信義玻璃控股有限公司

XINYI GLASS HOLDINGS LIMITED

Since 1988

(Incorporated in the Cayman Islands with limited liability)

Stock code: 00868.hk

2024 ANNUAL REPORT

Hang Seng Index Constituents

滬港通

深港通

hkira 5 years IR Awards Winning Company

5 years+ 商界展關懷 caringcompany

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Corporate Information

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. YANG Siu Shun, J.P. *ø < (retired on 31 May 2024)
Mr. LAM Kwong Siu G.B.S #+<
Mr. WONG Chat Chor Samuel #<ø
Dr. TRAN Chuen Wah, John #
The Hon Starry LEE Wai-king, G.B.S., J.P. *ø <
(appointed on 31 May 2024)

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. LAU Sik Yuen, FCPA, AICPA

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN CHINA

Xinyi Glass Industrial Zone
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Wuhu City, Anhui Province, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISERS AS TO HONG KONG LAW

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One Island East
Taikoo Place
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Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered PIE Auditor
22nd Floor, Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

http://www.xinyiglass.com

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 00868
Listing date: 3 February 2005
Board lot: 1,000 ordinary shares
Financial year end: 31 December
Share price as of the date of this annual report: HK$7.42
Market capitalisation as of the date of this annual report: Approximately HK$32.3 billion

KEY DATES

Closure of register of members for the purpose of determining the entitlement to attend and vote at the Annual General Meeting: From Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive)
Date of Annual General Meeting: Friday, 30 May 2025
Closure of register of members for the purpose of determining the entitlement to the final dividend: From Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive)
Proposed final dividend payable date: On or about Wednesday, 30 July 2025

Chairman's Statement

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Xinyi Glass Holdings Limited (the "**Company**"), I am pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2024.

In comparison with 2023, the Group's revenue decreased by about 8.1% to RMB22,323.6 million in 2024. The profit attributable to equity holders of the Company decreased significantly by about 31.0% to RMB3,369.2 million in 2024. Basic earnings per share was RMB79.2 cents, as compared with RMB117.6 cents last year.

We are considered that the Group has achieved a reasonable level of profitability in an unfavorable market condition and proposed payment of a final dividend of 10.0 HK cents per share (the "**Share**") of the Company upon approval by the shareholders (the "**Shareholders**") of the Company at the forthcoming annual general meeting (the "**AGM**").

I present below an overview of the business of the Group during 2024 and key development highlights for the coming year.

BUSINESS REVIEW

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

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

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

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

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

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

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

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

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

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

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

Chairman's Statement

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

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

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

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

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

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

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

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

Solid financial position and resources to future expansion

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

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

BUSINESS OUTLOOK

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

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

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

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

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

Chairman's Statement

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

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

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

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

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

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

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

CONCLUSION

The Group continues to tackle and overcome different challenges arising from the changes in the global market, financial risks, geopolitic risks and the tariff threat by bolstering its efficiency and increasing its profit performance through more pro-active, effective and flexible management strategies across its different management functions, such as cash management, credit control, ESG, human capital, information technology, logistics, procurement and supply chain, production, sales and marketing, operational and R&D activities, as well as the expansion of its business collaboration with its customers, suppliers and business partners. The Directors believe that these will enable the Group to maximise the profit from the domestic market in the PRC and other emerging and overseas markets in addition to being cautiously optimistic about the Group's long-term business development prospects.

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

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

28 February 2025

Management's Discussion and Analysis

INTRODUCTION

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

The Group's customers are located in over 140 countries and territories, including the PRC, Hong Kong, the United States ("**US**"), Canada, Australia, New Zealand and other countries in Asia, the Middle East, Europe, Africa and the Americas. The Group's customers include companies engaged in different business activities, from the automobile glass manufacturing, wholesaling and distribution; automobile repairs and maintenance; car manufacturing; curtain wall design, engineering and installation; architectural and furniture glass manufacturing; electronic, industrial and household appliance manufacturing to the float glass manufacturing, wholesaling and distribution.

BUSINESS REVIEW

During the year ended 31 December 2024, strong US dollars macro economic environment with high interest rates, the slowdown of the PRC property market and the tight liquidity have significantly affected the performance of the PRC economy. The Group's three principal glass product businesses, namely float glass, automobile glass and architectural glass, have faced different challenges and pressure in the sales volume and the selling prices.

In 2024, the revenue of the Group decreased by 8.1% to RMB22,323.6 million, as compared to RMB24,293.7 million in 2023. The amount of the profit for the year attributable to the equity holders of the Company decreased by 31.0% to RMB3,369.2 million, as compared to RMB4,883.1 million in 2023. The compound annual growth rate of the Group's sales during the five-year period including 2024 was 7.6%. Basic earnings per share amounted to RMB79.2 cents, representing a decrease of 32.6% as compared to 2023. The Board considers that the Group has achieved a reasonable level of profit performance amid the global unfavourable market conditions. The Board proposes to declare a final dividend of 10.0 HK cents per Share, subject to the approval by the Shareholders at the AGM.

OPERATIONAL REVIEW

Sales

The sales revenue of the Group decrease by 8.1% in 2024. Such decrease was primarily due to the significant decrease in the average selling prices of float glass products both in the PRC and the overseas markets. The increase in the automobile glass revenue was mainly due to the increase of new orders from the PRC car manufacturers, domestics and overseas aftermarket sales customers with proactive and flexible marketing strategies.

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

	Year ended 31 December			
	2024		2023	
	RMB'million	***%***	*RMB'million* (restated)	*%*
By Products				
Float glass products	**12,909.9**	**57.8**	15,839.7	65.2
Automobile glass products *(Note)*	**6,304.8**	**28.3**	5,417.3	22.3
Architectural glass products	**3,108.9**	**13.9**	3,036.7	12.5
	22,323.6	**100.0**	24,293.7	100.0

Note:

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

	Year ended 31 December			
	2024		2023	
	RMB'million	***%***	*RMB'million* (restated)	*%*
By Geographical Regions				
Greater China *(Note (a))*	**15,247.5**	**68.3**	17,619.3	72.5
Others *(Note (b))*	**7,076.1**	**31.7**	6,674.4	27.5
	22,323.6	**100.0**	24,293.7	100.0

Notes:

(a) Greater China include the PRC and Hong Kong.

(b) Others include countries in Europe, Australia, New Zealand, Africa, the Middle East, Central America, North and South America.

Management's Discussion and Analysis

Cost of Sales

The cost of sales (excluding losses on impairment and disposal of property, plant and equipment) decreased by 8.4% to RMB15,091.8 million in 2024, as compared to RMB16,476.2 million in 2023. The decrease in the production costs was mainly attributable to the decrease in the sales volume of float glass as well as decreases in the average costs of raw materials and energy in the PRC during the year. The drop of the production costs was also attributable by the improved production efficiency, cost control measures and the increasing use of renewable energy by the Group.

Gross Profit

The gross profit (excluding of the losses on impairment and disposal of property, plant and equipment) of the Group in 2024 amounted to RMB7,231.8 million, representing a decrease of 7.5%, as compared to RMB7,817.5 million in 2023. The gross profit margin slightly increased from 32.2% to 32.4% principally due to the increases in the average selling prices of automobile glass products.

Other Income

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

Other Gains/(Losses), Net

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

Selling and Marketing Costs

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

Administrative and Other Operating Expenses

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

Share of Profits of Associates

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

Finance Costs

The Group's finance costs decreased significantly by 60.3% to RMB181.0 million in 2024 mainly due to the refinancing of most of the HKD loans with the RMB loans which have lower interest rates during the year.

A portion of the interest expense incurred as construction-in-progress and acquisition of land, plant and machinery at the production complexes in the PRC, Malaysia and Indonesia has been capitalised under construction-in-progress and will be depreciated subsequently once the related production facilities and the new production lines commence the commercial operation. An interest expense amounted to RMB88.5 million was capitalised under construction-in-progress in 2024, which represented a slight decrease of 6.4%, as compared to RMB94.6 million in 2023. Such slight decrease in 2024 was due to the significant decrease in the total finance costs and an increase in the capital expenditure incurred by the Group on the building and construction during the year.

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

EBITDA decreased by 21.4% to RMB5,832.4 million for the year ended 31 December 2024, as compared to RMB7,423.6 million in 2023.

Income Tax Expense

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

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

A total amount of RMB826.1 million dividends from the Company's subsidiaries in the PRC were used for re-investment purpose in the PRC and hence, no withholding tax has been recognised in accordance with the PRC dividend withholding tax rules under the current PRC taxation policies in 2024.

Net Profit

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

CURRENT RATIO

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

Management's Discussion and Analysis

NET CURRENT ASSETS

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

CAPITAL EXPENDITURE AND COMMITMENTS

For the year ended 31 December 2024, the Group incurred capital expenditure of RMB5,124.0 million (2023: RMB3,202.9 million) for the purchase of plant and machinery and the construction of production facilities in the PRC, Malaysia and Indonesia. Capital commitments contracted for but not incurred by the Group as of 31 December 2024 amounted to RMB1,174.0 million (2023: RMB1,419.5 million), which was mainly related to the new production capacities of architectural glass, automobile glass and float glass, to be expanded in the PRC and Indonesia.

CAPITAL STRUCTURE

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

FINANCIAL RESOURCES AND LIQUIDITY

In 2024, the Group's primary source of funding included cash generated from its operating activities and the new banking facilities provided by its principal banks in Hong Kong and the PRC. Net cash inflow from operating activities amounted to RMB5,589.7 million (2023: RMB4,476.4 million) as a result of efficient working capital management which led to a net cash increase from operations. As of 31 December 2024, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of RMB1,709.3 million (2023: RMB3,123.4 million).

BANK BORROWINGS

As of 31 December 2024, the Group's bank borrowings amounted to RMB7,313.1 million, representing a decrease of 1.8%, as compared to RMB7,450.6 million as of 31 December 2023, because of the repayment of bank loans by cash on hand to reduce the loan interest expense during the year.

The Group's net debt gearing ratio as of 31 December 2024 was 16.3% (31 December 2023: 13.3%). This ratio was arrived by dividing the net debt, which is calculated as total bank borrowings plus lease liabilities less cash and cash equivalents, fixed bank deposits and pledged bank deposits, by the total equity of the Group as of 31 December 2024.

PLEDGE OF ASSETS

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

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the Group had 16,485 full-time employees, of whom 15,039 were based in the PRC and 1,446 were based in Hong Kong and other countries and territories. The Group maintains good relationship with its employees and provides employees with sufficient training in business and professional knowledge including information about the applications of the Group's products and skills in maintaining good client relationship. Remuneration packages offered to the Group's employees are generally consistent with prevailing market rates and are reviewed on a regular basis. Discretionary bonus may be awarded to employees taking into consideration the Group's performance and that of individual staff.

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

FINAL DIVIDEND

At the meeting of the Board held on 28 February 2025, the Directors consider that the Group has achieved a reasonable level of profitability under an unfavourable market condition and recommended the payment of a final dividend (the "**Final Dividend**") of 10.0 HK cents per Share for the year ended 31 December 2024. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM which is expected to be held on Friday, 30 May 2025. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 9 June 2025.

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

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commencing on Tuesday, 3 June 2025 until Monday, 9 June 2025 (both days inclusive) rounded down to two decimal places.

Management's Discussion and Analysis

TREASURY POLICIES AND EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

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

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

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

Relating to the Group's majority business is in the PRC, the revenue from the sales of glass products in the PRC is denominated in RMB whilst most bank borrowings are denominated in RMB. In implementing its treasury policies, the Group maintained a deliberate balance between the currency risk and the interest savings arising from RMB-denominated bank borrowings. As of 31 December 2024, 96.2% of the bank borrowings of the Group were denominated in RMB and 3.8% of the bank borrowings of the Group were denominated in HKD.

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

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

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

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. LEE Yin Yee, S.B.S. (李賢義) aged 72, is the Chairman and founder, responsible for the Group's business strategy. Dr. LEE Yin Yee, S.B.S. has more than 35 years' experience in the automobile glass industry. Prior to establishing the Group, Dr. LEE Yin Yee, S.B.S. was involved in the trading of automobile parts. Dr. LEE Yin Yee, S.B.S. has been the member of the 10th, 11th, 12th and 13th National Committee of the Chinese People's Political Consultative Conference and an honorary citizen of Shenzhen in the PRC. Dr. LEE Yin Yee, S.B.S. obtained a honorable doctorate degree in engineering from the Universiti Teknikal Malaysia Melaka in November 2018. Dr. LEE Yin Yee, S.B.S. was appointed in December 2003 as the first chairman of Fujian Chamber of Commerce in Shenzhen (formerly known as Shenzhen Fujian Corporate Association). Dr. LEE Yin Yee, S.B.S. is also the Life Honorary Chairman of the Hong Kong Quanzhou Clans United Association and the Fukienese Association Limited in Hong Kong. Dr. LEE Yin Yee, S.B.S. is the father of Mr. LEE Shing Kan, M.H.,the executive Director. Dr. LEE Yin Yee, S.B.S. is also the brother-in-law of Datuk Wira TUNG Ching Bor, the Vice Chairman and executive Director and brother-in-law of Tan Sri Datuk TUNG Ching Sai J.P., the Chief Executive Officer and executive Director. Dr. LEE Yin Yee, S.B.S. was appointed as the executive Director on 25 June 2004. Dr. LEE Yin Yee, S.B.S. currently is the chairman and non-executive director of Xinyi Solar, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 0968). He was an executive director of Xinyi Solar and re-designated as the non-executive director on 31 July 2023. Dr. LEE Yin Yee, S.B.S. was the chairman and non-executive director of Xinyi Energy Holdings Limited ("**Xinyi Energy**"), a company listed on the main board of the Stock Exchange (stock code: 3868) from 28 May 2019 to 4 August 2020.

Datuk Wira TUNG Ching Bor *D.C.S.M* (董清波), aged 62, is the Vice Chairman and Chief Purchasing Officer, responsible for managing the Group's daily operations and overseeing the purchasing functions. Prior to joining us in January 2000, Datuk Wira TUNG Ching Bor had over 23 years' experience in automobile parts purchase. Datuk Wira TUNG Ching Bor was a member of the 10th Anhui Provincial Committee of the Chinese People's Political Consultative Conference and a member of Nanping Municipal Committee of the Chinese People's Political Consultative Conference in Fujian. Datuk Wira TUNG Ching Bor is the brother-in-law of Dr. LEE Yin Yee, S.B.S., the executive Director, brother of Tan Sri Datuk TUNG Ching Sai J.P., the Chief Executive Officer and executive Director, and uncle of Mr. LEE Shing Kan, M.H., the executive Director. Datuk Wira TUNG Ching Bor was appointed as the executive Director on 25 June 2004.

Profile of Directors and Senior Management

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* (董清世), aged 59, is the executive Director and Chief Executive Officer. Tan Sri Datuk TUNG Ching Sai, J.P. has been with the Group for over 35 years since the inception in November 1988 and is responsible for overseeing the Group's daily operations. Tan Sri Datuk TUNG Ching Sai, J.P. is a member of National Committee of the Chinese People's Political Consultative Conference and a standing committee member of the Guangxi Zhuang Autonomous Regional Committee of the Chinese People's Political Consultative Conference, (中國人民政治協商會議廣西壯族自治區委員會常務委員), a member of the executive committee of the All-China Federation of Industry and Commerce (全國工商聯執行委員會委員), chairman of the Happy Hong Kong Foundation, and the president of Hong Kong Industrial & Commercial Association, vice chairman of the China Architectural and Industrial Glass Association (中國建築玻璃與工業玻璃協會), the Third Shenzhen Municipal Ten Outstanding Young Entrepreneur in September 2001 and was awarded the "Young Industrialist Awards of Hong Kong 2006". Tan Sri Datuk TUNG Ching Sai, J.P. graduated from the Sun Yat-Sen University with an executive master degree of business administration in 2007. Tan Sri Datuk TUNG Ching Sai, J.P. is the brother-in-law of Dr. LEE Yin Yee, S.B.S., brother of Datuk Wira TUNG Ching Bor, and uncle of Mr. LEE Shing Kan, M.H., all of them are the executive Directors. Tan Sri Datuk TUNG Ching Sai, J.P. was appointed as the executive Director on 25 June 2004. Tan Sri Datuk TUNG Ching Sai, J.P. is the vice chairman and non-executive director of Xinyi Solar, a company listed on the main board of the Stock Exchange (stock code: 0968), the vice chairman and executive director of Xinyi Energy, a company listed on the main board of the Stock Exchange (stock code: 3868) and the chairman and non-executive director of Xinyi Electric Storage Holdings Limited ("**Xinyi Electric Storage**"). a company listed on the Growth Enterprise Market ("**GEM**") of the Stock Exchange (stock code: 8328).

