2,794,498	28,053,942	33,508,891	98,579	33,607,470

Condensed Consolidated Cash Flow Statement

(All amount in Chinese Renminbi thousands unless otherwise stated)

	Unaudited Six months ended 30 June	
	2025	2024
		(restated)
		(Note 3)
Cash flows from operating activities		
Cash generated from operations	2,007,242	2,608,607
Interest paid	(98,980)	(157,163)
Income tax paid	(343,622)	(463,742)
Net cash from operating activities	1,564,640	1,987,702
Cash flows from investing activities		
Purchase of property, plant and equipment	(863,897)	(2,307,076)
Purchase of intangible assets	—	(2,010)
Additions to investment properties	(6,606)	(392)
Payment for right-of-use assets	(86,065)	(221,717)
Addition to investment in an associate	(30,000)	—
Proceeds from disposal of investment in an associate	8,087	—
Advanced to an associate	(61,453)	(258,810)
Decrease in fixed deposits	70,000	1,015,000
Interests received	13,095	25,156
Other investing activities	63,046	22,097
Net cash used in investing activities	(893,793)	(1,727,752)
Cash flows from financing activities		
Proceeds from bank borrowings	2,550,760	2,750,639
Repayment of bank borrowings	(2,809,088)	(3,567,352)
Repayment of lease liabilities	(3,455)	(3,488)
Dividend paid to non-controlling interests	(4,661)	(10,122)
Net proceeds from issuance of ordinary shares by share options	—	16,180
Net cash used in financing activities	(266,444)	(814,143)
Net increase/(decrease) in cash and cash equivalents	404,403	(554,193)
Cash and cash equivalents at beginning of the period	1,456,115	1,814,614
Effect of foreign exchange rate changes	(6,821)	(9,464)
Cash and cash equivalents at end of the period	1,853,697	1,250,957

Notes to the Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Xinyi Glass Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) is principally engaged in the production and sales of automobile glass, architectural glass and float glass products through production complexes located in the People’s Republic of China (the “**PRC**”), Malaysia and Indonesia.

The principal place of business of the Group in Hong Kong is situated at Unit 2101-2108, 21st Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of Chinese Renminbi (“**RMB’000**”), unless otherwise stated. This unaudited condensed consolidated interim financial information has been approved for issue by the Board on 1 August 2025.

2 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards (“**HKAS**”) 34, ‘Interim financial reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

3 ACCOUNTING POLICIES

Change in presentation currency

As disclosed in the Company’s announcement dated 24 December 2024, the presentation currency of the consolidated financial statements of the Group has been changed from Hong Kong Dollars (“**HK\$**”) to Chinese Reminbi (“**RMB**”). To conform with the current period presentation, certain comparative amounts in the condensed consolidated financial statements for the six months ended 30 June 2025 have been restated as if RMB had always been the presentation currency of the consolidated financial statements.

Change in accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2024, as described in 2024 annual financial statements.

AMENDED STANDARDS ADOPTED BY THE GROUP

The following amendments to standards and interpretations are effective for accounting periods beginning on or after 1 January 2025. The adoption of these amendments to standards and interpretations does not have any material impact to the results and financial position of the Group for the current or prior periods.

		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 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	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
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	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
Amendments to HKFRS10 and HKAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Note:

There are no other amendments to standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on results and financial position of the Group.

The Group has not applied any amendments to standards and interpretations that are not effective for current accounting period.

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 entity perspective. Generally, the executive Directors consider the performance of business of each entity within the Group separately. Thus, each entity within the Group is an individual operating segment.

Among these operating segments, these operating segments 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 other 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 the relevant 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 unaudited segment information for the period ended 30 June 2025:

	<u>Float glass</u>	<u>Automobile glass</u>	<u>Architectural glass</u>	<u>Unallocated</u>	<u>Total</u>
Segment revenue	6,271,490	3,322,940	1,117,412	—	10,711,842
Inter-segment revenue	(890,518)	—	—	—	(890,518)
Revenue from external customers	5,380,972	3,322,940	1,117,412	—	9,821,324
Cost of sales	(4,421,660)	(1,512,946)	(785,034)	—	(6,719,640)
Gross profit	959,312	1,809,994	332,378	—	3,101,684
Depreciation charge					
– property, plant and equipment (Note 15)	509,204	77,982	50,898	16,431	654,515
– right-of-use assets (Note 15)	24,207	3,613	1,259	28,617	57,696
Amortisation charge					
– intangible assets (Note 15)	5,349	604	—	—	5,953
Increase in provision for loss allowance, net	129,388	1,389	655	—	131,432
Share of profits of associates (Note 8)	—	—	—	202,865	202,865

	Assets and liabilities				Total
	Float glass	Automobile glass	Architectural glass	Unallocated	
Total assets	<u>23,938,374</u>	<u>6,318,313</u>	<u>2,240,855</u>	<u>16,615,485</u>	<u>49,113,027</u>
Total assets included:					
Investments in associates (Note 8)	—	—	—	9,452,032	9,452,032
Investment properties (Note 7)	—	—	—	1,967,989	1,967,989
Additions to non-current assets	<u>450,677</u>	<u>219,527</u>	<u>193,591</u>	<u>146,777</u>	<u>1,010,572</u>
Total liabilities	<u>4,652,586</u>	<u>2,094,215</u>	<u>1,098,270</u>	<u>6,172,838</u>	<u>14,017,909</u>

The unaudited segment information for the period ended 30 June 2024 and the audited segment assets and liabilities as at 31 December 2024:

