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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 2025

	Year ended 31 December		Change
	2025	2024	
	<i>RMB million</i>	<i>RMB million</i>	
Revenue	20,829.0	22,323.6	-6.7%
Profit attributable to equity holders of the Company	2,729.0	3,369.2	-19.0%
Earnings per share – Basic	62.31 RMB cents	79.23 RMB cents	-21.4%
Proposed final dividend per share	21.5 HK cents	10.0 HK cents	115.0%

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 consolidated results of the Group for the financial year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

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

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

Notes:

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 of the People's Republic of China (the "PRC"), Malaysia and Indonesia in 2025.

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

The consolidated financial statements are presented in thousands of units of Chinese Renminbi ("RMB"), unless otherwise stated. The consolidated financial statements have been approved for issue by the Board of Directors on 27 February 2026.

2 BASIS OF PREPARATION

(1) Compliance with HKFRS Accounting Standards and HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants 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 profit and loss (“FVTPL”), and
- investment properties, which are measured at fair values.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

Amendments to HKAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

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

- (b) New and amended standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
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
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 19 and its amendments	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

Except as described below, these new and amended standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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

4 SEGMENT INFORMATION

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

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

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

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

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

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

	Automobile Architectural				Total
	Float glass	glass	glass	Unallocated	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Segment revenue	14,003,411	6,861,286	2,453,571	—	23,318,268
Inter-segment revenue	(2,489,254)	—	—	—	(2,489,254)
Revenue from external customers <i>(Note)</i>	11,514,157	6,861,286	2,453,571	—	20,829,014
Cost of sales	(9,444,268)	(3,147,544)	(1,755,410)	—	(14,347,222)
Gross profit	<u>2,069,889</u>	<u>3,713,742</u>	<u>698,161</u>	<u>—</u>	<u>6,481,792</u>
Depreciation charge					
– property, plant and equipment	1,099,559	138,452	109,050	36,910	1,383,971
– right-of-use assets	50,369	7,089	2,153	56,687	116,298
Amortisation charge					
– intangible assets	15,192	1,208	—	—	16,400
(Decrease)/increase in provision					
for loss allowance, net	(9,710)	(1,012)	4,064	596,484	589,826
Losses on disposal and impairment of					
property, plant and equipment	301,293	7,119	8,584	1,171	318,167
Share of net profits of associates	—	—	—	141,407	141,407

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

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

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

	Float glass	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>
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	(9,966,250)	(3,004,801)	(2,120,761)	—	(15,091,812)
Gross profit	<u>2,943,675</u>	<u>3,299,941</u>	<u>988,141</u>	<u>—</u>	<u>7,231,757</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
Losses on disposal, and impairment of property, plant and equipment and right-of-use assets	557,046	20,552	424	279	578,301
Share of net profits of associates	—	—	—	196,869	196,869

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

	Assets and liabilities				
	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>
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 and deferred income tax assets)	<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>

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

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

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

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

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>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Greater China	13,305,684	15,247,479
Other countries	7,523,330	7,076,090
	<u>20,829,014</u>	<u>22,323,569</u>

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

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

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

Revenue

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 INCOME AND GAINS – NET

Included in other income and gains – net, there were i) rental income of RMB131.0 million (2024: RMB118.6 million); ii) government grants of RMB267.4 million (2024: RMB329.9 million); and iii) income from sale of electricity of RMB130.2 million (2024: RMB109.6 million) during the year ended 31 December 2025.

OTHER LOSSES

Included in other losses, there were (i) losses on disposal and impairment of property, plant and equipment and right-of-use asset of RMB318.2 million (2024: RMB578.3 million); (ii) fair value losses on investment properties, net of RMB42.4 million (2024: RMB83.0 million).

6 INCOME TAX EXPENSE

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– Hong Kong profits tax (<i>Note (a)</i>)	14,332	83,318
– PRC corporate income tax (<i>Note (b)</i>)	473,466	562,853
– Overseas income tax (<i>Note (c)</i>)	33,737	2,298
– Over provision in prior years (<i>Note (d)</i>)	(402,628)	(30,864)
– Withholding tax on remitted earnings (<i>Note (e)</i>)	59,860	200,026
Deferred income tax		
– Decrease/(increase) in deferred income tax assets	587	(1,164)
– (Decrease)/increase in deferred income tax liabilities	(11,687)	59,652
	<u>167,667</u>	<u>876,119</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 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% (2024: 25%). Certain major subsidiaries in Chongqing, Deyang, Dongguan, Guangxi, Shenzhen, Tianjin, Wuhu, Yingkou and Zhangjiagang enjoy high-tech enterprise income tax benefit and are entitled to a preferential tax treatment of reduction in the CIT rate to 15% (2024: 15%).

(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% (2024: 24%).

(d) Over provision in prior years mainly represent the settlement of a tax case resulting in reversal on income tax provision of RMB403,778,000.

(e) Withholding tax on remitted earnings

Withholding tax rate 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 2025 and 2024.