Mr. LEE Shing Kan, M.H.(李聖根), aged 45, is the executive Director and is responsible for overseeing the overall automobile glass operation. Mr. LEE Shing Kan joined the Company in January 2005. Mr. LEE Shing Kan holds a bachelor's degree in commerce from The University of Melbourne, Australia and a master's degree in applied finance from Monash University, Australia. Mr. LEE Shing Kan is the standing member of the Sichuan Provincial Committee of the Chinese People's Political Consultative Conference and chief supervisor of the Federation of HK Sichuan Community organisations. Mr. LEE Shing Kan was the director (2012-2014) of Tung Wah Group of Hospitals. Mr. LEE Shing Kan has been the executive committee member and the chairman of the Lok Sin Tong Benevolent Society, Kowloon since 2018 and April 2023 respectively. Mr. LEE Shing Kan is the son of Dr. LEE Yin Yee, S.B.S., nephew of Datuk Wira TUNG Ching Bor and Tan Sri Datuk TUNG Ching Sai, J.P., all of them are the executive Directors. Mr. LEE Shing Kan was appointed as the executive Director on 15 October 2008. Mr. LEE Shing Kan is a non-executive director of Xinyi Electric Storage, a company listed on the GEM of the Stock Exchange (stock code: 8328).

NON-EXECUTIVE DIRECTORS

Mr. LI Ching Wai (李清懷), aged 67, is the non-executive Director and has been with the Group since April 2001. Prior to joining the Group, Mr. LI Ching Wai has worked in the trading of automobile parts industry. Mr. LI Ching Wai was appointed as the non-executive Director on 25 June 2004.

Mr. SZE Nang Sze (施能獅), aged 67, is the non-executive Director and has been with the Group since April 2001. Prior to joining the Group, Mr. SZE Nang Sze has worked in the trading of automobile parts industry. Mr. SZE Nang Sze was appointed as the non-executive Director on 25 June 2004.

Mr. LI Ching Leung (李清涼), aged 68, is the non-executive Director and has joined the Group since August 2004. Mr. LI Ching Leung was the assistant general manager of the Wuhu production complex. Prior to joining the Group, Mr. LI Ching Leung has worked in the trading of automobile parts industry, manufacturing of plastic products and mould industry, and manufacturing of leather products industry. Mr. LI Ching Leung was appointed as the executive Director on 25 August 2004 and was re-designated as the non-executive Director on 14 September 2005.

Mr. NG Ngan Ho (吳銀河), aged 60, is the non-executive Director and has joined the Group since August 2003. Mr. NG Ngan Ho was responsible for overseeing the financial and purchasing matters of the Dongguan production complex. Mr. NG Ngan Ho was appointed as the executive Director on 25 June 2004 and was re-designated as the non-executive Director on 1 July 2007. Mr. NG Ngan Ho is the executive director of Xinyi Electric Storage, a company listed on GEM of the Stock Exchange (stock code: 8328).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu, G.B.S. (林廣兆), aged 91, is the adviser of BOC International Holdings Limited, the honorary chairman of Hong Kong Federation of Fujian Associations, the Life Honorary Chairman of Hong Kong Fukien Chamber of Commerce, the vice chairman of Fujian Hong Kong Economic Co-operation, the Life Honorary Chairman of the Chinese General Chamber of Commerce, the adviser of the Hong Kong Chinese Enterprises Association, the honorary president of the Chinese Bankers Club of Hong Kong. Mr. LAM Kwong Siu has also been the director of Bank of China International Limited (formerly named "BOCI Capital Limited") since July 2002. Mr. LAM Kwong Sui has also been an independent non-executive director of Fujian Holdings Limited (stock code: 0181) since December 2003, Yuzhou Group Holdings Company Limited (stock code: 1628) since October 2009 and Far East Consortium International Limited (stock code: 0035) since September 2011, all of them are listed on the main board of the Stock Exchange. Mr. LAM Kwong Siu was awarded the HKSAR Gold Bauhinia Star and Silver Bauhinia Star in 2016 and 2003, respectively. Mr. LAM Kwong Siu was appointed as the independent non-executive Director on 30 August 2004.

Profile of Directors and Senior Management

Mr. WONG Chat Chor Samuel (王則左), aged 75, is currently a Barrister-at-Law in Hong Kong and a Chartered Arbitrator. Mr. WONG Chat Chor Samuel, a member of several arbitration institutions, is a Fellow of the Chartered Institute of Arbitrators, a Fellow of the Hong Kong Institute of Arbitrators, Executive Council member of the Hong Kong Society for Rehabilitation and Crime Prevention, is the immediate past president of the Hong Kong Institute of Arbitrators, is a member of the International Chamber of Commerce ("**ICC**") and the ICC Arbitration Committee of Hong Kong. Mr. WONG Chat Chor Samuel is also on the panels of the China International Economic and Trade Arbitration Commission, the Hong Kong International Arbitration Center and on the panels of the Arbitration Commissions of Wuhan, Shenzhen Court of International Arbitration, Shanghai Court of International Arbitration, Guangzhou and Nanjing of China. Mr. WONG Chat Chor Samuel was a member of the Peoples' Political Consultative Committee of Wenzhou, Zhejiang, the PRC. Mr. WONG Chat Chor Samuel received a master degree in business administration from Harvard University and a master and a bachelor degree in Arts from Tufts University, Massachusetts. Mr. WONG Chat Chor Samuel was appointed as the independent non-executive Director on 30 August 2004.

Dr. TRAN Chuen Wah, John (陳傳華), aged 53, obtained a bachelor's degree in business administration from Simon Fraser University in June 1993 and obtained a doctorate degree of ministry from Fuller Theological Seminary in 2017. Dr. TRAN Chuen Wah, John is currently a minister of Evangelical Free Church of China Jachin Church Limited. Dr. TRAN Chuen Wah, John has over 16 years of experience in accounting and investment banking industry, during which Dr. TRAN Chuen Wah, John had worked in Price Waterhouse (now known as PricewaterhouseCoopers) and various financial institutions and investment banks in Hong Kong. During the period between 2003 and 2006, Dr. TRAN Chuen Wah, John was the Managing Director and the Head of Investment Banking of Kingsway Financial Services Group Limited ("**Kingsway Group**"). Dr. TRAN Chuen Wah, John was a consultant to Kingsway Group during the period from 2006 to 2009. Dr. TRAN Chuen Wah, John became a member of each of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants in 1996 and 1997, respectively. Dr. TRAN Chuen Wah, John became a Chartered Financial Analyst (granted by the Association for Investment Management and Research) in September 1999. Dr.TRAN Chuen Wah, John was appointed as the independent non-executive Director on 31 December 2012.

The Hon. Starry LEE Wai-king, G.B.S., J.P. (李慧琼) ("**Ms. LEE**"), aged 50, currently a member of Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China (the "**HKSAR**") and the chairlady of the House Committee of the Legislative Council. Ms. LEE is also a member of the Standing Committee of the 14th National People's Congress of the People's Republic of China. Ms. LEE also serves as a Court Member of the Hong Kong University of Science and Technology and a Honorary Professor of the Education University of Hong Kong. Ms. LEE is an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. LEE has successively been employed by PricewaterhouseCoopers, Crowe (HK) CPA Limited and KPMG, and is currently a consultant to KPMG. Ms. LEE is an associate member of The Hong Kong Chartered Governance Institute. Ms. LEE has been appointed as an independent supervisor of the fourth session of the board of supervisors of The People's Insurance Company (Group) of China Limited, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange (stock code: 1339.HK, 601319.SH), since 11 October 2021. Ms. Ms. LEE was a member of Kowloon City District Council of the HKSAR during the period from January 2000 to December 2023 and has been acting as a non-official member of the Executive Council of the government of the HKSAR from July 2012 to March 2016. During the period from April 2015 to September 2023, Ms. LEE acted as the chairlady of Democratic Alliance for the Betterment and Progress of Hong Kong ("**DAB**"), following which Ms. LEE is currently an adviser to DAB.

SENIOR MANAGEMENT

Mr. LAU Sik Yuen (劉錫源), aged 58, is the Company Secretary, Chief Financial Officer and Vice President of the Group. Prior to joining the Group in April 2003, Mr. LAU had over thirteen years' experience in auditing and financial accounting industry. Mr. LAU is responsible for the Group's financial, management and cost accounting, taxation, treasury and investor relations strategy and operation. Mr. LAU had worked for PricewaterhouseCoopers for over five years, and had been the financial controller of a subsidiary of a company listed on the main board of the Stock Exchange for over three years. Mr. LAU is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

Mr. LENG Xue Feng (冷雪峰), aged 57, is the Vice President of the Group and is mainly overseeing the Group's float glass and electronic glass operations. Mr. LENG obtained bachelor degree in silicate from Qíqíhaer Light Industrial University. Prior to joining the Group in July 2007, Mr. LENG had worked in float glass sector for eighteen years.

Mr. GUO Jian Lin (郭建林), aged 56, is the Vice President of the Group and is mainly overseeing the Group's information and technology centre and double chain management. Mr. GUO obtained a bachelor degree in industrial management from Jiangxi University of Finance and Economics. Mr. GUO is a member of the Chinese Institute of Certified Public Accountants. Prior to joining the Group in March 2008, Mr. GUO had been worked in accounting and auditing sector.

Mr. LIAO Jiang Hong (廖江洪), aged 47, is the Vice President of the Group and is mainly overseeing the Group's architectural glass projects operation. Mr. LIAO obtained a diploma of psychology from Chinese Academy of Sciences. He joined the Group in April 1994.

Mr. XU Bi Zhong (許必忠), aged 56, is the General Manager of the Group and is mainly overseeing the Group's logistics and central purchasing centre operations. Mr. XU obtained a diploma of administrative management from Shenzhen University. Prior to joining the Group in May 2004, Mr. XU worked for a float glass trading company and a float glass plant in PRC for over twelve years.

Ms. WU Ya Li (吳亞麗), aged 59, is the assistant to the president (the General Manager of the Group) and is mainly overseeing the Group's Research Institute of Glass Production and carbon management. Ms. Wu obtained a bachelor degree in inorganic non-metallic materials engineering from Wuhan University of Technology. Prior to joining the Group in May 2011, she worked as a senior engineer in Qinhuangdao Glass Industry Research and Design Institute and in the glass industry for over 25 years.

Ms. LIU Jianmei (劉建梅), aged 40, is the General Manager of the Group and is mainly overseeing the Group's office system and the Group's internal control centre. Ms. Liu joined the Group in March 2008 with a bachelor degree.

Corporate Governance Report

The Board recognises the importance of good corporate governance in the management structure and internal control procedures of the Group for the purpose of ensuring that all business activities of the Group and the decision-making process are properly regulated and are in full compliance with the applicable laws and regulations. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the "**CG Code**") set forth in Part 2 of the Appendix C1 to The Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year of 2024.

In the opinion of the Board, the Company has complied with the applicable principles and code provisions of the CG Code throughout the year ended 31 December 2024.

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

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

During the year ended 31 December 2024, the Board closely monitored the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company's culture are aligned.

BOARD OF DIRECTORS

One of the responsibilities of the Board is to prevent fraud and non-compliance issues, safeguard the assets of the Group and formulate the overall business strategies for the Group. The Board currently comprises four executive Directors, four non-executive Directors and four independent non-executive Directors. Further information on the Directors is set forth on pages 17 to 20 of this annual report.

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

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

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

Dr. YANG Siu Shun, J.P. was retired as the independent non-executive Director on 31 May 2024.

The Hon. Starry LEE Wai-king, G.B.S., J.P., who was appointed as the independent non-executive Director on 31 May 2024, attended a training session on 17 April 2024, at which an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to her as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. The Hon. Starry LEE Wai-king, G.B.S., J.P. has confirmed her understanding of the information provided by the legal adviser.

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

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

All of the four non-executive Directors were appointed for a term of three years. For the independent non-executive Directors, Mr. LAM Kwong Siu, G.B.S. and Mr. WONG Chat Chor Samuel, were appointed for a term of three years commenced from 3 February 2023. Dr. TRAN Chuen Wah, John was appointed for a term of three years commenced from 31 December 2024 and The Hon. Starry LEE Wai-king, G.B.S., J.P. appointed for a term of three years commenced from 31 May 2024. The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors have fulfilled the independence guidelines set forth under Rule 3.13 of the Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Attendance records of the Directors at board meetings and general meeting in 2024 are as follows:

	Meetings attended/held	
	Annual general meeting	Board meetings
Executive Directors		
LEE Yin Yee	1/1	4/4
TUNG Ching Bor	1/1	4/4
TUNG Ching Sai	1/1	4/4
LEE Shing Kan	1/1	4/4
Non-executive Directors		
LI Ching Wai	1/1	4/4
LI Ching Leung	1/1	4/4
SZE Nang Sze	1/1	4/4
NG Ngan Ho	1/1	4/4
Independent non-executive Directors		
LAM Kwong Siu	1/1	4/4
WONG Chat Chor Samuel	1/1	4/4
TRAN Chuen Wah, John	1/1	4/4
YANG Siu Shun (retired on 31 May 2024)	1/1	1/4
LEE Wai King (appointed on 31 May 2024)	0/1	3/4

During the financial year ended 31 December 2024, the Board has four meetings and all the Directors had attended these meetings.

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

MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board (the "**Mechanism**"). The Board will conduct annual review on the implementation and effectiveness of the Mechanism and the results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the Mechanism and the results were satisfactory.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they have complied with the required standard of dealings as set forth in the Model Code throughout the year ended 31 December 2024.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises five members, namely Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel, Dr. LEE Yin Yee, S.B.S., Tan Sri Datuk TUNG Ching Sai J.P. and The Hon. Starry LEE Wai-king G.B.S., J.P.. Dr. YANG Siu Shun, J.P. was ceased to be the member of the Remuneration Committee following his retirement on 31 May 2024. The chairman of the Remuneration Committee is Mr. LAM Kwong Siu, G.B.S..

The primary duties of the Remuneration Committee include reviewing the terms of the remuneration packages of and determining the award of bonuses to Directors and senior management and reviewing and approving matters related to share schemes. Its terms of reference are posted on the websites of the Company and the Stock Exchange. During the year ended 31 December 2024, one meeting of the Remuneration Committee was held and all the committee members attended this meeting.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2024 is set forth below:

In the band of	Number of individuals
Over RMB10,000,000	4
RMB1,000,001 to RMB4,000,000	7

Details of the Directors' remuneration is set out in Note 34 to the consolidated financial statements on pages 165 to 167 in this annual report.

Corporate Governance Report

AUDIT COMMITTEE

The Audit Committee of the Board comprises four independent non-executive Directors, namely Mr. LAM Kwong Siu, G.B.S, Mr. WONG Chat Chor Samuel, Dr. TRAN Chuen Wah, John and The Hon. Starry LEE Wai-king, G.B.S., J.P. Dr. YANG Siu Shun, J.P. was ceased to be the Chairman of the Audit Committee following his retirement on 31 May 2024. The Hon. Starry LEE Wai-king, G.B.S., J.P. is the Chairman of the Audit Committee.

The Audit Committee assists the Board to review the financial information and reporting process, evaluate the effectiveness of internal control systems and oversee the auditing processes of the Group. Its terms of reference are posted on the websites of the Company and the Stock Exchange. The Audit Committee held three meetings during the year ended 31 December 2024 for reviewing the annual and interim financial results and reports as well as the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, and all the committee members attended these meetings.

NOMINATION COMMITTEE

The Nomination Committee of the Board consists of Dr. LEE Yin Yee, S.B.S., Tan Sri Datuk TUNG Ching Sai J.P., Mr. LAM Kwong Siu, G.B.S., Mr. WONG Chat Chor Samuel and The Hon. Starry LEE Wai-king, G.B.S., J.P.. Dr. YANG Siu Shun, J.P. was ceased to be the member of the Nomination Committee following his retirement on 31 May 2024. The chairman of the Nomination Committee is Dr. LEE Yin Yee, S.B.S..

The primary duties of the Nomination Committee are to review the structure, size and diversity of the Board on a regular basis, assess the independence of independent non-executive Directors of the Company, and make recommendations to the Board regarding the appointment, retirement and re-election of Directors. Its terms of reference are posted on the websites of the Company and the Stock Exchange. The Nomination Committee held one meeting for annual review of board structure and diversity and the independence of the independent non-executive Directors for the year ended 31 December 2024 and all the committee members attended this meeting.

NOMINATION POLICY

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

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

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

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

BOARD DIVERSITY

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

Corporate Governance Report

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

Measurable objective	Category	Number of Director
Gender	Male	11
	Female	1
Age	41-60	5
	Over 60	7

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

Brief biographical particulars of the Directors, together with information relating to the relationship among them, are set forth on pages 17 to 20 in this annual report.

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

As of 31 December 2024, among the 16,485 employees (including senior management) of the Group, the percentages of male employees and female employees are 88% and 12%, respectively. The Board considers that the Group's workforce (including senior management) is diverse in terms of gender.

The Nomination Committee was of the opinion that the Board consisted of members with diversified age, cultural and education background, professional/business experience, skills and knowledge. Further details for the diversity, including the gender diversity, in the workforce during the year ended 31 December 2024 are set forth in the Environmental, Social and Governance Report dated 30 April 2025 of the Company.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee and audited by the external auditor, PricewaterhouseCoopers. The Directors acknowledge that it is their responsibilities in (i) overseeing the preparation of the financial statements of the Group with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Group, and (ii) selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgments and estimates for the preparation of the financial statements of the Group.

The statement of the auditors of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set forth in the Independent Auditor's Report on pages 57 to 62 of this annual report.