	Float glass	Automobile glass	Architectural glass	Unallocated	Total
	(restated)	(restated)	(restated)	(restated)	(restated)
Segment revenue	7,984,204	3,003,921	1,438,624	—	12,426,749
Inter-segment revenue	<u>(1,545,054)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,545,054)</u>
Revenue from external customers	6,439,150	3,003,921	1,438,624	—	10,881,695
Cost of sales	<u>(4,612,459)</u>	<u>(1,515,904)</u>	<u>(1,028,957)</u>	<u>—</u>	<u>(7,157,320)</u>
Gross profit	<u>1,826,691</u>	<u>1,488,017</u>	<u>409,667</u>	<u>—</u>	<u>3,724,375</u>
Depreciation charge					
– property, plant and equipment (Note 15)	419,094	80,813	65,187	6,206	571,300
– right-of-use assets (Note 15)	23,698	2,872	1,096	26,442	54,108
Amortisation charge					
– intangible assets (Note 15)	856	604	—	—	1,460
Increase in provision for loss allowance, net	14	2,164	5,665	—	7,843
Share of profits of associates (Note 8)	<u>—</u>	<u>—</u>	<u>—</u>	<u>419,760</u>	<u>419,760</u>

	Assets and liabilities				Total
	Float glass	Automobile glass	Architectural glass	Unallocated	
Total assets	23,622,776	6,173,720	1,965,539	16,316,261	48,078,296
Total assets included:					
Investments in associates (Note 8)	—	—	—	9,203,629	9,203,629
Investment properties (Note 7)	—	—	—	1,769,631	1,769,631
Additions to non-current 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:

	Unaudited Six months ended 30 June	
	2025	2024 (restated)
Segment gross profit	3,101,684	3,724,375
Unallocated:		
Other income	253,707	376,842
Other (losses)/gains - net	(273,784)	221,379
Selling and marketing costs	(661,272)	(563,285)
Administrative expenses	(1,107,069)	(1,087,352)
Net impairment losses on financial assets	(131,432)	(7,843)
Finance income	13,095	25,156
Finance costs	(62,815)	(119,385)
Share of profits of associates	202,865	419,760
Profit before income tax	1,334,979	2,989,647

Reportable segments assets/(liabilities) for the period ended 30 June 2025 and the year ended 31 December 2024 are reconciled to total assets/(liabilities) as follows:

	Assets		Liabilities	
	2025 <i>(Unaudited)</i>	2024 <i>(Audited)</i>	2025 <i>(Unaudited)</i>	2024 <i>(Audited)</i>
Segment assets/(liabilities)	32,497,542	31,762,035	(7,845,071)	(6,603,707)
Unallocated:				
Property, plant and equipment	1,916,480	2,068,039	—	—
Right-of-use assets	2,009,041	2,109,392	—	—
Investment properties	1,967,989	1,769,631	—	—
Prepayments for property, plant and equipment, right-of-use assets and intangible assets	48,431	33,004	—	—
Intangible assets	19,056	19,885	—	—
Financial assets at fair value through profit and loss	32,312	21,928	—	—
Investments in associates	9,452,032	9,203,629	—	—
Prepayments, deposits and other receivables	988,004	921,632	—	—
Cash and cash equivalents	177,282	163,969	—	—
Deferred income tax assets	4,858	5,152	—	—
Other payables	—	—	(320,485)	(436,142)
Dividend payables	—	—	(408,444)	—
Current income tax liabilities	—	—	(59,547)	(68,857)
Deferred income tax liabilities	—	—	(385,709)	(375,709)
Bank borrowings	—	—	(4,998,653)	(6,216,740)
Total assets/(liabilities)	49,113,027	48,078,296	(14,017,909)	(13,701,155)

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

	Unaudited Six months ended 30 June	
	2025	2024 <i>(restated)</i>
Sales of float glass	5,380,972	6,439,150
Sales of automobile glass	3,322,940	3,003,921
Sales of architectural glass	1,117,412	1,438,624
Total	9,821,324	10,881,695

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

	Unaudited	
	Six months ended	
	30 June	
	2025	2024
		<i>(restated)</i>
Greater China	6,197,043	7,744,077
Other countries	3,624,281	3,137,618
	<u>9,821,324</u>	<u>10,881,695</u>

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

	As at	
	30 June	31 December
	2025	2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
Greater China	32,783,541	32,999,611
Malaysia	1,552,454	1,525,871
Other countries	2,047,560	1,761,926
	<u>36,383,555</u>	<u>36,287,408</u>

5 LEASES

5 (A) The information for leases where the Group is a lessee is analyses as follows:

	Leasehold lands and land-use rights	Buildings	Total
Period ended 30 June 2025 (Unaudited)			
Opening net book amount	3,838,076	36,271	3,874,347
Currency translation differences	(417)	(11)	(428)
Additions	444,494	440	444,934
Transfer to investments properties	(72,302)	—	(72,302)
Depreciation charges	(53,669)	(4,556)	(58,225)
Closing net book amount	<u>4,156,182</u>	<u>32,144</u>	<u>4,188,326</u>

5 (B) Lease liabilities

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Current	6,164	6,336
Non-current	150	2,743
As at 30 June/31 December	<u>6,314</u>	<u>9,079</u>

Notes:

- (a) The total cash outflow for the leases during the period was RMB3,455,000.
- (b) Lands in the PRC are state-owned. The Group acquired leasehold lands from mainland China government by one-off prepayment with lease terms of 20 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 leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

- (c) Depreciation charges of RMB529,000 were capitalised as direct cost of construction in progress during the period ended 30 June 2025 when the building thereon were not yet ready for production purposes. For the period ended 30 June 2025, depreciation of the Group’s right-of-use assets amounted to RMB57,696,000 were charged to the consolidated income statement (Note 15).