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

8 DIVIDENDS

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

Notes:

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

9 TRADE AND OTHER RECEIVABLES

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

Notes:

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

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

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	767,016	973,421
USD	1,060,218	817,976
HKD	6,751	5,945
Other currencies	187,840	131,231
	<u>2,021,825</u>	<u>1,928,573</u>

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

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

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

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

- (c) The top five customers and the largest customer accounted for approximately 13.2% (2024: 15.9%) and 9.9% (2024: 7.8%) of the trade and bills receivables balance as at 31 December 2025, respectively. Other than these major customers, there is no concentration of credit risk with respect to trade and bills 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 (2024: 12 months).
- (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>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (<i>Note (a)</i>)	1,817,474	1,781,649
Bills payable (<i>Note (b)</i>)	<u>448,260</u>	<u>19,000</u>
	2,265,734	1,800,649
Other payables	1,745,310	2,460,663
Contract liabilities (<i>Note (d)</i>)	555,534	504,109
Less: non-current portion		
Other payables	<u>(77,848)</u>	<u>(112,231)</u>
Current portion	<u><u>4,488,730</u></u>	<u><u>4,653,190</u></u>

Notes:

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

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

- (b) Bills payable have maturities ranging within 12 months (2024: 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>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liabilities		
balance at the beginning of the year	<u>504,109</u>	<u>559,551</u>

11 COMPARATIVE AMOUNTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

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

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

Business Review

During the year ended 31 December 2025 (the “**FY2025**”), the new US additional import tariff environment with high borrowing interest rates, the weak PRC property market, involution and the tight liquidity have significantly affected the performance of the PRC economy. The Group’s three principal glass product businesses, namely float glass, automobile glass and architectural glass, have faced different challenges in the sales volume and the selling prices.

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

The Board proposes to declare a final dividend of 21.5 HK cents per share, subject to the approval by the shareholders (the “**Shareholders**”) of the Company at the forthcoming annual general meeting (the “**AGM**”).

Operational Review

Sales

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

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

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

Note:

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

Year ended 31 December

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

Notes:

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

Cost of Sales

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

Gross Profit

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

Other Income and Gains – Net

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

Other Losses

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

Selling and Marketing Costs

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

Administrative and Other Operating Expenses

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

Net impairment losses on financial assets

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

Share of Net Profits of Associates

Share of net profits of associates was mainly generated from the Company's associate companies, namely Xinyi Solar Holdings Limited (“**Xinyi Solar**”), Xinyi Energy Holdings Limited (“**Xinyi Energy**”) and the polysilicon associate company. The share of net profits decreased to RMB 141.4 million, as compared to RMB196.9 million in 2024. The decrease was mainly due to the decreased profit contribution from Xinyi Solar and share of losses from the polysilicon associate company.

Finance Costs

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

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

*Earnings Before Interest, Taxation, Depreciation and Amortisation (“**EBITDA**”)*

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

Income Tax Expense

The Group's income tax expense significantly decreased by 80.9% to RMB 167.7 million in 2025 was mainly due to the settlement of a tax case resulting in reversal on over provision in prior years of Hong Kong profit tax during the year. The effective tax rate was 5.8% (2024: 20.6%).

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

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

Net Profit

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

Current Ratio

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

Net Current Assets

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

Capital Expenditure and Commitments

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

Capital Structure

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

Financial Resources and Liquidity

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

Bank Borrowings

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

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

Pledge of Assets

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

Employees and Remuneration Policy

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

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

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

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

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

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

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

EVENT AFTER THE REPORTING PERIOD

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

BUSINESS REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Expanding Differentiated Product Portfolios and Global Reach

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

Robust Finance and Ongoing Funding Optimisation for Expansion

The Group has solid financial position with RMB 2,917.7 million cash and bank deposits, current ratio of 1.36 with low net debt gearing ratio of 5.1% and sufficient banking facilities available as of 31 December 2025. The Group's strong credit history has allowed it to reduce the effective borrowing interest rate to 2.6%. As at 31 December 2025, the Group has outstanding bank borrowings of RMB 4,804.2 million with the net cash generated from operations of RMB 5,321.5 million for the year, demonstrating its ability to secure financing and cash inflow from multiple sources to support its capital expenditure and future expansion. The Group has repaid net amount of RMB 2,421.0 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, AI, central management, integrated supply chains, automation with robots, logistics, including self-operated vessels to reduce freight costs with more flexibility, and proactive strategies for differentiated product portfolios and marketing to strengthen customer's loyalty.

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

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

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

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

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

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

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

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

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

Conclusion

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

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

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 FY2025.

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 consolidated financial statements of the Group for the FY2025.

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 FY2025.

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 of 31 December 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 THE COMPANY’S LISTED SECURITIES

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

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

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

PUBLIC FLOAT

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

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the FY2025 containing all the information required by the Listing Rules and other applicable laws and regulations will be published on the websites of the Company and the Stock Exchange in due course.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the FY2025 as set forth in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set forth in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

FINAL DIVIDEND

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

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

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

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 29 May 2026. The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for entitlement to attend and vote at the AGM is Friday, 29 May 2026. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 22 May 2026.

The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for entitlement of the Final Dividend is Monday, 8 June 2026. In order to qualify for the Final Dividend, all 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, 3 June 2026.

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

Hong Kong, 27 February 2026

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.