AUDITOR'S REMUNERATION

For the year under review, the professional fees charged by the auditors of the group companies in respect of the auditing services is disclosed in the notes to the consolidated financial statements. The remuneration paid to the auditor of the Group is solely for audit of consolidated financial statements of the Group during the year, which amounted to approximately HK$3.2 million (equivalent to RMB3.0 million).

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

— Well-defined organisational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities to minimise risk of errors and abuse;

— Clear and written policies and procedures have been established and regularly reviewed for major functions and operations;

— Important business functions or activities are managed by experienced, qualified and suitably trained staff;

— Continuous monitoring of the key operating data and performance indicators, timely and up-to-date business and financial reporting, immediate corrective actions are taken where necessary; and

— Internal audit function to perform independent appraisal of major operations on an ongoing basis.

Through the Audit Committee and the internal audit team, the Board has conducted an annual review on the effectiveness of risk management and internal control systems of the Group for the year ended 31 December 2024.

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

Based on the results of the internal control review for the year ended 31 December 2024 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the year ended 31 December 2024.

INSIDE INFORMATION POLICY

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

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

COMPANY SECRETARY

The Company Secretary is Mr. LAU Sik Yuen, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. LAU is also the Chief Financial Officer and Vice President of the Group. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed. He has taken not less than 15 hours of relevant professional training in 2024, in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

(i) the annual general meeting provides a forum for the Shareholders of the Company to raise comments and exchange views with the Board. The Directors are available at the annual general meetings of the Company to address Shareholders' queries;

(ii) the Company maintains a website at www.xinyiglass.com, where updated key information/news of the Group is available for public access;

(iii) interim and annual results are announced as early as possible, to keep the Shareholders of the Company informed of the Group's performance and operations;

(iv) investor, analyst and media briefing are held as early as practicable after the publication of the interim and annual results;

(v) the Company's management may meet with Shareholders, potential investors and research analysts upon request and provide update of the latest business development of the Group and answer their queries in accordance with the Group's Inside Information Policy; and

(vi) Shareholders shall direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

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

Pursuant to Article 64 of the articles of association (the "**Articles**") of the Company, an extraordinary general meeting ("**EGM**") shall be convened and resolutions to a meeting agenda shall be added on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per Share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisitionist(s) may add resolutions to a general meeting agenda.

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

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

INVESTOR RELATIONS

There has been no change in the Company's constitutional documents during the year ended 31 December 2024. The Company's constitutional documents is available on the websites of the Company and the Stock Exchange.

Report of the Directors

The Directors are pleased to present their report and the audited financial statements of the Group for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding whereas its subsidiaries are principally engaged in the production and sales of float glass products, automobile glass products, construction glass products and a variety of related products in the PRC and Malaysia. Particulars of the subsidiaries of the Company are set forth in Note 10 to the consolidated financial statements in this annual report.

The analysis of the Group's performance for the financial year ended 31 December 2024 by operating segments is set forth in Note 5 to the consolidated financial statements in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the financial year ended 31 December 2024 are set forth in the consolidated income statement on page 65 in this annual report. During the financial year, an interim dividend of 31.0 HK cents per Share, amounting to a total of approximately RMB1,225.0 million, was paid to the Shareholders in cash or partially settled by the issuance of scrip shares in respect of scrip dividend on Wednesday, 16 October 2024.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend (the "**Final Dividend**") of 10.0 HK cents per Share for the year ended 31 December 2024. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM which is expected to be held on Friday, 30 May 2025. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 9 June 2025.

Shareholders will be given an option to receive the Final Dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash. The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commencing on Tuesday, 3 June 2025 until Monday, 9 June 2025 (both days inclusive) rounded down to two decimal places.

BUSINESS REVIEW AND PROSPECTS

A business review of the Group for the year ended 31 December 2024 and its future development is set forth in the Chairman's Statement from pages 4 to 9 and Management's Discussion and Analysis from pages 10 to 16 of this annual report.

Report of the Directors

RESERVES

Details of movements in the reserves of the Group and of the Company during the financial year are set forth in Note 18 to the consolidated financial statements in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

— *Energy* – Natural gas has been used as the principal energy source for the Group's glass melting furnaces.

— *Power generation from residual heat* – The Group's float glass production plants have used the residual heat generated in the production processes for electricity generation.

— *Glass recycling* – Scraped and unused glass produced during the production process have been recycled to the glass melting furnaces for production of float glass products.

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") REPORT

The Group is in the process of preparing its ESG report for the year ended 31 December 2024 and will publish it on the Stock Exchange's website and the Company's website on or before 30 April 2025.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

The Group values relationships with, and have been maintaining good relationships with its customers, raw material and equipment suppliers, logistics service providers and the employees of the Group. During the year ended 31 December 2024, there were no material dispute between the Group and its customers, suppliers and employees.

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

PRINCIPAL RISK AND UNCERTAINIES

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

Float glass business

— The levels of demand and supply of float glass are not entirely within the Group's control and are generally affected by construction and building materials industries, the overall macroeconomic factors in the principal property market, and the production capacity of other float glass manufacturers.

— The Group may not be able to adjust its production levels promptly in response to the changing market environment and as a result, any unbalance between the demand and supply of float glass could create significant pressure on the selling prices.

— As a float glass manufacturer, the Group follows the technology development which may cause demand for its float glass products to be reduced significantly.

— The Group also relies on a constant supply of energy and raw materials for its production requirement.

— The PRC environmental policies on air emission would affect the industry capacity and production costs.

Automobile glass business

— The international trade war or extra import tariff or anti-dumping tax would affect the overseas sales.

— The fluctuation of USD exchange rate would affect the overseas demand.

— The international oil price would affect the transportation cost.

Report of the Directors

Architectural glass business

— The PRC property and financial policies would affect the demand of the architectural glass.

— The levels of demand and supply of architectural glass are not entirely within the Group's control and generally affected by the property and building industries.

— The Group also relies on a constant supply of energy and raw materials for its production requirement.

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

Details of the Group's exposure to foreign exchange and other financial risks are set forth in the section headed "Treasury Policies and Exposure to Fluctuations in Foreign Exchange Rates" in the Management's Discussion and Analysis on page 16 and the paragraphs under "Financial Risk Management" in the consolidated financial statements from pages 74 to 84 of this annual report.

FINANCIAL SUMMARY

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

INVESTMENT PROPERTIES

Details of this movement in investment properties of the Group during the year are set forth in Note 7 to the consolidated financial statements in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year under review are set forth in Note 6 to the consolidated financial statements in this annual report.

DONATIONS

Donations by the Group for charitable and other purposes during the financial year amounted to RMB4,267,000 (2023: RMB2,728,000).

SHARE CAPITAL

Details of the movements in share capital of the Company during the year under review are set forth in Note 17 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

Under the Companies Act of the Cayman Islands, as of 31 December 2024, share premium amounting to RMB3,048.1 million (2023: RMB2,246.1 million) was distributable to Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business.

As of 31 December 2024, the Company had distributable reserves available for distribution to Shareholders amounting to RMB140.4 million (2023: RMB72.9 million) other than mentioned above.

DIVIDEND POLICY

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

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

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

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS

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

Report of the Directors

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu, G.B.S.*
Mr. WONG Chat Chor Samuel
Dr. TRAN Chuen Wah, John
Dr. YANG Siu Shun, J.P. (retired on 31 May 2024)
The Hon. Starry LEE Wai-king, G.B.S., J,P. (appointed on 31 May 2024)

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

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

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

(i) the amount of remuneration is determined on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;

(ii) non-cash benefits may be provided to the executive Directors under their remuneration package;

(iii) the executive Directors may be granted, at the discretion of the board of Directors, options pursuant to the share option scheme, as part of their remuneration package; and

(iv) annual director fee of HK$300,000 for the year ended 31 December 2024, and HK$300,000 for the year ending 31 December 2025.

Save for the annual director fee of HK$300,000 for each non-executive Director in 2024, none of the non-executive Directors received any other emoluments (including bonus payments, whether fixed or discretionary in nature) from the Group.

Save for the annual director fee of HK$300,000 for each independent non-executive Director in 2024, none of the independent non-executive Directors received any other emoluments (including bonus payments, whether fixed or discretionary in nature) from the Group. Such emoluments were determined with reference to the duties and responsibilities of each independent non-executive Director and their mutual agreement with the Company.

DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS AND ARRANGEMENTS

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

MANAGEMENT CONTRACTS

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

Report of the Directors

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 18 January 2015 (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. A summary of the principal terms of the Share Option Scheme is as follows:

(i) Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants (as defined below) and for such other purposes as the Directors may approve from time to time.

(ii) Participants

For the purpose of the Share Option Scheme, participants (the "**Participants**") include (i) any employees (whether full-time or part-time) of the Company or any of its subsidiaries, associated companies, jointly controlled entities and related companies from time to time (collectively, the "**Extended Group**"); (ii) any directors (whether executive directors or non-executive directors or independent non-executive directors) of the Extended Group; (iii) customers of the Extended Group or any of the subsidiaries or associated companies of such customers; and (iv) any consultants, professionals and other advisers to each member of the Extended Group.

(iii) Maximum number of shares

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 392,160,769 Shares, representing 10% (the "**Scheme Mandate Limit**") of the total number of Shares in issue as of 18 January 2015.

The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit such that the total number of Shares in respect of which options may be granted under the Share Option Scheme and other share option schemes of the Company in issue shall not exceed 10% (the "**Refreshed Limit**") of the issued share capital of the Company on the date the refreshment of such limit is approved.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in the aforesaid 30% limit being exceeded.

The total number of securities available for issue under the Share Option Scheme was 117,906,615, representing 2.71% of the issued Shares (excluding treasury shares) as of the date of this annual report.

(iv) Maximum entitlement of each Participant

Unless with the approval of the Shareholders in general meeting, the maximum number of Shares issued and to be issued upon the exercise of the options granted to each Participant (including both exercised and outstanding options) under the Share Option Scheme and any other schemes of the Company in any 12-month period shall not exceed 1% of the Shares in issue.

(v) Option period

An option must be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date on which the offer for the grant of the option is made, but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made, subject to the provisions for early termination thereof.

(vi) Vesting period

The period during which the option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

(vii) Acceptance and payment on acceptance

An option may be accepted by a Participant within 30 days from the date of the offer for the grant of the option and the amount payable on acceptance of the grant of an option is HK$1.

Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is neither any performance target that needs to be achieved by a grantee before an option can be exercised nor any minimum period for which an option must be held before it can be exercised.

(viii) Option price for subscription of shares

The subscription price in respect of each Share issued under the Share Option Scheme shall be a price solely determined by the Directors but shall not be less than the highest of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong (the "**Business Day**");

(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of the grant; and

(c) the nominal value of the Share.

(ix) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing from 18 January 2015.

As of the date of this annual report, the Share Option Scheme was expired on 17 January 2025 and the Directors propose to adopt a new share option scheme to replace the Share Option Scheme in the forthcoming AGM, subject to the approval by the Shareholders in the forthcoming AGM.

The following table sets forth movements in the share options of the Company for the year ended 31 December 2024:

	Grant date	Exercise price (HK$)	Closing price of the Company's shares immediately before the grant date (HK$)	Vesting period	Exercise period	Number of share options At 1/1/2024	Granted	Exercised	Expired	Forfeited	At 31/12/2024
Continuous contract employees	17/3/2020	8.82	8.27	17/3/2020-31/12/2022	1/4/2023-31/3/2024	25,621,500	—	(1,990,600)[1]	(23,630,900)	—	—
	2/3/2021	23.35	23.70	2/3/2021-31/12/2023	1/4/2024-31/3/2025	29,171,154	—	—	—	(1,099,854)	28,071,300
	1/3/2022	21.80	20.75	1/3/2022-31/12/2024	1/4/2025-31/3/2026	30,545,528	—	—	—	(1,123,468)	29,422,060
	1/3/2023	15.524	14.66	1/3/2023-31/12/2025	1/4/2026-31/3/2027	32,053,500	—	—	—	(1,117,505)	30,935,995
	1/3/2024	8.04	8.00	1/3/2024-31/12/2026	1/4/2027-31/3/2028	—	37,500,000	—	—	(3,510,000)	33,990,000
Total						117,391,682	37,500,000	(1,990,600)	(23,630,900)	(6,850,827)	122,419,355

Note:

(1) The weighted average closing price of shares immediately before the dates on which the options were exercised was HK$9.24.

During the year ended 31 December 2024, 37,500,000 share options were granted. The fair value of the equity-settled share options granted under the Share Option Scheme during the year ended 31 December 2024 was estimated at HK$1.8521. The value of the share options granted during the year ended 31 December 2024 is to be expensed through the Group's income statement over the three-year vesting period of the share options.

The fair value of share options granted by the Company during the year ended 31 December 2024 was determined in accordance with the valuation performed by an independent valuer using the Black-Scholes option pricing model. Such model is one of the commonly used models to estimate the fair value of an option. The significant variables and assumptions used in computing the fair value of the share options are set forth in the table below. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

Share price at the grant date (HK$)	HK$8.04
Exercise price (HK$)	HK$8.04
Volatility (%)	47.5470%
Dividend yield (%)	7.8358%
Expected share option life (years)	3 years and 6 months
Annual risk-free rate (%)	3.6458%

The number of share options available for grant under the Share Option Scheme was 148,555,788 share options as of 1 January 2024 and 117,906,615 share options as of 31 December 2024.

The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the year ended 31 December 2024 divided by the weighted average number of the Shares in issue for the year ended 31 December 2024 is 0.88%.

During the year ended 31 December 2024, a total of 37,500,000 share options granted to the Company's employee participants and/or senior management (the "**Grantees**") of the Company, among of which 12,500,000 share options, representing one third of the total share options granted, vested on 31 December 2024. Having considered that (i) such share options vested where the performance target are satisfied during the performance period commenced from 1 January 2024 and ended on 31 December 2024, which is not less than 12 months, and (ii) the total vesting and holding period of the share options is more than 12 months, the Remuneration Committee and the Board consider that the grant of such share options with a shorter vesting period could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

The vesting of the share options granted to the Grantees is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion. The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales volume of the Group as a whole and of the applicable business. Also, the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group.

There is no clawback mechanism attached to the share options granted to the Grantees. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions the grantees had or may have made to the Group. The Share Option Scheme also provides the grantees with an opportunity to have a personal stake in the Company with the view to satisfied the objectives of (i) motivate the grantees to optimise their performance efficiency for the benefit of the Group and (ii) attract and retain or otherwise maintain on-going business relationship with the grantees whose contributions are or will be beneficial to the long-term growth of the Group. Having considered that (i) the Grantees are the senior management and the employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant of share options to the Grantees is a recognition for their past contributions to the Group; and (iii) the share options are subject to the terms of the Share Option Scheme which provides for circumstances under which the share options or any part thereof shall lapse in the event that the Grantees cease to be a senior management and an employee of the Group or commit a breach of the rules of the Share Option Scheme, the Remuneration Committee and the Board consider that without additional clawback mechanism, the grant of the share options could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards successes of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

Saved as disclosed above, the Company did not make any grant of share options to the Directors and/or senior management as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the year ended 31 December 2024.

Further details of the Share Option Scheme are set forth in Note 17 to the consolidated financial statements in this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set forth on pages 17 to 21 of this annual report.

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

As of 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

INTERESTS IN THE COMPANY

Long positions in the Shares

Name of Directors	Nature of interest	Number of Shares held	Approximate percentage of the Company's issued share capital
Dr. LEE Yin Yee, S.B.S.	Interest of a controlled corporation *(Note a)*	813,434,504	18.66%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Interest of a controlled corporation *(Note b)*	63,191,387	1.45%
	Personal interest *(Note c)*	141,448,185	3.24%
Datuk Wira TUNG Ching Bor *D.C.S.M*	Interest of a controlled corporation *(Note d)*	280,543,441	6.43%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Personal interest *(Note e)*	69,102,207	1.58%
Tan Sri Datuk TUNG Ching Sai J.P.	Interest of a controlled corporation *(Note f)*	280,346,956	6.43%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Spouse interest *(Note g)*	245,157,137	5.62%
Mr. LI Ching Wai	Interest of a controlled corporation *(Note h)*	125,306,060	2.87%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Personal interest	10,459,018	0.24%
Mr. SZE Nang Sze	Interest of a controlled corporation *(Note i)*	134,284,567	3.08%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
Mr. NG Ngan Ho	Interest of a controlled corporation *(Note j)*	86,544,219	1.98%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Personal interest	2,720,663	0.06%
Mr. LI Ching Leung	Interest of a controlled corporation *(Note k)*	90,129,739	2.06%
	Interest of a controlled corporation *(Note n)*	54,364,451	1.24%
	Personal interest	7,422,861	0.17%
	Spouse interest *(Note l)*	429,936	0.01%
Dr. TRAN Chuen Wah, John	Personal interest	10,000	0.0002%
	Spouse interest *(Note m)*	90,000	0.002%

Report of the Directors

Notes:

(a) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through Realbest Investment Limited ("**Realbest**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S..