6 PROPERTY, PLANT AND EQUIPMENT

Unaudited						
Six months ended 30 June 2025						
	Construction in progress	Freehold land	Buildings	Plant and machinery	Office equipment	Total
Opening net book amount as at 1 January 2025	4,133,150	148,968	4,504,944	10,033,261	91,137	18,911,460
Currency translation differences	(26,666)	6,981	18,151	23,267	40	21,773
Additions	896,913	—	71,992	68,473	3,726	1,041,104
Transfer to investment properties	—	—	(120,775)	—	—	(120,775)
Transfers	(3,319,074)	—	834,728	2,476,426	7,920	—
Disposals	—	—	(19,074)	(180,161)	(120)	(199,355)
Impairment losses (Note)	—	—	—	(100,389)	—	(100,389)
Depreciation charge	—	—	(112,274)	(636,224)	(10,573)	(759,071)
Closing net book amount as at 30 June 2025	<u>1,684,323</u>	<u>155,949</u>	<u>5,177,692</u>	<u>11,684,653</u>	<u>92,130</u>	<u>18,794,747</u>

Note:

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

- Buildings 20-30 years
- Plant and machinery (note a) 5-20 years
- Office equipment 3-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

- (a) Only solar energy related equipment is applicable to depreciation of useful lives of 20 years.

During the period ended 30 June 2025, part of the float glass production facilities in Hainan ceased operations due to suspension on a permanent basis. The impairment provision was determined based on the difference between the assets' carrying amounts and their recoverable amounts. Accordingly, impairment losses of RMB100,389,000 were recognised for the six months ended 30 June 2025 in respect of these impaired assets.

7 INVESTMENT PROPERTIES

	As at	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
As at 1 January	1,769,631	1,404,153
Currency translation differences	(1,325)	1,702
Additions	6,606	11,359
Transferred from property, plant and equipment	120,775	190,316
Transferred from land use rights	72,302	105,453
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets	—	139,618
Fair value losses	—	(82,970)
As at 30 June/31 December	<u>1,967,989</u>	<u>1,769,631</u>

As at 30 June 2025, the Group has nine investment properties in the PRC and an investment property in Hong Kong.

The Group's investment properties were valued at 31 December 2024 by independent professionally qualified valuer who holds a 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 interest in the investment properties at their fair values is analysed as follows:

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Fair value hierarchy (level 3):		
– Commercial building – Xiamen, the PRC	965,200	965,200
– Commercial building 3 – Shenzhen, the PRC	94,500	94,500
– Office unit – Wuhu, the PRC	109,543	109,543
– Office unit – Hong Kong	45,710	47,035
– Factory building – Jiangsu, the PRC	202,877	160,100
– Factory building 1 – Wuhu, the PRC	256,905	165,200
– Factory building 2 – Wuhu, the PRC	91,121	91,100
– Factory building – Maanshan, the PRC	155,384	134,390
– Factory building – Sichuan, the PRC	44,186	—
	1,965,426	1,767,068
At cost		
– Commercial building 2 – Shenzhen, the PRC	2,563	2,563
	1,967,989	1,769,631

There were no transfers between level 1, 2 and 3 during the period.

8 INVESTMENTS IN ASSOCIATES

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
At 1 January	9,203,629	9,066,707
Currency translation differences	(12,791)	102,576
Addition to investment in an associate	30,000	288,313
Disposal of investment in an associate	(8,087)	—
Share of profits of associates	202,865	196,869
Share of other comprehensive income	48,733	57,668
Dividend received	(12,317)	(508,504)
At 30 June/31 December	9,452,032	9,203,629

9 TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables (note (a))	2,166,464	1,928,573
Less: provision for loss allowance of trade receivables	(76,215)	(47,417)
	2,090,249	1,881,156
Bills receivables (note (b))	1,075,913	1,403,428
Trade and bills receivables – net	3,166,162	3,284,584
Prepayments, deposits and other receivables	4,649,404	4,735,599
Less: provision for loss allowance of deposits and other receivables	(171,775)	(70,654)
	4,477,629	4,664,945
	7,643,791	7,949,529
Less: non-current portion		
Prepayments for property, plant and equipment, right-of-use assets and intangible assets	(800,393)	(1,312,026)
	6,843,398	6,637,503

Notes:

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

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
0-90 days	1,664,116	1,535,151
91-180 days	279,754	268,219
181-365 days	139,803	74,551
1-2 years	54,099	30,676
Over 2 years	28,692	19,976
	2,166,464	1,928,573

- (b) All bills receivables are issued by licensed banks in the PRC with maturities ranging within twelve months.

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purpose of the condensed consolidated cash flows:

	As at	
	30 June 2025	31 December 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
Total cash and bank balances	2,032,973	1,709,252
Less:		
– Fixed deposits – long term (note (a))	(40,000)	(70,000)
– Fixed deposits – short term (note (a))	(60,000)	(100,000)
– Pledged bank deposits (note (b))	(79,276)	(83,137)
Cash and cash equivalents	<u>1,853,697</u>	<u>1,456,115</u>

Notes:

- (a) The Group placed fixed bank deposits with major license banks in the PRC, with fixed maturities and fixed interest rates. These bank deposits have an average maturity of 3 years.
- (b) The pledged bank deposits represents deposits pledged as collateral principally as security for import duties payable to the US Customs.

11 SHARE CAPITAL

The share capital of the Company comprised ordinary shares (the “Shares”) of HK\$0.1 each.

	Number of Shares	Ordinary shares of HK\$0.1 each HK\$'000	Share Premium HK\$'000	Total HK\$'000
Authorised:				
As at 1 January 2025				
and 30 June 2025	<u>20,000,000,000</u>	<u>2,000,000</u>	<u>—</u>	<u>2,000,000</u>

	Number of Shares	Ordinary shares of HK\$0.1 each <i>RMB'000</i>	Share Premium <i>RMB'000</i>	Total <i>RMB'000</i>
Issued and fully paid:				
As at 1 January 2025	4,357,192,919	408,378	3,048,090	3,456,468
Dividends relating to 2024	—	—	(408,444)	(408,444)
As at 30 June 2025	<u>4,357,192,919</u>	<u>408,378</u>	<u>2,639,646</u>	<u>3,048,024</u>

Notes:

- (a) Details of the movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	For the six months ended 30 June			
	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	12.21	(6,361)	13.36	(5,680)
Expired	23.35	(28,071)	8.82	(23,630)
At 30 June	<u>12.83</u>	<u>125,987</u>	<u>16.75</u>	<u>123,590</u>

Out of the 125,987,000 outstanding options, 28,147,000 options were exercisable as at 30 June 2025. There was no option exercised in 2025.