(b) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through Xin Yuen Investment Limited ("**Xin Yuen**"), a company incorporated in the BVI with limited liability. Xin Yuen is 100% owned by Xin Wong Investment Limited ("**Xin Wong**"), a company incorporated in the BVI with limited liability. Xin Wong is 50% owned by Dr. LEE Yin Yee, S.B.S. and 50% owned by his spouse, Madam TUNG Hai Chi.

(c) Dr. LEE Yin Yee, S.B.S.'s interests in the Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.

(d) Datuk Wira TUNG Ching Bor's interests in the Shares are held through High Park Technology Limited ("**High Park**"), a company incorporated in the BVI with limited liability and wholly-owned by Datuk Wira TUNG Ching Bor.

(e) Datuk Wira TUNG Ching Bor's interests in the Shares are held through a joint account with his spouse, Madam KUNG Sau Wai.

(f) Tan Sri Datuk TUNG Ching Sai's interests in the Shares are held through Copark Investment Limited ("**Copark**"), a company incorporated in the BVI with limited liability and wholly-owned by Tan Sri Datuk TUNG Ching Sai, J.P..

(g) Tan Sri Datuk TUNG Ching Sai's interests in the Shares are held through his spouse, Puan Sri Datin SZE Tan Hung.

(h) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited ("**Goldbo**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai.

(i) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited ("**Goldpine**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.

(j) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited ("**Linkall**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho.

(k) Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited ("**Herosmart**"), a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung.

(l) Mr. LI Ching Leung's interests in the Shares are held through his spouse, Madam DY Maria Lumin.

(m) Dr. TRAN Chuen Wah, John's interest in the Shares are held through his spouse, Madam LAM Ying.

(n) The interest in the Shares are held through Full Guang Holdings Limited ("**Full Guang**"), a company incorporated in the BVI with limited liability. Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P*. as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai. as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70% and Mr. LI Ching Leung as to 3.70%.

INTERESTS IN ASSOCIATED CORPORATIONS

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

Notes:

(o) Realbest is wholly-owned by Dr. LEE Yin Yee, S.B.S..

(p) Xin Wong is 50% owned by Dr. LEE Yin Yee, S.B.S..

(q) High Park is wholly-owned by Datuk Wira TUNG Ching Bor *D.C.S.M*.

(r) Copark is wholly-owned by Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*.

(s) Goldbo is wholly-owned by Mr. LI Ching Wai.

(t) Linkall is wholly-owned by Mr. NG Ngan Ho.

(u) Goldpine is wholly-owned by Mr. SZE Nang Sze.

(v) Herosmart is wholly-owned by Mr. LI Ching Leung.

(w) Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. LI Man Yin as to 3.76%, Mr. NG Ngan Ho as to 3.70% and Mr. LI Ching Leung as to 3.70%.

Save as disclosed above, as of 31 December 2024, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the Shares, underlying Share and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of 31 December 2024, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares and the underlying Shares of the Company, as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions in the Shares

Name of substantial shareholders	Nature of interest	Number of Shares held	Approximate percentage of the Company's issued share capital
Realbest	Registered and beneficial owner	813,434,504	18.66%
High Park	Registered and beneficial owner	280,543,441	6.43%
Copark	Registered and beneficial owner	280,346,956	6.43%
Mr. LEE Sing Din	Interest of a controlled corporation *(Note x)*	276,941,338	6.35%
	Interest of a controlled corporation *(Note y)*	54,364,451	1.24%
	Personal interest *(Note z)*	58,995,171	1.35%
Madam SZE Tan Hung	Personal interest	245,157,137	5.62%
	Spouse interest *(Note aa)*	334,711,407	7.68%

Notes:

(x) Mr. LEE Sing Din's interest in the Shares are held through Telerich Investment Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. LEE Sing Din, brother-in-law of Dr. LEE Yin Yee, S.B.S.

(y) The interest in the Shares are held through Full Guang, a company incorporated in the BVI with limited liability. Full Guang is owned by Dr. LEE Yin Yee S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. SZE Nang Sze as to 5.09%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70% and Mr. LI Ching Leung as to 3.70%.

(z) Mr. LEE Sing Din's interest in the Shares are held through a joint account with his spouse, Madam LI Kam Ha.

(aa) Madam SZE Tan Hung's interest in the Shares are held through her spouse, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*.

Save as disclosed above, as of 31 December 2024, the Directors were not aware of any other person having an interests or short positions in the Shares and the underlying Shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

As at 31 December 2024, none of the Directors and their respective associates (as defined in the Listing Rules) or any controlling shareholder (as defined in the Listing Rules), if any, of the Company had any interest in a business, which competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

During the year ended 31 December 2024, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this annual report, such insurance covering remained effective.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales

– the largest customer	3.2%
– five largest customers in aggregate	7.3%

Purchases

– the largest supplier	5.7%
– five largest suppliers in aggregate	24.9%

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

Report of the Directors

BANK BORROWINGS

The total bank borrowings of the Group as of 31 December 2024 amounted to RMB7,313.1 million (2023: RMB7,450.6 million). Particulars of the bank borrowings are set forth in Note 20 to the consolidated financial statements in this annual report.

REWARD FOR EMPLOYEES

As of 31 December 2024, we employed 16,485 employees in the PRC, Hong Kong, Malaysia, Indonesia, Canada and Japan. Our employees are remunerated with monthly salary, subject to annual review and discretionary bonuses. Our employees are also entitled, subject to eligibility, to retirement fund and provident fund and to participate in the Share Option Scheme. We place strong emphasis on nurturing a continuous learning culture amongst the employees and implement a variety of programs to promote training.

CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2024 are set forth in Note 32 to the consolidated financial statements in this annual report. Some of these transactions also constitute "Continuing Connected Transactions" under the Listing Rules, as identified below.

Continuing connected transactions

During the year ended 31 December 2024, the Group had the following continuing connected transactions, details of which are set forth below:

1) *Sales of glass products*

   As disclosed in the Company's announcement dated 28 December 2023, the Group entered into a glass purchase agreement (the "**Glass Purchase Agreement**") dated 28 December 2023 with Xinyi Solar in relation to the sales of float glass and architectural glass products to Xinyi Solar and its subsidiaries ("**Xinyi Solar Group**") by the Group for the year ended 31 December 2024. The annual cap and the actual transaction amount of the transactions contemplated under the Glass Purchase Agreement for the year ended 31 December 2024 is RMB13,600,000 and RMB5,417,000, respectively. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Glass Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

2) Sales of machineries

As disclosed in the Company's announcement dated 28 December 2023, Anhui Xinyi Intelligent Machinery Company Limited ("**Anhui Xinyi Machinery**"), a non-wholly owned subsidiary of the Company, entered into a production equipment purchase agreement (the "**Production Equipment Purchase Agreement**") dated 28 December 2023 with a member of Xinyi Solar in relation to the sales of the production equipment and auxiliary facilities to Xinyi Solar Group by Anhua Xinyi Machinery for the year ended 31 December 2024. The annual cap and the actual transaction amount of the transactions contemplated under the Production Equipment Purchase Agreement for the year ended 31 December 2024 are RMB288,000,000 and RMB199,371,000, respectively. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Production Equipment Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

3) Sales of low iron silica sand

As disclosed in the Company's announcement dated 4 January 2024, the Group entered into an agreement (the "**Silica Sand Purchase Agreement**") dated 4 January 2024 with Xinyi Solar in relation to the sales of low iron silica sand to Xinyi Solar Group by the Group for the year ended 31 December 2024. The purpose of entering into the Silica Sand Purchase Agreement was to reduced transportation cost and secure an additional source of supply of low iron silica sand in the vicinity. The annual cap and amount of the transactions contemplated under the Silica Sand Purchase Agreement for the year ended 31 December 2024 are RMB57,400,000 and no actual transaction happened. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Silica Sand Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

4) Purchase of Silica Sand

As disclosed in the Company's announcement dated 4 January 2024, the Group entered into an agreement (the "**Silica Sand Sales Agreement**") dated 4 January 2024 with Hepu Xinyi Mining Co., Ltd. ("**Hepu Xinyi**"), a wholly-owned subsidiary of Xinyi Solar, in relation to the purchase of silica sand from Hepu Xiniyi by the Group for the year ended 31 December 2024. The purpose of entering into the Silica Sand Sales Agreement was to reduced transportation cost and secure an additional source of supply of silica sand in the vicinity. The annual cap and the actual transaction amount of the transactions contemplated under the Silica Sand Sales Agreement for the year ended 31 December 2024 are RMB96,400,000 and RMB51,668,000, respectively. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Silica Sand Sales Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

5) *Sales of automobile glass products*

As disclosed in the Company's announcement dated 22 December 2021, the Group entered into a glass supply agreement (the "**2021 Glass Supply Agreement**") with Xinyi Automobile Glass Company Limited ("**Xinyi Automobile Glass (HK)**"), a subsidiary of Xinyi Electric Storage, in relation to the sales of automobile glass products to Xinyi Electric Storage and its subsidiaries by the Group for the three years ended 31 December 2024. The annual cap and the actual transaction amount of the transactions contemplated under the 2021 Glass Supply Agreement for the year ended 31 December 2024 is HK$8,600,000 (equivalent to RMB7,922,000) and HK$8,224,000 (equivalent to RMB7,575,000), respectively. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Automobile Glass (HK) is a connected person of the Company. Accordingly, the 2021 Glass Supply Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

6) *Wind farm management services*

As disclosed in the Company's announcement dated 31 October 2023, the Group entered into a wind farm management agreement (the "**2023 Wind Farm Management Agreement**") with Anhui Xinyi New Material Technology Company Limited ("**Anhui Xinyi**"), a subsidiary of Xinyi Electric Storage for management services for the operation of the wind farm owned by the Group. The annual cap and the actual transaction amount of the transaction contemplated under the 2023 Wind Farm Management Agreement for the year ended 31 December 2024 is RMB10,000,000 and RMB9,434,000. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Anhui Xinyi is a connected person of the Company. Accordingly, the 2023 Wind Farm Management Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

7) *Sales of steam*

As disclosed in the Company's announcements dated 2 March 2022, the Group entered into a steam supply agreement (the "**Steam Supply Agreement**") dated 2 March 2022 with Xinyi Power (Suzhou) Company Limited ("**Xinyi Power (Suzhou)**"), a subsidiary of Xinyi Electric Storage, in relation to sales industrial steam for the production requirements to Xinyi Electric Storage and its subsidiaries by the Group for the term commenced from 2 March 2022 and ended on 31 December 2024. The annual cap and the actual transaction amount of the transactions contemplated under the Steam Supply Agreement for the year ended 31 December 2024 is RMB3,300,000 and RMB174,000. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Power (Suzhou) is a connected person of the Company. Accordingly, the Steam Supply Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

8) *Purchase of electric storage products*

As disclosed in the Company's announcement dated 31 October 2023, the Group entered into a sales of battery packs and energy storage systems agreement (the "**XYG Sales Framework Agreement**") with Xinyi Electric Storage, in relation to purchase of lithium battery packs, direct-current lithium battery systems, uninterruptible power supply lithium battery systems, lithium battery energy storage systems and other lithium battery products from Xinyi Electric Storage and its subsidiaries for the terms of three years ending on 31 December 2026. The annual cap and the actual transaction amount of the transactions contemplated under the XYG Sales Framework Agreement for the year ended 31 December 2024 is RMB21,300,000 and RMB20,625,000, respectively. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Electric Storage is a connected person of the Company. Accordingly, the XYG Sales Framework Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

9) *Lease agreements*

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

10) *Provision of marine transportation services*

As disclosed in the Company's announcement dated 17 December 2024, the Group entered into the marine transportation agreement (the "**Marine Transportation Agreement**") dated 17 December 2024 with Xinyi Solar in relation to provide marine transportation services to the Xinyi Solar Group commenced on 17 December 2024 and ending on 31 December 2026. The annual cap and the actual transaction amount of the transactions contemplated for the year ended 31 December 2024 is USD3,900,000 (equivalent to RMB28,022,000) and USD3,309,000 (equivalent to RMB23,771,000). Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the Marine Transportation Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

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

(a) in the ordinary and usual course of business of the Group;

(b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with Rule 14A.56 of the Listing Rules and confirming there is nothing has come to their attention that causes them to believe that the continuing connected transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have exceeded the annual cap as set by the Company.

Continuing connected transactions after the reporting period

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

1) *Sales of automobile glass products*

As disclosed in the Company's announcement dated 11 December 2024, the Group entered into a glass supply agreement (the "**2024 Glass Supply Agreement**") dated 11 December 2024 with Xinyi Automobile Glass (HK), a subsidiary of Xinyi Electric Storage, in relation to the sales of automobile glass products to Xinyi Electric Storage and its subsidiaries by the Group for the three years ending commenced on 1 January 2025 to 31 December 2027. The annual cap of the transactions contemplated under the 2024 Glass Supply Agreement for the three years ending 31 December 2027 is HK$10,200,000 (equivalent to RMB9,595,000), HK$11,000,000 (equivalent to RMB10,348,000) and HK$11,800,000 (equivalent to RMB11,100,000), respectively. Since the controlling shareholders of the Company and their respective associates are in aggregate interested in more than 30% of the shares of Xinyi Electric Storage in issue, Xinyi Automobile Glass (HK) is a connected person of the Company. Accordingly, the 2024 Glass Supply Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

2) *Sales of machineries*

As disclosed in the Company's announcement dated 30 December 2024, Anhui Xinyi Machinery, a non-wholly owned subsidiary of the Company, entered into a production equipment purchase agreement (the "**2025 Production Equipment Purchase Agreement**") dated 30 December 2024 with a member of Xinyi Solar in relation to the sales of the production equipment and auxiliary facilities to Xinyi Solar Group by Anhui Xinyi Machinery for the year ending 31 December 2025. The annual cap of the transactions contemplated under the 2025 Production Equipment Purchase Agreement for the year ending 31 December 2025 is RMB168,800,000. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the 2025 Production Equipment Purchase Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

3) Purchase of Silica Sand

As disclosed in the Company's announcement dated 30 December 2024, the Group entered into an agreement (the "**2025 Silica Sand Agreement**") dated 30 December 2024 with Hepu Xinyi in relation to the purchase of silica sand from Hepu Xiniyi by the Group for the year ending 31 December 2025. The annual cap of the transactions contemplated under the 2025 Silica Sand Agreement for the year ending 31 December 2025 is RMB71,000,000. Since the Company is a substantial shareholder of Xinyi Solar, the Company and its subsidiaries are connected persons of Xinyi Solar. Accordingly, the 2025 Silica Sand Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

AUDIT COMMITTEE

The Company has established an Audit Committee, comprising all independent non-executive Directors, with written terms of reference in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide comments and give advice to the Board. The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this annual report, the Company has maintained sufficient public float with at least 25% of the Shares held by the public as required under the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2024 and up to the date of this annual report.

Report of the Directors

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 has been audited by PricewaterhouseCoopers ("**PwC**").

PwC will retire as the auditor of the Company effective from the conclusion of the AGM and will not offer itself for re-appointment as the auditor of the Company.

The Board has resolved to appoint Ernst & Young as the auditor of the Company for the year ending 31 December 2025 until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 30 May 2025, at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, at 11:00 a.m. The notice convening the AGM will be published on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.xinyiglass.com, and will be dispatched to the Shareholders in due course.

The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

The register of members of the Company will be closed from Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 4 June 2025.

On Behalf of the Board
Dr. LEE Yin Yee, S.B.S.
Chairman

Hong Kong, 28 February 2025

Independent Auditor's Report

羅兵咸永道

Independent Auditor's Report
To the Shareholders of Xinyi Glass Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

WHAT WE HAVE AUDITED

The consolidated financial statements of Xinyi Glass Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 63 to 185, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report

INDEPENDENCE

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to Impairment of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of trade receivables Refer to 3.1(b), 4, 15 and 35.8 to the consolidated financial statements	
As at 31 December 2024, the carrying amount of trade receivables of the Group amounting to approximately RMB1,928,573,000. The Group made provision for loss allowance of trade receivables of approximately RMB47,417,000 based on an estimate of the recoverability of these receivables. Provisions are made for loss allowance of trade receivables where the Group expects the balances will not be collectible. The provision for loss allowance of trade receivables requires management judgements and estimations. Where the provision for loss allowance is materially different from the actual debt that is not collectible, such difference will adversely impact the carrying amount of receivables and the provision for loss allowance in the period in which such estimate has been changed.	We assessed the appropriateness of the methodology of impairment assessment in determining the expected credit losses of trade receivables. We also considered whether the judgements made in selecting the methodology of impairment assessment, significant assumptions and data used by management would give rise to indicators of possible management bias. We assessed management's assessment of the lifetime expected credit loss allowance by comparing to supportable evidence such as past settlement history of customers and historical default rates. We assessed the reasonableness of management's use of forward-looking information and factors in adjusting the rates of credit loss by reference to external market data or industry information.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of trade receivables (continued)	
The Group's trade receivables based on shared credit risk characteristics and ageing profiles and made provisions for loss allowance on trade receivables based on an assessment of the recoverability of overdue and long-aged trade receivables on individual customer basis and the lifetime expected credit loss allowance on each group of trade receivables. The lifetime expected credit loss allowance is measured based on past settlement history and the historical default rates over the expected life of the trade receivables with similar credit risk characteristics adjusted with current and forward-looking information on macroeconomic factors that affects the ability of the customers to settle the receivables. We focus on this area because the carrying amount of the trade receivables are significant to the consolidated balance sheet, and the identification of doubtful debts and the measurement of lifetime expected credit loss allowance is subject to a high degree of judgement and estimation uncertainty, including assessments on the default rates of customers.	We tested, on a sample basis, the accuracy of the ageing profile of the trade receivables used in the calculation of expected credit losses. We assessed the adequacy of the disclosures related to expected credit losses of trade receivables in the context of HKFRS 9. Based on the above, we considered that management's judgements and assumptions in the assessment of expected credit losses of trade receivables were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Xinyi Glass Holdings Limited 2024 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including Corporate Information, Chairman's Statement, Management's Discussion and Analysis, Profile of Directors and Senior Management, Report of the Directors, Corporate Governance Report and Financial Summary prior to the date of this auditor's report. The remaining other information, including Environmental, Social and Governance Report 2024 to be included in the annual report, is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pong Fei Ho.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 February 2025

Consolidated Balance Sheet

As at 31 December 2024

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000 (restated)	As at 1 January 2023 RMB'000 (restated)
Assets				
Non-current assets				
Property, plant and equipment	6	**18,911,460**	16,603,326	15,710,391
Right-of-use assets	6	**3,874,347**	3,977,852	3,781,435
Investment properties	7	**1,769,631**	1,404,153	1,334,104
Prepayments for property, plant and equipment, right-of-use assets and intangible assets	15	**1,312,026**	848,801	823,894
Intangible assets	8	**1,141,163**	1,128,983	779,450
Financial assets at fair value through other comprehensive income	11	**—**	—	24,557
Investments in associates	13	**9,203,629**	9,066,707	8,366,720
Loans to an associate	13	**—**	25,000	25,000
Fixed bank deposits	16	**70,000**	850,000	4,336,444
Deferred income tax assets	21	**5,152**	4,025	—
		36,287,408	33,908,847	35,181,995
Current assets				
Inventories	14	**3,492,205**	3,470,936	3,845,077
Trade and other receivables	15	**6,637,503**	6,624,357	4,086,410
Financial assets at fair value through profit and loss	12	**21,928**	38,626	657,009
Pledged bank deposits	16	**83,137**	133,763	126,528
Fixed bank deposits	16	**100,000**	325,000	—
Cash and cash equivalents	16	**1,456,115**	1,814,614	2,845,921
		11,790,888	12,407,296	11,560,945
Total assets		**48,078,296**	46,316,143	46,742,940
Equity				
Equity attributable to the equity holders of the Company				
Share capital	17	**408,378**	396,222	385,801
Share premium	17	**3,048,090**	2,246,103	1,101,629
Other reserves	18	**3,256,030**	2,979,129	2,767,593
Retained earnings	18	**27,572,287**	26,968,445	24,358,203
		34,284,785	32,589,899	28,613,226
Non-controlling interests		**92,356**	104,753	102,699
Total equity		**34,377,141**	32,694,652	28,715,925

Consolidated Balance Sheet

As at 31 December 2024

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000 (restated)	As at 1 January 2023 RMB'000 (restated)
Liabilities				
Non-current liabilities				
Bank borrowings	20	**1,882,219**	2,661,692	6,909,741
Deferred income tax liabilities	21	**579,096**	476,678	418,883
Lease liabilities	6	**2,743**	9,044	759
Other payables	19	**112,231**	130,099	45,868
		2,576,289	3,277,513	7,375,251
Current liabilities				
Trade, other payables and contract liabilities	19	**4,653,190**	4,447,670	4,829,423
Current income tax liabilities		**1,034,471**	1,100,187	618,796
Lease liabilities	6	**6,336**	7,185	18,104
Bank borrowings	20	**5,430,869**	4,788,936	5,185,441
		11,124,866	10,343,978	10,651,764
Total liabilities		**13,701,155**	13,621,491	18,027,015
Total equity and liabilities		**48,078,296**	46,316,143	46,742,940

The consolidation financial statements on pages 63 to 185 were approved by the Board of Directors on 28 February 2025 and were signed on its behalf.

LEE Yin Yee, S.B.S.
Chairman

LEE Shing Kan, M.H.
Director

The notes on pages 71 to 185 are an integral part of these consolidated financial statements.

Consolidated Income Statement

For the Year Ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000 (restated)
Revenue	5	22,323,569	24,293,673
Cost of sales	22	(15,593,909)	(16,476,198)
Gross profit		6,729,660	7,817,475
Other income	24	721,747	605,720
Other gains/(losses) – net	25	113,535	(40,432)
Selling and marketing costs	22	(1,055,656)	(1,186,273)
Administrative and other operating expenses	22	(2,244,027)	(2,051,087)
Net impairment losses on financial assets	15	(79,759)	(3,784)
Operating profit		4,185,500	5,141,619
Finance income	26	46,686	177,634
Finance costs	26	(181,026)	(456,361)
Share of profits of associates	13	196,869	912,257
Profit before income tax		4,248,029	5,775,149
Income tax expense	27	(876,119)	(879,666)
Profit for the year		3,371,910	4,895,483
Profit attributable to:			
– Equity holders of the Company		3,369,173	4,883,103
– Non-controlling interests		2,737	12,380
Profit for the year		3,371,910	4,895,483
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RMB cents per share)			
– Basic	28	79.23	117.60
– Diluted	28	79.23	117.36

The notes on pages 71 to 185 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2024

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

The notes on pages 71 to 185 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

		Attributable to the equity holders of the Company						
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024 (restated)		396,222	2,246,103	2,979,129	26,968,445	32,589,899	104,753	32,694,652
Comprehensive income								
Profit for the year		—	—	—	3,369,173	3,369,173	2,737	3,371,910
Other comprehensive income								
Currency translation differences		—	—	(58,027)	—	(58,027)	(493)	(58,520)
Share of other comprehensive income of investments accounted for using the equity method	13	—	—	57,668	—	57,668	—	57,668
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax	7	—	—	104,713	—	104,713	—	104,713
Total comprehensive income		—	—	104,354	3,369,173	3,473,527	2,244	3,475,771
Transactions with owners								
Employees share option scheme:								
– proceeds from shares issued	17(A)	184	17,942	(1,946)	—	16,180	—	16,180
– value of employee services	17(A)	—	—	81,129	—	81,129	—	81,129
– adjustment relating to expired share options		—	—	(23,100)	23,100	—	—	—
Issuance of shares in respect of scrip dividend of 2023 final dividend and 2024 interim dividend	17(B)	11,972	784,045	—	—	796,017	—	796,017
Transfer to reserve	18(a)	—	—	116,464	(116,464)	—	—	—
Acquisition of a subsidiary		—	—	—	—	—	(217)	(217)
Liquidation of a subsidiary		—	—	—	—	—	(4,302)	(4,302)
Dividends relating to 2023		—	—	—	(1,446,942)	(1,446,942)	—	(1,446,942)
Dividends relating to 2024	29	—	—	—	(1,225,025)	(1,225,025)	—	(1,225,025)
Dividend paid to non-controlling interest		—	—	—	—	—	(10,122)	(10,122)
Total transactions with owners		12,156	801,987	172,547	(2,765,331)	(1,778,641)	(14,641)	(1,793,282)
Balance at 31 December 2024		408,378	3,048,090	3,256,030	27,572,287	34,284,785	92,356	34,377,141

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

		Attributable to the equity holders of the Company						
	Note	Share capital RMB'70	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023 (restated)		385,801	1,101,629	2,767,593	24,358,203	28,613,226	102,699	28,715,925
Comprehensive income								
Profit for the year		—	—	—	4,883,103	4,883,103	12,380	4,895,483
Other comprehensive income								
Changes in fair value of financial assets at fair value through other comprehensive income	11	—	—	(24,849)	—	(24,849)	—	(24,849)
Dilution gains of interest in an associate		—	—	3,554	—	3,554	—	3,554
Currency translation differences		—	—	(217,866)	—	(217,866)	1,206	(216,660)
Share of other comprehensive loss of investments accounted for using the equity method	13	—	—	(113,091)	—	(113,091)	—	(113,091)
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax	7	—	—	24,496	—	24,496	—	24,496
Total comprehensive income		—	—	(327,756)	4,883,103	4,555,347	13,586	4,568,933
Transactions with owners								
Employees share option scheme:								
– proceeds from shares issued	17(A)	1,606	175,215	(24,136)	—	152,685	—	152,685
– value of employee services	17(A)	—	—	92,962	—	92,962	—	92,962
– adjustment relating to expired share options		—	—	(52)	52	—	—	—
Issuance of shares in respect of scrip dividend of 2022 final dividend and 2023 interim dividend		8,815	969,259	—	—	978,074	—	978,074
Transfer to reserve	18(a)	—	—	470,518	(470,518)	—	—	—
Capital injection from non-controlling interests		—	—	—	—	—	312	312
Dividends relating to 2022		—	—	—	(821,991)	(821,991)	—	(821,991)
Dividends relating to 2023	29	—	—	—	(980,404)	(980,404)	—	(980,404)
Dividend paid to non-controlling interest		—	—	—	—	—	(11,844)	(11,844)
Total transactions with owners		10,421	1,144,474	539,292	(2,272,861)	(578,674)	(11,532)	(590,206)
Balance at 31 December 2023 (restated)		396,222	2,246,103	2,979,129	26,968,445	32,589,899	104,753	32,694,652

The notes on pages 71 to 185 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000 (restated)
Cash flows from operating activities			
Cash generated from operations	30(a)	**6,686,889**	5,530,854
Interest paid		**(268,784)**	(549,661)
Income tax paid		**(828,404)**	(504,780)
Net cash generated from operating activities		**5,589,701**	4,476,413
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4,704,896)**	(2,631,288)
Purchase of intangible assets		**(15,148)**	(130,758)
Proceeds from disposal of property, plant and equipment	30(b)	**87,346**	139,701
Additions to investment property		**(11,359)**	—
Payment for right-of-use assets		**(352,991)**	(330,965)
Proceeds from disposal of financial assets at fair value through profit and loss		**16,206**	615,832
Addition to investment in an associate	13	**(263,313)**	(120,305)
Dividends received from associates	13	**508,504**	376,005
Advanced to an associate		**(578,926)**	(1,156,517)
Repayment from an associate		**294,242**	—
Placement of fixed and pledged deposits		**(150,000)**	(1,060,000)
Proceed from withdrawal of fixed and pledged deposits		**1,205,626**	4,214,464
Acquisition of a subsidiary		**(217)**	—
Liquidation of a subsidiary		**(4,302)**	—
Interest received		**46,686**	177,634
Net cash (used in)/generated from investing activities		**(3,922,542)**	93,803

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000 (restated)
Cash flows from financing activities			
Proceeds from bank borrowings		5,417,639	6,518,934
Repayment of bank borrowings		(5,579,923)	(11,433,212)
Repayment of lease liabilities		(7,590)	(22,294)
Net proceeds from issuance of ordinary shares by share options		16,180	152,685
Dividends paid to shareholders of the Company		(1,875,950)	(824,321)
Dividends paid to non-controlling interests		(10,122)	(11,844)
Capital injection from non-controlling interests		—	312
Net cash used in financing activities		(2,039,766)	(5,619,740)
Net decrease in cash and cash equivalents		(372,607)	(1,049,524)
Cash and cash equivalents at the beginning of the year		1,814,614	2,845,921
Effect of foreign exchange rate changes on cash and cash equivalents		14,108	18,217
Cash and cash equivalents at end of year	16	1,456,115	1,814,614

The notes on pages 71 to 185 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

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

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

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

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Fnancial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622.

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

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

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

(a) *Amendments to existing standards and interpretation adopted by the Group*

The Group has applied the following amendments to existing standards and interpretation for its annual reporting period commencing 1 January 2024:

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

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

(b) *Amended standards and interpretation not yet adopted*

Amended standards and interpretation have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

(b) *Amended standards and interpretation not yet adopted (Continued)*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

These new and amended standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and foreseeable future transactions:

2.2 CHANGE IN PRESENTATION CURRENCY

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

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

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.3 CHANGE IN ACCOUNTING POLICY

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

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

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

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC, Malaysia and Hong Kong with most of the transactions denominated and settled in RMB, USD and HK$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group manages its foreign exchange risks by performing regular reviews and arranges hedges against foreign exchange exposures when considered necessary. Details of the Group's trade and other receivables, pledged bank deposits, fixed bank deposits, cash and cash equivalents, trade and other payables, and bank borrowings are disclosed in Notes 15, 16, 19 and 20 to the consolidated financial statements.

The foreign exchange risk mainly caused by the functional currency of relevant group entity in HKD and the exposed foreign exchange risk arising from their cash and cash equivalents, trade and other receivables and bank borrowings denominated in RMB. As at 31 December 2024, if RMB had weakened /strengthened by 5% (2023: 5%) against HK$ with all other variables held constant, profit after income tax for the year would have been approximately RMB237,934,000 (2023: RMB 134,776,000) higher/ lower.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(a) *Market risk* (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk is mainly attributable to its cash and cash equivalents, fixed deposits, pledged bank deposits and bank borrowings. Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk. Details of the Group's cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings have been disclosed in Notes 16 and 20 to the consolidated financial statements.

As at 31 December 2024, if HK$ interest rates on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings had been 25 (2023: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB285,000 (2023: RMB5,988,000) lower/higher, mainly as a result of higher/lower net interest expense on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings.

As at 31 December 2024, if RMB interest rates on cash and cash equivalents, fixed deposits, pledged bank deposits and bank borrowings had been 25 (2023: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB6,387,000 (2023: RMB2,230,000) lower/higher, mainly as a result of higher/lower net interest expenses on cash and cash equivalents, fixed bank deposits, pledged bank deposits and bank borrowings.

As at 31 December 2024, if USD interest rates on cash and cash equivalents, pledged bank deposits and bank borrowings had been 25 (2023: 25) basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB570,000 higher/lower (2023: RMB418,000 lower/higher), mainly as a result of higher/lower net interest income (2023: net interest expense) on cash and cash equivalents, pledged bank deposits and bank borrowings.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk

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

	2024 RMB'000	2023 RMB'000 (restated)
Cash and cash equivalents at bank	**1,451,691**	1,809,472
Fixed bank deposits *(Note 16)*	**170,000**	1,175,000
Pledged bank deposits *(Note 16)*	**83,137**	133,763
Financial assets at FVTPL	**107**	16,307
Trade and other receivables excluding non-financial assets	**5,257,340**	5,078,254
Loans to an associate *(Note 13)*	**—**	25,000
Maximum exposure to credit risk	**6,962,275**	8,237,796

As at 31 December 2024 and 2023, most of the bank deposits are deposited with reputable banks in Hong Kong and state-owned banks in the PRC. The credit quality of cash and bank balances has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

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

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

There is limited degree of concentration of credit risks of the Group (Note 15(b)).

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) *Credit risk* (Continued)

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

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

- cash and cash equivalents at bank
- fixed bank deposits
- pledged bank deposits
- trade and other receivables
- loans to an associate

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

Trade and other receivables

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

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

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024 and 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, e.g. merchandise import percentage of nominal gross domestic product, real private consumption growth, fiscal balance, affecting the ability of the customers to settle the receivables.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

Trade and other receivables (Continued)

On that basis, the loss allowance as at 31 December 2024 and 2023 was determined as follows for trade receivables:

31 December 2024	Current	1 - 90 days pass due	91 - 180 days pass due	181 - 365 days pass due	1 – 2 years pass due	Over 2 years pass due	Total
Expected loss rate	**0.3%**	**2.2%**	**22.3%**	**30.6%**	**56.6%**	**100%**	**2.5%**
Gross carrying amount (RMB'000)	**1,659,209**	**200,317**	**15,184**	**14,139**	**21,667**	**18,057**	**1,928,573**
Loss allowance (RMB'000)	**4,978**	**4,407**	**3,386**	**4,326**	**12,263**	**18,057**	**47,417**

31 December 2023 (restated)	Current	1 - 90 days pass due	91 - 180 days pass due	181 - 365 days pass due	1 – 2 years pass due	Over 2 years pass due	Total
Expected loss rate	0.9%	3.7%	26.6%	35.3%	65.8%	100.0%	3.4%
Gross carrying amount (RMB'000)	1,416,271	145,121	14,268	12,259	24,517	12,014	1,624,450
Loss allowance (RMB'000)	12,855	5,434	3,798	4,322	16,132	12,014	54,555

Movements of loss allowance of trade receivables are set out in Note 15(b).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 2 years past due.

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

The bills receivables are bank acceptance notes issued by banks in the PRC. The credit quality of bills receivables has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of bills receivables are assessed to be immaterial and no provision was made as at 31 December 2024 and 2023.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

Trade and other receivables (Continued)

For other financial assets at amortised cost, including other receivables, management considers that their credit risk has increased since initial recognition with reference to the market interest rate, counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses and RMB70,654,000 (2023: nil) has been provided during the year ended 31 December 2024.

(c) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated balance sheet as financial assets at FVTPL (Note 12).

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

With all other variables held constant, if the market price of financial assets at FVTPL measured at fair value had been 10% (2023: 10%) higher/lower than the actual closing price as at year end, the equity as at 31 December 2024 would increase/decrease by approximately RMB2,193,000 (2023: RMB3,863,000).