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

Expiry date	Exercise price in HK\$ per Share	Options (thousands)
31 March 2026	21.80	28,147
31 March 2027	15.524	29,678
31 March 2028	8.04	32,790
31 March 2029	7.88	35,372
		125,987

The weighted average fair value of options granted during the period determined using the Black - Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited. The value of share options granted during the period was based on the following assumptions:

Date of grant	9 June 2025
Option valued	HK\$1.9076
Share price at the date of grant	HK\$7.88
Exercisable price	HK\$7.88
Expected volatility	45.1692%
Annual risk-free interest rate	2.1576%
Life of option	3 years and 4 months
Dividend yield	5.2030%

12 OTHER RESERVES

	Statutory reserve fund	Enterprise expansion fund	Foreign currency translation reserve	Capital reserve	Share options reserve	Property revaluation reserve	Capital redemption reserve	Financial assets at fair value through other comprehensive income reserve	Other reserve Subtotal	Retained earnings	Total
Balance 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 period	—	—	—	—	—	—	—	—	—	1,012,838	1,012,838
Currency translation differences	—	—	14,694	—	—	—	—	—	14,694	—	14,694
Share of the other comprehensive income of investments accounted for using the equity method	—	—	48,733	—	—	—	—	—	48,733	—	48,733
Employees' share option scheme: – value of employee services	—	—	—	—	48,064	—	—	—	48,064	—	48,064
– adjustment relating to expired share options	—	—	—	—	(127,463)	—	—	—	(127,463)	127,463	—
Transfer to reserve	1,769	—	—	—	—	—	—	—	1,769	(1,769)	—
Balance at 30 June 2025	3,626,064	39,837	(1,100,215)	354,163	174,739	158,747	22,397	(33,905)	3,241,827	28,710,819	31,952,646

13 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

	As at	
	30 June 2025	31 December 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade payables (note (a))	2,050,259	1,781,649
Bill payables (note (b))	90,000	19,000
	2,140,259	1,800,649
Other payables	2,697,942	2,460,663
Contract liabilities	530,218	504,109
Less: non-current portion	(107,763)	(112,231)
Current portion	5,260,656	4,653,190

Notes:

- (a) At 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables, based on the invoice date, was as follows:

	As at	
	30 June 2025	31 December 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
0-90 days	1,971,411	1,666,892
91-180 days	16,590	51,475
181-365 days	26,434	19,988
1-2 years	14,442	21,104
Over 2 years	21,382	22,190
	2,050,259	1,781,649

- (b) Bills payable have maturities ranging within twelve months.

14 BANK BORROWINGS

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Non-current		
Bank borrowings	4,257,000	3,262,088
Less: Current portion	(1,716,953)	(1,379,869)
Shown as non-current liabilities	2,540,047	1,882,219
Current		
Short term bank borrowings	2,797,760	4,051,000
Current portion of long-term bank borrowings	1,716,953	1,379,869
Shown as current liabilities	4,514,713	5,430,869
Total bank borrowings	7,054,760	7,313,088

Note:

- (a) The bank borrowings were guaranteed by corporate guarantees provided by the Company and cross guarantees provided by certain subsidiaries of the Group.

At 30 June 2025 and 31 December 2024, the Group's bank borrowings were repayable as follows:

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Within 1 year	4,514,713	5,430,869
Between 1 and 2 years	1,533,887	1,587,869
Between 2 and 5 years	977,360	257,150
Over 5 years	28,800	37,200
	7,054,760	7,313,088

At 30 June 2025 and 31 December 2024, the carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
RMB	7,054,760	7,033,487
HK\$	—	279,601
	<u>7,054,760</u>	<u>7,313,088</u>

The carrying amounts of bank borrowings approximate their fair values as at 30 June 2025 and 31 December 2024.

The effective interest rates at the balance sheet date were as follows:

	As at	
	30 June 2025	31 December 2024
Bank borrowings	<u>2.74%</u>	<u>3.30%</u>

Note: As at 30 June 2025, the PBOC one-year Loan Prime Rate for Renminbi loan was 3.0% (for reference only).

15 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Unaudited Six months ended 30 June	
	2025	2024
		(restated)
Depreciation and amortisation	718,164	626,868
Employee benefit expenses	1,119,111	1,068,773
Cost of inventories	4,953,475	5,529,785
Other selling expenses (including transportation and advertising costs)	661,272	563,285
Other expenses, net	<u>1,035,959</u>	<u>1,019,246</u>
Total cost of sales, selling and marketing costs and administrative expenses	<u>8,487,981</u>	<u>8,807,957</u>

16 OTHER (LOSSES)/GAINS — NET

	Unaudited	
	Six months ended	
	30 June	
	2025	2024
		<i>(restated)</i>
Losses on disposal of property, plant and equipment, net	(121,798)	(6,025)
Impairment losses on property, plant and equipment	(100,389)	—
Unrealised fair value losses on financial assets		
at fair value through profit and loss	(7,988)	(6,295)
Other foreign exchange (losses)/gains, net	(43,609)	232,922
Others	—	777
	(273,784)	221,379

17 FINANCE INCOME AND FINANCE COSTS**FINANCE INCOME**

	Unaudited	
	Six months ended	
	30 June	
	2025	2024
		<i>(restated)</i>
Interest income on bank deposits	13,095	25,156

FINANCE COSTS

	Unaudited Six months ended 30 June	
	2025	2024
		(restated)
Interest on lease liabilities	247	437
Interest on bank borrowings	98,980	157,163
Less: interest expenses capitalised on qualified assets	(36,412)	(38,215)
	<u>62,815</u>	<u>119,385</u>

18 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2025	2024
		(restated)
Current income tax		
– Hong Kong profits tax (Note (a))	3,597	23,546
– PRC corporate income tax (Note (b))	231,570	333,784
– Overseas income tax (Note (c))	16,785	2,496
– Withholding tax on remitted earnings (Note (d))	49,334	84,283
Deferred income tax	15,658	27,440
	<u>316,944</u>	<u>471,549</u>

Notes:

(a) 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 for the period.