(d) Liquidity risk

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

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

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(d) Liquidity risk (Continued)

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2023 (restated)					
Bank borrowings and interest payables	4,994,239	2,287,928	453,343	—	7,735,510
Trade and other payables excluding non-financial liabilities	3,129,358	130,099	—	—	3,259,457
Lease liabilities	7,606	6,957	2,805	—	17,368
Total	8,131,203	2,424,984	456,148	—	11,012,335

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 CAPITAL RISK MANAGEMENT

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

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

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

The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Total bank borrowings *(Note 20)* and lease liabilities *(Note 6)*	**7,322,167**	7,466,857
Less: cash and cash equivalents, fixed bank deposits and pledged bank deposits *(Note 16)*	**(1,709,252)**	(3,123,377)
Net debt	**5,612,915**	4,343,480
Total equity	**34,377,141**	32,694,652
Gearing ratio	**16.3%**	13.3%

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 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 (other than investments properties disclosed in Note 7 and bills receivables classified as financial assets at FVOCI) that are measured at fair value at 31 December 2024 and 2023.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2024				
Assets				
Financial assets at FVTPL				
– Equity securities	21,821	—	—	21,821
– Other financial products	—	—	107	107

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2023 (restated)				
Assets				
Financial assets at FVTPL				
– Equity securities	22,319	—	—	22,319
– Other financial products	—	—	16,307	16,307

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 FAIR VALUE ESTIMATION (Continued)

There were no transfers among levels 1, 2 and 3 during the year. The following table presents the changes in level 3 item for the periods ended 31 December 2024 and 31 December 2023:

	Other financial products RMB'000
At 1 January 2023 (restated)	629,972
Acquisitions	1,253,042
Disposals	(1,868,874)
Realised income and fair value changes from financial products at FVTPL	2,167
At 31 December 2023 (restated)	16,307
Acquisitions	49,188
Disposals	(65,394)
Realised income and fair value changes from financial products at FVTPL	6
At 31 December 2024	**107**

The significant unobservable input to the valuation of financial instruments as at 31 December 2024 and 2023 is net asset value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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 quoted market prices for financial assets at FVOCI and FVTPL used by the Group are the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

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 which 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. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 FAIR VALUE ESTIMATION (Continued)

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.

The Group did not change any valuation techniques in determining the level 3 fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(A) PROPERTY, PLANT AND EQUIPMENT

(i) Useful lives

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

(ii) Impairment assessment

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(B) IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

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

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(C) CURRENT AND DEFERRED INCOME TAX

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

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

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(D) FAIR VALUE OF INVESTMENT PROPERTIES

Except for an investment property of RMB2,563,000 (2023: RMB2,563,000) which is stated at cost, the Group's investment properties are carried at their fair values at 31 December 2024 amounting to RMB1,767,068,000 (2023: RMB1,401,590,000). The fair values were based on valuation on these properties conducted by independent professionally qualified valuers using property valuation techniques which involve certain assumptions of market conditions. Favorable or unfavorable changes to these assumptions would result in changes in the fair values of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognised in the consolidated income statement. Information about the valuation of investment properties is provided in Note 7.

(E) INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

(I) Estimation of useful life of float glass production capacity

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

(II) Impairment of intangible assets with indefinite useful life

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

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 8. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Details of key assumptions are disclosed in Note 8.

5 SEGMENT INFORMATION

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

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

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

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

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

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

	Float glass RMB'000	Automobile glass RMB'000	Architectural glass RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue	15,343,516	6,304,742	3,108,902	—	24,757,160
Inter-segment revenue	(2,433,591)	—	—	—	(2,433,591)
Revenue from external customers *(Note)*	12,909,925	6,304,742	3,108,902	—	22,323,569
Cost of sales	(10,468,347)	(3,004,801)	(2,120,761)	—	(15,593,909)
Gross profit	2,441,578	3,299,941	988,141	—	6,729,660
Depreciation charge					
– property, plant and equipment *(Note 22)*	1,031,117	155,026	111,452	20,260	1,317,855
– right-of-use assets *(Note 22)*	48,644	7,206	2,775	70,564	129,189
Amortisation charge					
– intangible assets *(Note 22)*	1,713	1,255	—	—	2,968
Increase in provision for loss allowance, net *(Note 15)*	31	2,165	6,909	70,654	79,759
Share of profits of associates *(Note 13)*	—	—	—	196,869	196,869

Note:

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

5 SEGMENT INFORMATION (Continued)

	Assets and liabilities				
	Float glass RMB'000	Automobile glass RMB'000	Architectural glass RMB'000	Unallocated RMB'000	Total RMB'000
Total assets	23,622,776	6,173,720	1,965,539	16,316,261	48,078,296
Total assets included:					
Investments in associates *(Note 13)*	—	—	—	9,203,629	9,203,629
Investment properties *(Note 7)*	—	—	—	1,769,631	1,769,631
Additions to non-current assets (other than financial assets at FVOCI)	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

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

	Float glass RMB'000 (restated)	Automobile glass RMB'000 (restated)	Architectural glass RMB'000 (restated)	Unallocated RMB'000 (restated)	Total RMB'000 (restated)
Segment revenue	19,442,414	5,417,288	3,036,696	—	27,896,398
Inter-segment revenue	(3,602,725)	—	—	—	(3,602,725)
Revenue from external customers *(Note)*	15,839,689	5,417,288	3,036,696	—	24,293,673
Cost of sales	(11,617,829)	(2,838,538)	(2,019,831)	—	(16,476,198)
Gross profit	4,221,860	2,578,750	1,016,865	—	7,817,475
Depreciation charge					
– property, plant and equipment *(Note 22)*	951,721	146,952	146,630	3,926	1,249,229
– right-of-use assets *(Note 22)*	58,587	6,330	1,058	51,321	117,296
Amortisation charge					
– intangible assets (Note 22)	1,713	1,512	—	—	3,225
Increase in provision for loss allowance, net *(Note 15)*	19	815	2,950	—	3,784
Share of profits of associates *(Note 13)*	—	—	—	912,257	912,257

Note:

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

5 SEGMENT INFORMATION (Continued)

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

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

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

5 SEGMENT INFORMATION (Continued)

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

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

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

5 SEGMENT INFORMATION (Continued)

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

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

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:

	2024 RMB'000	2023 RMB'000 (restated)
Greater China	**15,247,479**	17,619,310
Other countries	**7,076,090**	6,674,363
	22,323,569	24,293,673

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

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

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

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

5 SEGMENT INFORMATION (Continued)

(l) Accounting policies of revenue recognition

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

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

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

6 PROPERTY, PLANT AND EQUIPMENT AND LEASES

	Construction in progress RMB'000	Freehold land RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Total RMB'000
Year ended 31 December 2023 (restated)						
Opening net book amount	169,371	143,875	4,313,887	10,998,211	85,047	15,710,391
Currency translation differences	(647)	(3,307)	(9,456)	(18,812)	(94)	(32,316)
Additions	1,958,628	—	92,513	457,591	42,835	2,551,567
Transfers	(1,016,988)	—	342,157	672,441	2,390	—
Transfer to investment properties *(Note 7)*	—	—	(36,764)	—	—	(36,764)
Disposals	—	—	(2,743)	(211,727)	(82)	(214,552)
Depreciation charge	—	—	(207,262)	(1,132,962)	(34,776)	(1,375,000)
Closing net book amount	1,110,364	140,568	4,492,332	10,764,742	95,320	16,603,326
At 31 December 2023 (restated)						
Cost	1,110,364	140,568	6,240,720	19,787,298	267,984	27,546,934
Accumulated depreciation	—	—	(1,748,388)	(9,022,556)	(172,664)	(10,943,608)
Net book amount	1,110,364	140,568	4,492,332	10,764,742	95,320	16,603,326

6 PROPERTY, PLANT AND EQUIPMENT AND LEASES (Continued)

	Construction in progress RMB'000	Freehold land RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Total RMB'000
Year ended 31 December 2024 (restated)						
Opening net book amount	1,110,364	140,568	4,492,332	10,764,742	95,320	16,603,326
Currency translation differences	406	8,400	34,580	42,832	53	86,271
Additions	4,026,289	—	69,547	357,947	35,322	4,489,105
Transfers	(1,003,909)	—	319,224	681,913	2,772	—
Transfer to investment properties *(Note 7)*	—	—	(190,316)	—	—	(190,316)
Impairment loss and disposals	—	—	(2,018)	(620,516)	(326)	(622,860)
Depreciation charge	—	—	(218,405)	(1,193,657)	(42,004)	(1,454,066)
Closing net book amount	4,133,150	148,968	4,504,944	10,033,261	91,137	18,911,460
At 31 December 2024						
Cost	4,133,150	148,968	6,490,586	19,801,344	304,395	30,878,443
Accumulated depreciation	—	—	(1,985,642)	(9,768,083)	(213,258)	(11,966,983)
Net book amount	4,133,150	148,968	4,504,944	10,033,261	91,137	18,911,460

Depreciation expense of approximately RMB1,120,820,000 (2023: RMB1,119,581,000) has been charged in cost of sales, RMB197,035,000 (2023: RMB129,648,000) in selling and marketing costs and administrative and other operating expenses and RMB1,316,133,000 (2023: RMB1,179,922,000) has been capitalised in inventories.

During the year, the Group capitalised borrowing costs amounted to RMB88,537,000 (2023: RMB94,596,000) on qualifying assets (Note 26). Borrowing costs were capitalised at the weighted average rate of its general borrowings of 3.4% (2023: 5.0%) per annum.

During the year ended 31 December 2024, part of the float glass production facilities in Hainan and Chongqing ceased operations due to suspension on a permanent basis or update and transformation. Certain production assets were scrapped and the loss incurred for those scrapped assets were RMB502,097,000 (2023: nil).

6 PROPERTY, PLANT AND EQUIPMENT AND LEASES (Continued)

(I) Revaluation, depreciation methods and useful lives

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

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

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

See note 35.5 for the other accounting policies relevant to property, plant and equipment.

LEASES

This note provides information for leases where the Group is a lessee.

(I) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000 (restated)
Right-of-use assets		
Leasehold lands and land-use rights	3,880,863	3,962,474
Less: impairment losses of right-of-use assets	(42,787)	—
	3,838,076	3,962,474
Buildings	36,271	15,378
	3,874,347	3,977,852

	2024 RMB'000	2023 RMB'000 (restated)
Lease liabilities		
Current	6,336	7,185
Non-current	2,743	9,044
	9,079	16,229

6 PROPERTY, PLANT AND EQUIPMENT AND LEASES (Continued)

LEASES (Continued)

(II) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000 (restated)
Depreciation charge of right-of-use assets *(Note)*		
Leasehold land and land use rights	121,075	95,902
Buildings	9,174	21,461
	130,249	117,363
Unwinding of interest on lease liabilities *(Note 26)*	779	1,296

The total cash outflow for leases in 2024 was RMB7,590,000 (2023: RMB22,294,000).

Notes:

Depreciation charge of RMB1,060,000 (2023: RMB67,000) were capitalised as direct cost of construction in progress during the year ended 31 December 2024 when the buildings thereon were not yet ready for production purposes. For the year ended 31 December 2024, depreciation of the Group's right-of-use assets amounted to RMB129,189,000 (2023: RMB117,296,000) were charged to the consolidated income statement (Note 22).

(III) The Group's leasing activities and how these are accounted for

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.

6 PROPERTY, PLANT AND EQUIPMENT AND LEASES (Continued)

LEASES (Continued)

(III) The Group's leasing activities and how these are accounted for (Continued)

The lease payments are discounted using the interest rate implicit in the leases. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 35.21 for the other accounting policies relevant to leases.

7 INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000 (restated)
At 1 January	**1,404,153**	1,334,104
Currency translation differences	**1,702**	1,072
Additions	**11,359**	—
Transferred from property, plant and equipment *(Note 6)*	**190,316**	36,764
Transferred from right-of-use assets	**105,453**	29,026
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets	**139,618**	32,662
Fair value losses *(Note 25)*	**(82,970)**	(29,475)
At 31 December	**1,769,631**	1,404,153

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

	2024 RMB'000	2023 RMB'000 (restated)
Rental income from operating lease *(Note 24)*	**118,558**	66,831
Fair value losses recognised in other gains/(losses) - net *(Note 25)*	**(82,970)**	(29,475)

(II) Measuring investment property at fair value

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

(III) Presenting cash flows

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

7 INVESTMENT PROPERTIES (Continued)

(IV) Leasing arrangements

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

Minimum lease payments receivable on leases of investment properties are set out in Note 31.

As at 31 December 2024, the Group had eight (2023: five) investment properties located in the PRC and one (2023: one) investment property in Hong Kong. The Group obtained independent valuations from Graval Consulting Limited for seven (2023: four) investment properties located in the PRC and one (2023: one) investment property in Hong Kong.

VALUATION PROCESSES OF THE GROUP

The Group's investment properties were valued at 31 December 2024 and 2023 by independent professionally qualified valuers who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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

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

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

7 INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES OF THE GROUP (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
Fair value hierarchy (level 3):		
– Commercial building - Xiamen, the PRC	**965,200**	1,039,400
– Commercial building 3 - Shenzhen, the PRC	**94,500**	95,100
– Office unit - Wuhu, the PRC	**109,543**	111,870
– Office unit - Hong Kong	**47,035**	56,768
– Factory building - Jiangsu, the PRC	**160,100**	98,452
– Factory building 1 - Wuhu, the PRC	**165,200**	—
– Factory building 2 - Wuhu, the PRC	**91,100**	—
– Factory building - Maanshan, the PRC	**134,390**	—
At cost		
– Commercial building 2 - Shenzhen, the PRC *(Note)*	**2,563**	2,563

Note: As at 31 December 2024 and 2023, the fair value of this investment property could not be reliably measured as the market for comparable properties was inactive due to the Group was in the process of obtaining the property ownership certificate in respect of property interest held. In addition, alternative for reliably measurement of fair value of the property was not available. In the opinion of directors, the absence of the property ownership certificate to this property interest does not impair the carrying amount to the Group as the Group has paid the full purchase consideration of this property interest and the probability of being evicted on the ground of an absence of property ownership certificate is remote.

Notes to the Consolidated Financial Statements

7 INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES OF THE GROUP (Continued)

Fair value measurement using significant unobservable input (level 3)

	Commercial building - Xiamen, the PRC RMB'000	Commercial building 3 - Shenzhen, the PRC RMB'000	Office unit - Wuhu, the PRC RMB'000	Office unit - Hong Kong RMB'000	Factory building - Jiangsu, the PRC RMB'000	Factory building 1 - Wuhu, the PRC RMB'000	Factory building 2 - Wuhu, the PRC RMB'000	Factory building - Maanshan, the PRC RMB'000	Total RMB'000
At 1 January 2024 (restated)	1,039,400	95,100	111,870	56,768	98,452	—	—	—	1,401,590
Currency translation differences	—	—	—	1,702	—	—	—	—	1,702
Additions	—	—	—	—	3,210	6,396	1,753	—	11,359
Transfer from property, plant and equipment *(Note 6)*	—	—	—	—	32,121	51,318	28,766	78,111	190,316
Transfer from right-of-use assets	—	—	—	—	6,969	51,945	26,108	20,431	105,453
Fair value (losses)/gains *(Note 25)*	(74,200)	(600)	(2,327)	(11,435)	5,592	—	—	—	(82,970)
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets	—	—	—	—	13,756	55,541	34,473	35,848	139,618
At 31 December 2024	965,200	94,500	109,543	47,035	160,100	165,200	91,100	134,390	1,767,068
Total (losses)/gains for the year included in the consolidated income statement for assets held at the end of year	(74,200)	(600)	(2,327)	(11,435)	5,592	—	—	—	(82,970)
Change in unrealised (losses)/gains for the year included in the consolidated income statement for assets held at the end of year	(74,200)	(600)	(2,327)	(11,435)	5,592	—	—	—	(82,970)

7 INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSESES OF THE GROUP (Continued)

	Commercial building - Xiamen, the PRC RMB'000	Commercial building 3 - Shenzhen, the PRC RMB'000	Office unit - Wuhu, the PRC RMB'000	Office unit - Hong Kong RMB'000	Factory building - Jiangsu, the PRC RMB'000	Total RMB'000
At 1 January 2023 (restated)	1,062,600	105,400	104,620	58,921	—	1,331,541
Currency translation differences	—	—	—	1,072	—	1,072
Transfer from property, plant and equipment *(Note 6)*	—	—	—	—	36,764	36,764
Transfer from right-of-use assets	—	—	—	—	29,026	29,026
Fair value (losses)/gains *(Note 25)*	(23,200)	(10,300)	7,250	(3,225)	—	(29,475)
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets	—	—	—	—	32,662	32,662
At 31 December 2023 (restated)	1,039,400	95,100	111,870	56,768	98,452	1,401,590
Total (losses)/gains for the year included in the consolidated income statement for assets held at the end of year	(23,200)	(10,300)	7,250	(3,225)	—	(29,475)
Change in unrealised (losses)/gains for the year included in the consolidated income statement for assets held at the end of year	(23,200)	(10,300)	7,250	(3,225)	—	(29,475)