(b) PRC corporate income tax (“CIT”)

CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the period, calculated in accordance with the relevant tax rules and regulations.

The applicable CIT rates in the PRC is 25%. Sixteen (2024: Sixteen) major subsidiaries 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 CIT rate to 15% (2024: 15%).

(c) Overseas income tax

Taxation on overseas profits has been calculated on the estimated assessable profits for the periods ended 30 June 2025 and 2024 at the rates of taxation prevailing in the countries in which the Group operates.

(d) Withholding tax on remitted earnings

Withholding tax on remitted earnings from the PRC companies was ranging from 5% to 10%, and there is no withholding tax on remitted earnings from the Malaysian companies.

19 DIVIDENDS

	Six months ended 30 June	
	2025	2024
		(restated)
Final dividend payable for 2024 of 10.0 HK cents (2023: 37.0 HK cents) per Share	408,444	1,446,942
Declared interim dividend of 12.5 HK cents (2024: 31.0 HK cents) per Share	497,918	1,225,025
	<u>906,362</u>	<u>2,671,967</u>

Notes:

At a meeting of the Board held on 1 August 2025, the Directors declared an interim dividend of 12.5 HK cents per Share for the six months ended 30 June 2025. The amount of 2025 declared interim dividend is based on 4,357,192,919 Shares in issue as at 30 June 2025.

This interim dividend is not reflected as a dividend payable in this unaudited condensed consolidated financial information, but will be deducted from the share premium or retained earnings of the Company in the year ending 31 December 2025.

20 EARNINGS PER SHARE

BASIC

Basic earnings per Share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Shares in issue during the period.

	Unaudited	
	Six months ended	
	30 June	
	2025	2024
		<i>(restated)</i>
Profit attributable to equity holders of the Company (RMB'000)	1,012,838	2,509,339
Weighted average number of Shares in issue (thousands)	4,357,193	4,223,722
Basic earnings per Share (RMB cents per Share)	23.25	59.41

DILUTED

For the six months ended 30 June 2025 and 30 June 2024, diluted earnings per share equal basic earnings per share as these were no potential dilutive share.

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2025 and 31 December 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
At 30 June 2025				
Current assets				
Financial assets at fair value				
through profit and loss				
– PRC listed equity securities	19,626	—	—	19,626
– Other financial products	<u>—</u>	<u>—</u>	<u>12,686</u>	<u>12,686</u>
	19,626	—	12,686	32,312
	<u>19,626</u>	<u>—</u>	<u>12,686</u>	<u>32,312</u>
At 31 December 2024				
Current assets				
Financial assets at fair value				
through profit and loss				
– PRC listed equity securities	21,821	—	—	21,821
– Other financial products	<u>—</u>	<u>—</u>	<u>107</u>	<u>107</u>
	21,821	—	107	21,928
	<u>21,821</u>	<u>—</u>	<u>107</u>	<u>21,928</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

During six months ended 30 June 2025, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (2024: Nil). The group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

22 COMMITMENTS

Capital expenditure not yet incurred at the end of reporting period is as follows:

	As at	
	30 June 2025	31 December 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
Contracted but not provided for property, plant and equipment, intangible assets and right-of-use assets	988,067	1,173,955

23 RELATED PARTY TRANSACTION

The following transactions were carried out with related parties:

(A) TRANSACTION WITH RELATED PARTIES

	Unaudited Six months ended 30 June	
	2025	2024
		(restated)
Purchases of goods from associates		
– Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	159,893	132,014
– Wuxuan Xinbao Mining Co., Ltd.	52,335	15,127
– Jiangsu Lianxun Technology Company Ltd.	2,165	—
Purchase of fixed assets and consumables from an associate		
– Jiangsu Dannai New Material Company Limited	39,183	—
Purchase of silica sands from an associate		
– A subsidiary of Xinyi Solar Holding Limited (“Xinyi Solar”)	611	35,936
Purchase of electricity from a related party		
– Subsidiaries of Xinyi Solar	5,814	—
Purchase of fixed assets and consumables from an associate		
– Subsidiaries of Xinyi Solar	4,673	—
Purchases of fixed assets and consumables from a related party		
– An entity controlled by a controlling party	872	279
Purchase of electric storage products from a related party		
– An entity controlled by a controlling party	2,837	5,523
Purchase of electricity from a related party		
– An entity controlled by a controlling party	1,286	1,272
Sales of goods to an associate		
– Subsidiaries of Xinyi Solar	1,440	3,752
Sales of machineries to an associate		
– Subsidiaries of Xinyi Solar	798	74,949
Sales of silica sands to an associate		
– A subsidiary of Xinyi Solar	1,360	—

	Unaudited Six months ended 30 June	
	2025	2024 <i>(restated)</i>
Sales of goods to related parties		
– Entities controlled by a controlling party	—	1
– An entity controlled by a controlling party	5,266	4,435
Rental income received from associates		
– Subsidiaries of Xinyi Solar	9,095	13,999
– Jiangsu Lianxun Technology Company Ltd	401	—
Rental income received from a related party		
– An entity controlled by a controlling party	294	316
Rental expenses paid to an associate		
– Subsidiaries of Xinyi Solar	3,184	3,184
Rental expenses paid to a related party		
– An entity controlled by a controlling party	1,392	354
Shipping service income received from an associate		
– Subsidiaries of Xinyi Solar	15,386	4,570
Consultancy fee income from associates		
– Ordos City Shuangxin New Material Limited	82	—
– Jiangsu Dannai New Material Company Limited	85	—
Wind farm management fee paid to a related party		
– An entity controlled by a controlling party	4,715	849