Notes to the Consolidated Financial Statements

7 INVESTMENT PROPERTIES (Continued)

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

Description	Fair value at 31 December 2024	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Commercial building – Xiamen, the PRC	RMB965,200,000 (2023: RMB1,039,400,000)	Based on current prices in an active market for similar properties in the same location and condition and subject to similar lease (2023: same)	Market value (2023: same)	RMB18,162 per square meter (2023: RMB19,653 per square meter)	The higher the market value, the higher the fair value
Commercial building 3 – Shenzhen, the PRC	RMB94,500,000 (2023: RMB95,100,000)	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2023: same)	Market value (2023: same)	RMB31,363 per square meter (2023: RMB31,563 per square meter)	The higher the market value, the higher the fair value
Office unit – Wuhu, the PRC	RMB109,543,000 (2023: RMB111,870,000)	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2023: Same)	Market value (2023: same)	RMB4,468 per square meter (2023: RMB4,563 per square meter)	The higher the market value, the higher the fair value
Factory building - Jiangsu, the PRC	RMB160,100,000 (2023: RMB98,452,000)	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2023: Same)	Market value (2023: Same)	RMB2,546 per square meter (2023: RMB2,318 per square meter)	The higher the market value, the higher the fair value
Factory building 1 - Wuhu, the PRC	RMB165,200,000	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease	Market value	RMB2,307 per square meter	The higher the market value, the higher the fair value
Factory building 2 - Wuhu, the PRC	RMB91,100,000	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease	Market value	RMB2,250 per square meter	The higher the market value, the higher the fair value

7 INVESTMENT PROPERTIES (Continued)

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

Description	Fair value at 31 December 2024	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Factory building - Maanshan, the PRC	RMB134,390,000	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease	Market value	RMB1,575 per square meter	The higher the market value, the higher the fair value
Office unit – Hong Kong	RMB47,035,000 (2023: RMB56,768,000)	Based on current price in an active market for similar properties in the same location and condition and subject to similar lease (2023: same)	Recent market price (2023: same)	RMB12,264 per square feet (2023: RMB14,950 per square feet)	The higher the market value, the higher the fair value
			Level adjustment (2023: same)	2.5% (2023:3.8%)	The higher the level, the higher the fair value
			View adjustment (2023: same)	11.7% (2023:3.8%))	The better the view, the higher the fair value

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

Notes to the Consolidated Financial Statements

8 INTANGIBLE ASSETS

	Goodwill RMB'000	Trademark RMB'000	Customer relationship RMB'000	Patent RMB'000	Float glass production capacity RMB'000	Mining rights RMB'000	Total RMB'000
Year ended 31 December 2023 (restated)							
Opening net book amount	49,170	4,612	1,228	211	698,973	25,256	779,450
Additions	—	—	—	—	130,415	222,343	352,758
Amortisation charge *(Note 22)*	—	(954)	(254)	(56)	—	(1,961)	(3,225)
Closing net book amount	49,170	3,658	974	155	829,388	245,638	1,128,983
At 31 December 2023 (restated)							
Cost	49,170	19,088	5,080	7,232	829,388	248,704	1,158,662
Accumulated amortisation and impairment	—	(15,430)	(4,106)	(7,077)	—	(3,066)	(29,679)
Net book amount	49,170	3,658	974	155	829,388	245,638	1,128,983
Year ended 31 December 2024 (restated)							
Opening net book amount	49,170	3,658	974	155	829,388	245,638	1,128,983
Additions	—	—	—	—	12,509	2,639	15,148
Amortisation charge *(Note 22)*	—	(954)	(254)	(56)	—	(1,704)	(2,968)
Closing net book amount	49,170	2,704	720	99	841,897	246,573	1,141,163
At 31 December 2024							
Cost	49,170	19,088	5,080	7,232	841,897	251,343	1,173,810
Accumulated amortisation and impairment	—	(16,384)	(4,360)	(7,133)	—	(4,770)	(32,647)
Net book amount	49,170	2,704	720	99	841,897	246,573	1,141,163

8 INTANGIBLE ASSETS (Continued)

Amortisation charge of RMB2,968,000 (2023: RMB3,225,000) has been included in administrative and other operating expenses in the consolidated income statement (Note 22).

(I) AMORTISATION METHODS AND PERIODS

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

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

IMPAIRMENT TESTS FOR GOODWILL

Goodwill is related to the acquisition of a subsidiary, which principally engaged in manufacturing of automobile glass in the PRC. For the purposes of impairment testing, goodwill has been allocated to the CGU of the subsidiary.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with estimated compound revenue annual growth rate of 4.5% (2023: 4.5%). Cash flows beyond the five-year period are extrapolated using the terminal growth rate of 2.0% (2023: 2.0%).

Management determined forecast profitability based on past performance and its expectation of future changes in revenue growth rate and net profit ratio. Future cash flows are discounted at 12% (2023: 13.0%) per annum. The discount rate used is pre-tax and reflects specific risks relating to this CGU.

At as 31 December 2024, the recoverable amount of the CGU was RMB2,768,787,000 (2023: RMB2,089,085,000), which exceeded its carrying amount of RMB1,778,474,000 (2023: RMB1,535,517,000).

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

8 INTANGIBLE ASSETS (Continued)

IMPAIRMENT TESTS FOR INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

The impairment of float glass production capacity is first tested whether its fair value less costs to sell exceed the carrying amount. If yes, there is no impairment loss of the float glass production capacity. If not, impairment test for float glass production capacity will be performed at the related CGUs level. As at 31 December 2024, the Group's float glass production capacity were held by six (2023: six) subsidiaries, fair value less costs to sell of float glass production capacity of three (2023: five) subsidiaries exceeded the carrying amount, thus no impairment test was performed. The impairment tests were performed for remaining three (2023: one) subsidiaries at each CGU's level.

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with estimated compound annual growth rate of 3.0% (2023: 3.0%). Cash flows beyond the five-year period are extrapolated using the terminal growth rate of 2.5% (2023: 2.0%).

Management determined forecast profitability based on past performance and its expectation of future changes in revenue growth rate and net profit ratio. Future cash flows are discounted at 12% (2023: 13%) per annum. The discount rate used is pre-tax and reflects specific risks regarding the related CGU.

At as 31 December 2024, the aggregated recoverable amount of the CGUs were RMB2,883,337,000 (2023: RMB1,960,685,000), which exceeded the aggregated carrying amount of RMB2,385,629,000 (2023: RMB1,387,231,000).

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

9 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 RMB'000	2023 RMB'000 (restated)
Financial assets as per consolidated balance sheet		
Financial assets at FVTPL *(Note 12)*	**21,928**	38,626
Loans to an associate *(Note 13)*	**—**	25,000
Trade and other receivables excluding non-financial assets	**5,257,340**	5,078,254
Pledged bank deposits *(Note 16)*	**83,137**	133,763
Fixed bank deposits *(Note 16)*	**170,000**	1,175,000
Cash and cash equivalents *(Note 16)*	**1,456,115**	1,814,614
Total	**6,988,520**	8,265,257

	2024 RMB'000	2023 RMB'000 (restated)
Financial liabilities as per consolidated balance sheet		
Liabilities at amortised cost		
Bank borrowings *(Note 20)*	**7,313,088**	7,450,628
Trade and other payables excluding non-financial liabilities	**3,528,548**	3,259,457
Lease liabilities *(Note 6)*	**9,079**	16,229
Total	**10,850,715**	10,726,314

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

10 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2024:

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

10 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2024: (Continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Interest held	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Xinyi Ultra-thin Glass (Dongguan) Company Limited	The PRC, limited liability company	Manufacturing of float glass in the PRC	Registered and paid up capital of US$80,000,000	100%	—	100%	—
Xinyi Glass Japan Company Limited	Japan, limited liability company	Trading of automobile glass in Japan	Authorised and paid up capital of 400 common shares of JP¥50,000 each	55%	—	55%	45%
Xinyi Auto Glass (North America) Corporation	Canada, limited liability company	Trading of automobile glass in Canada	Authorised and paid up capital of 100,000 common shares of CAD0.1 each	70%	—	70%	30%
Xinyi Group (Glass) Company Limited	Hong Kong, limited liability company	Investment holding and trading in Hong Kong	1,000 ordinary shares	100%	—	100%	—
Xinyi International Investments Limited	Hong Kong, limited liability company	Investment holding and trading in Hong Kong	10,000 ordinary shares	100%	—	100%	—
Xinyi Automobile Glass (BVI) Company Limited	The British Virgin Islands, limited liability company	Investment holding in Hong Kong	Authorised and paid up capital of 55,000 ordinary shares of US$1 each	100%	100%	100%	—
Xinyi Energy Smart (Wuhu) Company Limited	The PRC, limited liability company	Manufacturing of float glass and architectural glass in the PRC	Registered and paid up capital of US$58,500,000	100%	—	100%	—

10 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2024: (Continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Interest held	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Xinyi Special Glass (Jiangmen) Company Limited	The PRC, limited liability company	Manufacturing of float glass in the PRC	Registered capital of US$180,800,000 and total paid up capital of US$131,860,000	100%	—	100%	—
Xinyi Glass Engineering (Dongguan) Company Limited	The PRC, limited liability company	Manufacturing of architectural glass in the PRC	Registered and paid up capital of US$60,000,000	100%	—	100%	—
Xinyi Glass (Yingkou) Company Limited	The PRC, limited liability company	Manufacturing of float glass and architectural glass in the PRC	Registered and paid up capital of US$119,000,000	100%	—	100%	—
Xinyi Automobile Parts (Tianjin) Company Limited	The PRC, limited liability company	Manufacturing of automobile glass in the PRC	Registered and paid up capital of US$57,150,000	100%	—	100%	—
Xinyi Glass (Xiamen) Co. Ltd	The PRC, limited liability company	Conducting research and trading of glass in the PRC	Registered and paid up capital of HK$120,000,000	100%	100%	100%	—
Xinyi Electronic Glass (Wuhu) Company Limited	The PRC, limited liability company	Manufacturing of electronic glass in the PRC	Registered and paid up capital of US$60,630,000	100%	—	100%	—

10 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2024: (Continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Interest held	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Xinyi Energy Smart (Sichuan) Company Limited	The PRC, limited liability company	Manufacturing of float glass and architectural glass in the PRC	Registered and paid up capital of US$99,000,000	100%	—	100%	—
Xinyi Energy Smart (Malaysia) SDN.BHD	Malaysia, limited liability company	Manufacturing of float glass and automobile glass in Malaysia	Registered and paid up capital of RM$20,000,000	100%	—	100%	—
Xinyi Wind Power (Jinzhai) Company Limited	The PRC, limited liability company	Operate wind farm for electricity generation in the PRC	Registered and paid up capital of RMB12,195,129	82%	—	82%	18%
Xinyi Glass (Bozhou) Company Limited	The PRC, limited liability company	Manufacturing and sales of glass products in the PRC	Registered and paid up capital of RMB 10,000,000	100%	—	100%	—
Xinyi Glass (GuangXi) Company Limited	The PRC, limited liability company	Manufacturing of float glass and automobile glass in the PRC	Registered and paid up capital of RMB 650,000,000	100%	—	100%	—

10 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2024: (Continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Interest held	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Guangxi Xinyi Supply Chain Management Company Limited	The PRC, limited liability company	Provision of supply chain services in the PRC	Registered and paid up capital of RMB3,000,000	100%	—	100%	—
Beihai Xinhe Logistics Company Limited	The PRC, limited liability company	Provision of logistic and related services in the PRC	Registered and paid up capital of RMB1,500,000	100%	—	100%	—
Xinyi Glass (Jiangsu) Company Limited	The PRC, limited liability company	Manufacturing of float glass and architectural glass in the PRC	Registered and paid up capital of US$200,000,000	100%	—	100%	—
Ultimate Luck Global Limited	The British Virgin Islands, limited liability company	Investment holding in Hong Kong	Authorised and paid up capital of 50,000 ordinary shares of US$1each	60%	—	60%	40%
Xinyi Glass (Hainan) Company Limited	The PRC, limited liability company	Manufacturing of float glass and automobile glass in the PRC	Registered and paid up capital of RMB19,322,075,000	100%	—	100%	—
Cheer Wise Investment Limited	Hong Kong, limited liability company	Property and car parks holding in Hong Kong	1 ordinary share	60%	—	60%	40%
Xinyi Supply Chain Management (Jiangsu) Company Limited	The PRC, limited liability company	Providing supply chain service in the PRC	Registered and paid up capital of US$47,000,000	100%	—	100%	—

10 SUBSIDIARIES (Continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued/ registered share capital	Interest held	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Xinyi Glass (Chongqin) Company Limited	The PRC, limited liability company	Manufacturing float glass and Low-E products in the PRC	Registered and paid up capital of RMB968,000,000	100%	—	100%	—
Hepu Xinyi New Materials Company Limited	The PRC, limited liability company	Mining in the PRC	Registered and paid up capital of RMB10,660,000	100%	—	100%	—
PT Xinyi Glass Indonesia	Indonesia, limited liability company	Manufacturing of float glass, automobile glass and architectural glass in Indonesia	Registered and paid up capital of Indonesia Rupiah 10,000,000,000	100%	—	100%	—
Xinyi Energy Smart (Jiangmen) Company Limited	The PRC, limited liability company	Manufacturing of float glass and architectural glass in the PRC	Registered capital of US$105,500,000 and paid up capital of US$105,424,638	100%	—	100%	—

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(A) EQUITY INVESTMENT AT FVOCI

	2024 RMB'000	2023 RMB'000 (restated)
At 1 January	—	24,557
Fair value losses recognised in other comprehensive income *(Note 18)*	—	(24,849)
Currency translation differences	—	292
At 31 December	—	—
Less: Non-current portion	—	—
Current portion	—	—

(I) Classification of financial assets at FVOCI

The Group's shareholding in ZMFY as at 31 December 2024 is approximately 15.17% (2023: approximately 15.17%). During the year ended 31 December 2023, the HKEX announced that the listing of the shares of ZMFY was cancelled from 16 May 2023. The directors consider the fair value of financial assets at FVOCI to be zero.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

(A) CLASSIFICATION OF FINANCIAL ASSETS AT FVTPL

The Group classifies the following financial assets at FVTPL:

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Current assets		
PRC listed equity securities	21,821	22,319
PRC short-term financial products	107	16,307
	21,928	38,626

As at 31 December 2024, financial assets at FVTPL represent equity securities listed in the PRC (Zotye Automibile Co. Ltd and Tangshan Sanyou Chemical Industries Co., Ltd) and short-term financial products ("Financial Products") issued by a bank in the PRC which are held for trading. The Financial Products were not principal guaranteed nor with pre-determined or guaranteed return. As at 31 December 2024, the Group had RMB107,000 (2023: RMB16,307,000) Financial Products not been redeemed or matured.

See note 35.8 for the remaining relevant accounting policies.

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

(B) AMOUNTS RECOGNISED IN PROFIT OR LOSS

During the year, the following gains were recognised in consolidated income statement:

	2024 RMB'000	2023 RMB'000 (restated)
Unrealised fair value (losses)/gains of financial assets at FVTPL *(Note 25)*	**(492)**	11,307
Realised income from financial products at FVTPL *(Note 24)*	**—**	2,167

(C) RISK EXPOSURE AND FAIR VALUE MEASUREMENTS

Information about the Group's exposure to price risk is provided in Note 3.1(c). For information about the methods and assumptions used in determining fair value please refer to Note 3.3.

13 INTERESTS IN AND BALANCES WITH ASSOCIATES

	2024 RMB'000	2023 RMB'000 (restated)
Investments in associates		
At 1 January	**9,066,707**	8,366,720
Currency translation differences	**102,576**	158,195
Addition to interests in an associate *(Note (a))*	**288,313**	120,305
Dilution of interests in an associate *(Note (b))*	**—**	(1,674)
Share of profits of associates	**196,869**	912,257
Share of other comprehensive income/(loss)	**57,668**	(113,091)
Dividends received	**(508,504)**	(376,005)
At 31 December	**9,203,629**	9,066,707

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

	2024 RMB'000	2023 RMB'000 (restated)
Loans to an associate		
– Current portion	—	—
– Non-current portion	—	25,000
	—	25,000

Notes:

(a) During the year ended 31 December 2023, the Group purchased 16,834,000 shares of Xinyi Solar Holdings Limited ("Xinyi Solar"), at cost of HK$129,630,280 (approximately RMB117,305,000) from the Hong Kong stock market.

During the year ended 31 December 2023, the Group invested in Jiangsu Lianxun Technology Company Limited ("Jiangsu Lianxun") at cost of RMB3,000,000 representing a total of 30% of the ordinary shares of Jiangsu Lianxun.

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

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

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

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

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

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

(b) In June 2023, Xinyi Energy allotted and issued 744,040,025 shares by way of placing to investors other than the Group. The Group's interest in Xinyi Energy was diluted, resulting in a decrease in the investment of approximately RMB1,674,000, comprising a dilution loss of approximately RMB5,228,000 and the reclassification of currency translation gain of approximately RMB3,554,000 from reserves to consolidated income statement.