(B) PERIOD/YEAR-END BALANCES WITH RELATED PARTIES

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Prepayment to associates arising from purchase of goods		
– Beihai Yiyang Mineral Company Limited	—	1,381
– Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	5,592	11,966
Prepayment to associates arising from purchase of fixed assets		
– Jiangsu Lianxun Technology Co., Ltd.	21,798	23,084
– Jiangsu Dannai New Material Limited	—	22,125
Receivable from an associate arising from sales of machineries and land parcel		
– Subsidiaries of Xinyi Solar	102,329	127,130
Receivable arising from sales of goods		
– Subsidiaries of Xinyi Solar	51	782
Receivable arising from provision of shipping service		
– Subsidiaries of Xinyi Solar	1,511	2,006
Receivable from related parties arising from sales of goods		
– An entity controlled by a controlling party	1,068	1,718
Advance to associates		
– Subsidiaries of Xinyi Solar	1,758,639	1,713,028
– Dongyuan County Xinhuali Quartz Sand Company Limited	20,000	20,000
Payable to associates arising from purchase of goods		
– Beihai Yiyang Mineral Company Limited	3,367	—
– Wuxuan Xinbao Mining Co., Ltd.	12,379	5,829
Payable to an associate arising from purchase of fixed assets		
– Jiangsu Dannai New Material Limited	3,821	—
Payable to an associate arising from purchase of goods		
– Subsidiaries of Xinyi Solar	67	757
Payable to an associate arising from EPC service		
– Subsidiaries of Xinyi Solar	137	137
Payable to a related party arising from processing fee and management fee		
– An entity controlled by a controlling party	19,081	23,833
Receipt in advance related parties arising from purchase of goods		
– Entities controlled by a controlling party	1	1

As at 30 June 2025, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair value and are denominated in RMB, HK\$, United States Dollars or Malaysian Ringgit.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the 1H2025, the revenue and the net profit attributable to the shareholders of the Company amounted to RMB9,821.3 million and RMB1,012.8 million, respectively, representing a decrease of 9.7% and of 59.6%, as compared to RMB10,881.7 million and RMB2,509.3 million for the 1H2024.

Revenue

The decrease in the amount of revenue for the 1H2025 was mainly attributable to the continuous decreases in the average selling prices (“ASP”) of the float glass products during the 1H2025. As a result, the revenue contributed by the sales of the float glass products decreased by 16.4%, as compared to the 1H2024.

The PRC property market continued to be sluggish during the 1H2025. The funding liquidity was tight and the number of newly completed property projects decreased significantly.

The increase in the amount of revenue generated from the automobile glass business was due to the increase in sales generated from the overseas market and the OEM market in the PRC as a result of the good quality and the efforts in attracting new customers.

With the PRC government policies on the environmental protection, carbon neutrality and the encouragement of the construction of the energy-saving buildings, the Group continued to invest in the double and triple glazing architectural low emission (“Low-E”) coating and compound structure glass products. As a leading Low-E glass manufacturer in Asia, the Group enjoys the benefits generated from the economies of scale and a comprehensive sales and delivery network covering the entire region. The Group focused on the customers which are supported by the government, the PRC State-owned enterprises and the financially-sound property developers. The decrease in the sales of architectural glass projects was mainly attributable to the decrease in the sales volume and ASP of a wide range of the Low-E coating glass products because of the decrease in the newly completed property projects in the PRC.

Gross profit

The Group’s gross profit for the 1H2025 decreased by 16.7% to RMB3,101.7 million, as compared to RMB3,724.4 million for the 1H2024. The gross profit margin also decreased to 31.6% during the 1H2025, as compared to 34.2% for the 1H2024.

The decrease in the gross profit margin was due to the continuous decreases in the ASP of float glass products, which have been mitigated by the low average costs of raw materials and energy, during 1H2025.

Other income

Other income decreased to RMB253.7 million, as compared to RMB376.8 million for the 1H2024. The decrease was mainly attributable to the decrease in government grants and income from sale of automatic machineries during the 1H2025.

Other (losses)/gains - net

Other losses were RMB273.8 million for the 1H2025. As compared to other gains of RMB221.4 million for the 1H2024, the significant difference was mainly due to both of losses on disposal and impairment losses of property, plant and equipment in the 1H2025 and the significant other foreign exchange gains in the 1H2024.

Selling and marketing costs

Selling and marketing costs increased by 17.4% to RMB661.3 million for the 1H2025. The increase was mainly due to the increase of the additional import duties expenses in the USA.

Administrative expenses

Administrative expenses increased by 1.8% to RMB1,107.1 million for the 1H2025. The increase was principally attributable to the increase in the staff costs for new production facilities in the 1H2025.

Share of profits of associates

Share of profits of associates were mainly contributed by Xinyi Solar Holdings Limited (“**Xinyi Solar**”) and Xinyi Energy Holdings Limited, none of which is considered a subsidiary of the Company. The amount of profits shared decreased to RMB202.9 million during the 1H2025, as compared to RMB419.8 million for the 1H2024. The decrease was mainly due to the decreased profit contribution from Xinyi Solar.

Finance costs

Finance costs decreased by 47.4% to RMB62.8 million for the 1H2025. The decrease was principally due to the refinancing of all of the Hong Kong dollars loans with the RMB loans which have lower interest rates during the 1H2025. A portion of the interest expenses were capitalised as part of the total cost in the purchase of plant and machinery and the construction of the Group’s production facilities in the PRC, Malaysia and Indonesia, and these expenses have been charged to the income statement of the Group following the commencement of commercial production at the relevant production facilities. Interest amounting to RMB36.4 million was capitalised under construction-in-progress for the 1H2025.

Earnings before interest, taxation, depreciation and amortisation (“EBITDA”)

EBITDA decreased by 43.3% to RMB2,102.9 million for the 1H2025, as compared to RMB3,710.7 million for the 1H2024.

Income tax expense

Income tax expense decreased by 32.8% to RMB316.9 million in the 1H2025 due to the decreased amount of profits generated and the payment of PRC dividend withholding tax. The effective tax rate of the Group was increased to 23.7%, as compared to 15.8% for the 1H2024. The effective tax rate was higher in the 1H2025 mainly due to less profits shared from the associate companies as compared to the 1H2024. Most of the Group’s PRC subsidiaries are qualified as high technology enterprises with a preferential profit tax rate of 15.0% under the applicable the PRC corporate income tax laws and regulations

Net profit

Net profit was RMB1,012.8 million for the 1H2025, representing a decrease of 59.6%, as compared to the 1H2024. The net profit margin for the 1H2025 also decreased to 10.3% from 23.1% for the 1H2024, principally due to the decreases in the gross profits of float glass business and reduction of share of profits of associates.

Trade and other receivable

Trade and other receivables increased 3.1% to RMB6,843.4 million for the 1H2025, as compare to the year ended 31 December 2024. The increase is mainly due to the higher short term trade receivables.

CAPITAL EXPENDITURE AND COMMITMENTS

For the 1H2025, the Group’s capital expenditure amounted to RMB980.6 million for the purchase of plant and machinery and the construction of production facilities in the PRC, Malaysia and Indonesia. Capital commitment contracted for but not incurred by the Group as of 30 June 2025 amounted to RMB988.1 million (31 December 2024: RMB1,174.0 million), which were mainly related to the new capacities of architectural glass, automobile glass and float glass to be added in the PRC, Malaysia and Indonesia.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Company during the 1H2025. The capital of the Group companies is the ordinary shares.

NET CURRENT ASSETS AND CURRENT RATIO

As of 30 June 2025, the Group had net current assets of RMB1,960.8 million (31 December 2024: RMB666.0 million), with the current ratio of 1.18 (31 December 2024: 1.06). The increase of current ratio represented a decrease of short term bank borrowings but no impact to the financial position maintained in the current period. The Group has adequate funds to meet the payment obligation of the current liabilities.

FINANCIAL RESOURCES AND LIQUIDITY

During the 1H2025, the Group's primary sources of funding included cash generated from operating activities and credit facilities provided by principal banks in Hong Kong and China. As of 30 June 2025, the net cash inflow from operating activities amounted to RMB1,564.6 million (30 June 2024: RMB1,987.7 million) and the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of RMB2,033.0 million (31 December 2024: RMB1,709.3 million).

BANK BORROWINGS

As of 30 June 2025, total bank borrowings were RMB7,054.8 million, representing a decrease of 3.5%, as compare to the year ended 31 December 2024.

The net debt gearing ratio calculated based on net debt, which is calculated as total borrowings plus lease liabilities less cash and cash equivalents, fixed bank deposits and pledged bank deposits, divided by total shareholders' equity, was at 14.3% as of 30 June 2025, as compared to 16.3% as of 31 December 2024.

PLEDGE OF ASSETS

As of 30 June 2025, a bank balance of RMB79.3 million (31 December 2024: RMB83.1 million) has been pledged as collateral principally for import duties payable to the US government.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group did not have any significant contingent liabilities (2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition and disposal of subsidiaries and associated companies during the 1H2025.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Group recorded a decrease in the amount of the net profit for the 1H2025, as compared to the 1H2024, and the Directors consider that the Group has achieved a reasonable level of profitability in an unfavorable market condition. The Board has declared an interim dividend (the “**Interim Dividend**”) of 12.5 HK cents per Share for the 1H2025 (1H2024: 31.0 HK cents) to be paid to the shareholders (the “**Shareholders**”) of the Company whose names are recorded on the register of members of the Company at the close of business on Wednesday, 20 August 2025. The Interim Dividend is expected to be payable on or about Friday, 10 October 2025.

The register of members of the Company will be closed from Monday, 18 August 2025 to Wednesday, 20 August 2025 (both days inclusive), during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholder to the Interim Dividend will be Wednesday, 20 August 2025. In order to qualify for the Interim 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 Friday, 15 August 2025.

Shareholders will be given an option to receive the Interim Dividend in cash or in new and fully-paid shares of the Company, in whole or in part, in lieu of cash dividend. The scrip dividend scheme (the “**Scrip Dividend Scheme**”) is subject to The Stock Exchange of Hong Kong Limited (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 commenced on Thursday, 14 August 2025 until Wednesday, 20 August 2025 (both days inclusive) rounded down to two decimal places.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE RATES

The Group’s transactions are mainly denominated in RMB, United States Dollars, Malaysia Ringgit, Indonesian Rupiah, Euro, Australian Dollars, Japanese Yen and Hong Kong Dollars (“**HKD**”), with principal production activities conducted in the PRC, Malaysia and Indonesia. As of 30 June 2025, the Group’s bank borrowings have the bearing effective interest rates at 2.74% per annum.

Hence, the Group's exposure to foreign exchange fluctuations was limited. The Group has not experienced any material difficulty and liquidity problems resulting from foreign exchange fluctuations. The Group may use financial instruments for hedging purposes as and when required. During the 1H2025, the Group did not use any financial instrument for hedging purposes.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2025, the Group had 16,410 full-time employees of whom 14,726 were based in the PRC and 1,684 in Hong Kong and other countries and territories. The Group maintains good relationship with all of 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 markets terms and reviewed on a regular basis. Discretionary bonuses 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).

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 30 May 2025, an aggregate of 38,000,000 share options were granted to selected employees in June 2025. The share options are valid from 9 June 2025 to 31 March 2029. One third of the options would be vested on each year-end date of 2025, 2026 and 2027 if the relevant grantee has satisfied the conditions of vesting as stated in the letter of grant.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the 1H2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the treasury shares).

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 June 2025 and up to the date of this announcement.

BUSINESS REVIEW

During the 1H2025, despite the PRC government's initiatives continued to encourage timely completion and delivery of the property projects, the volume of the property developments completed within the period continued to decrease. Amid challenges of the complicated external environment and the domestic supply-side structural reforms, the PRC's glass industry is under subdued conditions. Demand in the PRC's glass market has slowdown, with the property sector remaining weak since the fourth quarter of 2021 due to the debt crises and the liquidity constraints faced by the highly leveraged developers.

In response to the macro-economic uncertainties and high HKD interest rates, the Group utilised its financial resources to re-finance all HKD bank loans with the lower interest rate RMB bank loans. Such re-financing enabled the Group to reduce the interest expenses in the 1H2025. 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 automobile glass, architectural glass and float glass segments encountered different challenges and more importantly, opportunities that emerged from the global market.

The Group's net profit decreased by 59.6% for the 1H2025 primarily due to the net effect of lower gross profits of the float glass products and the architectural glass products and the decreased amount of profits shared from Xinyi Solar in the 1H2025.

The Group implemented stringent policies on production costs and energy conservation to enhance the cost efficiency. Also, the Group focused on the high value-added components and features, different colours and thickness of the float glass, automobile 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 and the logistics and adopted flexible global marketing strategies for its float glass, architectural glass and automobile glass products.

Given the widespread liquidity issues among the private property developers in the PRC, the Group's architectural glass business has focused on the new glass window installation projects which are mainly led by the government related entities, PRC State-owned enterprises or the property developers with strong financial position. The sales volume of the architectural glass products decreased due to the unfavourable condition in the new construction projects in the PRC during the period.

The demand for the architectural energy-saving Low-E coating glass products continued to increase, because of the Group's strong 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.

During the 1H2025, the Group's automobile glass segment continued to be affected by the US additional import tariff, elevated financing costs and intense local competition. The business segment has developed and will launch new glass products for the advanced driver assistance systems ("ADAS"), head-up displays ("HUD"), noise insulation, low-emissivity coatings, sunroofs and thermal management, which are tailored for both new and existing vehicle models (including EVs).

The Group actively explored new opportunities domestically and internationally, strengthening the relationships the existing and new customers to boost sales of new and existing products. The Group also participated in a wide range of overseas exhibitions and actively visited the overseas customers in the 1H2025. The Group's automobile glass products are sold to customers in over 140 countries or territories.

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 new float glass and automobile glass production facilities in Gresik, Indonesia, provides better production cost structure and lower U.S. import tariffs.

The operational enhancements included tighter cost controls for raw materials, ownership of silica sand mines and transport vessels, optimised the supply chains and increased the percentage of recycling. The Group also upgraded the production process with automation, centralised control systems, rooftop solar panels, and residual heat systems to generate electricity and hot water aligning with national carbon neutrality goals.

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

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 new materials, coatings, production technologies, automation and information technology, the use of big data analytics and environmental controls improved the capacity, yield and the sustainability, reducing emissions, waste, labour, production and energy costs in 1H2025.

The Group's engineering teams designed 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 has 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 controlled the energy expenses and emissions.

The use of natural gas for high-quality float glass production reduced the carbon emissions, improved 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 process improvement to capture the emerging opportunities.

Expanding Differentiated Portfolios and Global Reach

Amid the global inflation, geopolitical logistics disruptions and intense competition in the 1H2025, the Group achieved a reasonable level of profitability in the automobile glass, architectural glass and the high-quality float glass businesses. These demonstrate the Group's diversified product segments, integrated production and supply chain, global market coverage, strategically located overseas production facilities, upgraded product mix, state-of-art production lines, expanded high value-added and differentiated product offerings and strong cashflow. All of these could 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 RMB2,033.0 million cash and bank deposits, current ratio of 1.18 with low net debt gearing ratio of 14.3% and sufficient banking facilities available as of 30 June 2025. The Group's strong credit history has allowed it to reduce the effective borrowing interest rate to 2.74%. For the 1H2025, the Group has new bank borrowings of RMB2,550.8 million with the cash generated from operations of RMB1,564.6 million, 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 RMB258.3 million in bank loans.

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, central management, integrated supply chains, automation, logistics, including self-operated vessels to reduce freight costs, 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 yet flexible strategy to navigate the competitive markets globally, for the purpose of strengthening the risk management and production cost controls.

Soda ash prices in 2025 are expected to remain low level compared to 2024 due to increased supply in China and overseas. Energy costs trended downward in 1H2025 as global crude oil prices remained relatively stable.

The U.S.-China trade tensions continue impacting the aftermarket automobile glass customers. These effects are gradually mitigated by the Group's new automobile glass production lines in Malaysia. Another new automobile glass production lines in Gresik, East Java, Indonesia, commenced operations in 1H2025. The Group intends to further explore overseas capacity expansion to address different tariff risks.

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 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 remain optimistic about the continuous development of the Group's automobile glass aftermarket and OEM business in the 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 and double-insulated Low-E glass segments, with the target of carbon neutrality in the PRC 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 Gresik, Indonesia, alongside the automotive 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.

The directors believe that clean and renewable energy will become the major energy source, 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 on this, 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 flows, 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 the increase in the profitability.

Conclusion

Despite the global volatility, financial risks, geopolitical tensions and energy price pressures, 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 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 from 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 sustain 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, applications and product mix, while cultivating mutually beneficial partnerships for the benefit of its business, employees and shareholders.

CORPORATE GOVERNANCE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance 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**”) during the 1H2025.

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 had complied with the required standard of dealings as set forth in the Model Code during the 1H2025.

REVIEW OF THE INTERIM RESULTS

The Company’s unaudited interim results for the 1H2025 have not been reviewed by the external auditor but have been reviewed by the Company’s audit committee, comprising four independent non-executive Directors.

PUBLICATION OF THE INTERIM REPORT

The interim report of the Company for the 1H2025 containing all the relevant information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
XINYI GLASS HOLDINGS LIMITED
Dr. LEE Yin Yee, S.B.S.
Chairman and Executive Director

Hong Kong, 1 August 2025

As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LEE Yin Yee, S.B.S. (Chairman), 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., four non-executive Directors, namely Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and 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..

This announcement 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.