Notes to the Consolidated Financial Statements

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

The following is a list of the associates as at 31 December 2024:

Name	Particulars of registered share capital	Principal activities and place of operation	Interest held
Xinyi Solar *(Note (i))*	Authorised capital of HK$8,000,000,000 and total paid up capital of HK$907,845,000 (2023: HK$8,000,000,000 and total paid up capital of HK$890,325,000)	Production and sales of solar glass products in the PRC, and development and operation of solar farms and provision of engineering procurement and construction services	23.68%
Xinyi Energy *(Note (ii))*	Authorised capital of HK$8,000,000,000 and total paid up capital of HK$83,767,000 (2023: HK$8,000,000,000 and total paid of HK$82,566,000)	Management and operations of solar farms in the PRC	5.54%
Xinyi Silicon	Registered and paid up capital of RMB120,000,000 (2023: same)	Production and sales of silicon products in the PRC	48%
Beihai Yiyang Mineral Company Limited	Registered and paid up capital of RMB25,454,500 (2023: same)	Exploration, mining and trading of silica in the PRC	45%
Dongyuan County Xinhuali Quartz Sand Company Limited	Registered and paid up capital of RMB10,500,000 (2023: same)	Exploration, mining and trading of silica in the PRC	20%
Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	Registered and paid up capital of RMB10,000,000 (2023: same)	Provision of natural gas in the PRC	25%
Wuxuan Xinbao Mining Company Limited	Registered and paid up capital of RMB50,000,000 (2023: same)	Mining in the PRC	50%
Jiangsu Lianxun	Registered capital of RMB30,000,000 and paid up capital of RMB10,000,000 (2023: same)	Provision of technology service in the PRC	30%

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

The following is a list of the associates as at 31 December 2024: (Continued)

Name	Particulars of registered share capital	Principal activities and place of operation	Interest held
Dannai	Registered capital of RMB100,000,000 and paid up capital of RMB30,000,000	Manufacturing, developing and trading of refractory materials in the PRC	30%
Shuangxin	Registered capital of RMB450,000,000 and paid up capital of RMB79,400,000	Manufacturing and trading of resin in the PRC	30%
Anxin	Registered and paid up capital of IDR22,000,000,000	Processing and production of silica sand in Indonesia	35%

Notes:

(i) As at 31 December 2024, the fair value of the Group's interest in Xinyi Solar, which is listed on the Stock Exchange, was RMB6,350,418,000 (2023: RMB8,661,044,000) and the carrying amount of the Group's interest was RMB8,159,354,000 (2023: RMB8,092,070,000).

(ii) As at 31 December 2024, the fair value of the Group's interest in Xinyi Energy, which is listed on the Stock Exchange, was RMB344,709,000 (2023: RMB587,063,000) and the carrying amount of the Group's interest was RMB869,976,000 (2023: RMB817,482,000).

During the year ended 31 December 2024 and 2023, Xinyi Energy remained a subsidiary of Xinyi Solar.

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

Notes to the Consolidated Financial Statements

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES

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

Summarised consolidated balance sheet

	2024 RMB'000	2023 RMB'000 (restated)
Current		
Cash and cash equivalents	**821,606**	2,572,275
Other current assets (excluding cash)	**16,741,335**	15,495,145
Total current assets	**17,562,941**	18,067,420
Current liabilities	**(15,343,872)**	(15,698,412)
Non-current		
Assets	**39,369,543**	37,004,425
Liabilities	**(7,180,740)**	(4,878,334)
Net assets	**34,407,872**	34,495,099

Summarised consolidated statement of comprehensive income

	2024 RMB'000	2023 RMB'000 (restated)
Revenue	**21,921,447**	24,163,667
Depreciation and amortisation	**(2,025,408)**	(1,653,922)
Interest income	**23,279**	31,066
Interest expense	**(432,107)**	(348,697)
Profit before income tax	**1,935,298**	5,104,849
Income tax expense	**(526,227)**	(797,171)
Post-tax profit from operations	**1,409,071**	4,307,678
Other comprehensive income	**242,648**	21,741
Total comprehensive income	**1,651,719**	4,329,419
Dividend received from Xinyi Solar	**484,236**	328,674

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Opening net assets	34,495,099	31,514,292
Total comprehensive income for the year	1,651,719	4,329,419
Transactions with owners	(1,738,946)	(1,348,612)
Closing net assets	34,407,872	34,495,099
Less: non-controlling interests	(5,356,082)	(5,357,035)
Closing net assets attributable to owners of Xinyi Solar	29,051,790	29,138,064
The Group's ownership interest	23.68%	23.40%
	6,879,464	6,818,307
Goodwill	1,257,153	1,251,026
Intangible assets and other assets and liabilities	22,737	22,737
Carrying amount	8,159,354	8,092,070

Notes to the Consolidated Financial Statements

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

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

Summarised consolidated balance sheet

	2024 RMB'000	2023 RMB'000 (restated)
Current		
Cash and cash equivalents	354,238	587,926
Other current assets (excluding cash)	4,586,881	3,942,644
Total current assets	4,941,119	4,530,570
Current liabilities	(3,177,745)	(3,804,118)
Non-current		
Assets	16,727,382	14,732,673
Liabilities	(5,986,271)	(3,329,506)
Net assets	12,504,485	12,129,619

Summarised consolidated statement of comprehensive income

	2024 RMB'000	2023 RMB'000 (restated)
Revenue	2,440,447	2,280,821
Depreciation and amortisation	(693,578)	(604,440)
Interest income	2,602	6,123
Interest expense	(364,775)	(328,388)
Profit before income tax	1,167,722	1,175,075
Income tax expense	(376,220)	(275,229)
Post-tax profit from operations	791,502	899,846
Other comprehensive loss	(115,884)	(91,335)
Total comprehensive income	675,618	808,511
Dividend received from Xinyi Energy	20,529	44,045

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES (Continued)

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Opening net assets	**12,129,619**	10,525,949
Total comprehensive income for the year	**675,618**	808,511
Transactions with owners	**(300,752)**	795,159
Closing net assets	**12,504,485**	12,129,619
Less: non-controlling interests	**—**	(9,811)
Closing net assets attributable to owners of Xinyi Energy	**12,504,485**	12,119,808
The Group's ownership interest	**5.54%**	5.46%
	692,748	661,742
Goodwill	**177,228**	155,740
Carrying amount	**869,976**	817,482

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

13 INTERESTS IN AND BALANCES WITH ASSOCIATES (Continued)

INDIVIDUALLY IMMATERIAL ASSOCIATES

In addition to the interests in the material associates disclosed above, the Group also has interests in nine (2023: five) individually immaterial associates that are accounted for using the equity method.

	2024 RMB'000	2023 RMB'000 (restated)
Aggregate carrying amount of individually immaterial associates	174,299	157,155
Aggregate amounts of the Group's share of:		
Loss from continuing operations	(57,325)	(871)
Total comprehensive loss	(66,072)	(3,665)

14 INVENTORIES

	2024 RMB'000	2023 RMB'000 (restated)
Raw materials	1,203,674	1,219,563
Work in progress	219,068	197,825
Finished goods	2,069,463	2,053,548
	3,492,205	3,470,936

(I) Assigning costs to inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group identified certain inventory items that were subject to impairment due to the impact of typhoon in Hainan in September 2024. Specifically, the Group recognised impairment losses of RMB35,871,000 in 2024 (2023: nil).

(II) Amounts recognised in profit or loss

The cost of inventories recognised as expenses and included in cost of sales amounted to approximately RMB11,518,398,000 (2023: RMB 12,726,001,000) (Note 22).

15 TRADE AND OTHER RECEIVABLES

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

15 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

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

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Current	**1,659,209**	1,416,271
0 - 90 days	**200,317**	145,121
91 - 180 days	**15,184**	14,268
181 - 365 days	**14,139**	12,259
1 - 2 years	**21,667**	24,517
Over 2 years	**18,057**	12,014
	1,928,573	1,624,450

15 TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
RMB	973,421	740,456
USD	817,976	785,605
HK$	5,945	2,748
Other currencies	131,231	95,641
	1,928,573	1,624,450

(I) Classification as trade receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 3.1(b).

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

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

15 TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

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

(I) Impairment and risk exposure

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

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

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk can be found in note 3.1.

The top five customers and the largest customer accounted for approximately 15.9% (2023: 16.6%) and 7.8% (2023: 6.3%) of the trade and bills receivables, net as at 31 December 2024, respectively. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

(c) All bills receivables are issued by licensed banks in the PRC with maturities within 12 months (2023: 12 months), including the bills receivables classified as financial assets at FVOCI, which the Group had discounted or endorsed for treasuring management purpose.

(d) The carrying amounts of trade and other receivables approximate their fair values.

(e) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

(f) Nature of other receivables is as below:

	2024 RMB'000	2023 RMB'000 (restated)
Prepayments for property, plant and equipment, land use right and intangible assets	**1,312,026**	848,801
Prepayment for inventories	**363,329**	696,780
Prepaid expenses	**125,910**	145,083
Deposits	**7,309**	218
Tax recoverable *(Note)*	**890,924**	704,240
Amount due from an associate *(Note 32(B))*	**1,713,028**	1,414,396
Others	**323,073**	602,470
	4,735,599	4,411,988

Note:

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

15 TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
At 1 January	—	—
Increase in provision for loss allowance of deposits and other receivables, net	70,654	—
At 31 December	70,654	—

16 CASH AND BANK BALANCES

	2024 RMB'000	2023 RMB'000 (restated)
Total cash at bank and on hand	1,456,115	1,814,614
Cash and cash equivalents	1,456,115	1,814,614
Fixed bank deposits		
– Short-term *(Note (a))*	100,000	325,000
– Long-term *(Note (a))*	70,000	850,000
Pledged bank deposits *(Note (b))*	83,137	133,763
Total cash and bank balances	1,709,252	3,123,377

Notes:

(a) The Group placed fixed bank deposits with major licensed banks in the PRC, with fixed maturities and fixed interest rates. The effective interest rate on fixed bank deposits was 3.4% (2023: 3.7%) per annum. Fixed bank deposits have an average maturity of 3.0 years (2023: 2.0 years).

(b) Pledged bank deposits represent deposits pledged as collateral principally as security for import duties payable to the US Customs.

16 CASH AND BANK BALANCES (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
RMB	**1,180,795**	2,535,411
USD	**359,847**	415,534
MYR	**34,355**	43,982
HK$	**52,661**	42,275
Other currencies	**81,594**	86,175
	1,709,252	3,123,377

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Total cash and bank balances	**1,709,252**	3,123,377
Less:		
– Long-term fixed bank deposits	**(70,000)**	(850,000)
– Short-term fixed bank deposits	**(100,000)**	(325,000)
– Pledged bank deposits	**(83,137)**	(133,763)
	1,456,115	1,814,614

17 SHARE CAPITAL AND PREMIUM

	Note	Number of shares	Ordinary shares of RMB0.1 each RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2023 (restated)		4,109,103,027	385,801	1,101,629	1,487,430
Issue of shares under an employees share option scheme	(A)	18,226,400	1,606	175,215	176,821
Scrip Dividend	(B)	95,216,245	8,815	969,259	978,074
At 31 December 2023 (restated)		4,222,545,672	396,222	2,246,103	2,642,325

	Note	Number of shares	Ordinary shares of RMB0.1 each RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2024 (restated)		4,222,545,672	396,222	2,246,103	2,642,325
Issue of shares under an employees share option scheme	(A)	1,990,600	184	17,942	18,126
Scrip Dividend	(B)	132,656,647	11,972	784,045	796,017
At 31 December 2024		4,357,192,919	408,378	3,048,090	3,456,468

(A) SHARE OPTIONS

In 2005, the Company adopted a share option scheme ("Share Option Scheme"). Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant options to any employee of the Group to subscribe for shares of the Company at the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the day of the offer of the grant; and (iii) the nominal value of shares. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 30% of the relevant shares or securities of the Company in issue from time to time.

17 SHARE CAPITAL AND PREMIUM (Continued)

(A) SHARE OPTIONS (Continued)

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

In March 2020, 32,000,000 share options were granted to the Company's employees and connected persons of the Company and its subsidiaries at the then quoted market share price of HK$8.82 per share. Options are conditional on the employee completing three years' service (the vesting period). One third of the options will vest on each of the year-end date within the three years after the grant date of the share option. During the year ended 31 December 2024, in relation to the batch granted in March 2020, 1,990,600 (2023: 2,638,300) options were exercised, nil (2023: 1,538,366) options were forfeited and 23,630,900 (2023: nil) options were expired.

In March 2021, 34,700,000 share options were granted to the Company's employees and connected persons of the Company and its subsidiaries at the then quoted market share price of HK$23.35 per share. Options are conditional on the employee completing three years' service (the vesting period). One third of the options will vest on each of the year-end date within the three years after the grant date of the share option. During the year ended 31 December 2024, in relation to the batch granted in March 2021, a total of 1,099,854 (2023: 1,509,512) options were forfeited.

In March 2022, 35,000,000 share options were granted to the Company's employees and connected persons of the Company and its subsidiaries at the then quoted market share price of HK$21.80 per share. Options are conditional on the employee completing three years' service (the vesting period). One third of the options will vest on each of the year-end date within the three years after the grant date of the share option. During the year ended 31 December 2024, in relation to the batch granted in March 2022, a total of 1,123,468 (2023: 1,196,172) options were forfeited.

In March 2023, 35,000,000 share options were granted to the Company's employees and connected persons of the Company and its subsidiaries at the then quoted market share price of HK$15.52 per share. Options are conditional on the employee completing three years' service (the vesting period). One third of the options will vest on each of the year-end date within the three years after the grant date of the share option. During the year ended 31 December 2024, in relation to the batch granted in March 2023, a total of 1,117,505 (2023: 2,946,500) options were forfeited.

17 SHARE CAPITAL AND PREMIUM (Continued)

(A) SHARE OPTIONS (Continued)

In March 2024, 37,500,000 share options were granted to the Company's employees and connected persons of the Company and its subsidiaries at the then quoted market share price of HK$8.04 per share. Options are conditional on the employee completing three years' service (the vesting period). One third of the options will vest on each of the year-end date within the three years after the grant date of the share option. During the year ended 31 December 2024, in relation to the batch granted in March 2024, a total of 3,510,000 options were forfeited.

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

	2024		2023	
	Average exercise price in HK$ per share	Options (thousands)	Average exercise price in HK$ per share	Options (thousands)
At 1 January	17.64	117,391	16.88	107,842
Granted	8.04	37,500	15.52	35,000
Exercised	8.82	(1,991)	9.43	(18,226)
Forfeited	13.98	(6,851)	16.78	(7,191)
Expired	8.82	(23,630)	9.53	(34)
At 31 December	16.75	122,419	17.64	117,391

Out of the 122,419,000 (2023: 117,391,000) outstanding options, 28,071,000 (2023: 25,621,000) options were exercisable as at 31 December 2024. Options exercised in 2024 resulted in 1,991,000 shares (2023: 18,226,000 shares) being issued at a weighted average price at the time of exercise of HK$8.82 each (2023: HK$9.43 each). The weighted average market price at the time of exercise is HK$9.24 each (2023: HK$14.69 each).

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

	Exercise price in HK$ per share	Options (thousands) 2024	Options (thousands) 2023
Expiry date			
31 March 2024	8.82	—	25,621
31 March 2025	23.35	28,071	29,171
31 March 2026	21.80	29,422	30,546
31 March 2027	15.52	30,936	32,053
31 March 2028	8.04	33,990	—
		122,419	117,391

17 SHARE CAPITAL AND PREMIUM (Continued)

(A) SHARE OPTIONS (Continued)

The weighted average fair value of options granted during the year determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited, was approximately HK$1.85 (2023: HK$4.13) per option. The significant inputs into the model were weighted average share price of HK$8.04 (2023: HK$15.52) at the grant date, the exercise price shown above, volatility of 47.55% (2023: 45.12%), dividend yield of 7.84% (2023: 4.13%), an expected option life of 3.6 years (2023: 3.6 years), and an annual risk-free interest rate of 3.65% (2023: 3.96%) per annum. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year.

Based on the above, the fair value of the above options granted during the year determined using the Black-Scholes valuation model was approximately RMB64,001,000 (2023: RMB130,852,000). The attributable amounts charged to the consolidated income statement for the year ended 31 December 2024 was RMB81,129,000 (2023: RMB92,962,000) (Note 23).

(B) SCRIP DIVIDEND

On 5 July 2023, the board of directors declared a final dividend of 22.0 HK cents per share for the year ended 31 December 2022. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 4 August 2023, 37,173,254 shares were issued at an issue price of HK$11.58 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 9 August 2023, the board of directors declared an interim dividend of 26.0 HK cents per share for the six months ended 30 June 2023. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 10 October 2023, 58,042,991 shares were issued at an issue price of HK$10.79 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 5 July 2024, the board of directors declared a final dividend of 37.0 HK cents per share for the year ended 31 December 2023. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 7 August 2024, 517,412 shares were issued at an issue price of HK$8.84 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

On 11 September 2024, the board of directors declared an interim dividend of 31.0 HK cents per share for the six months ended 30 June 2024. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 16 October 2024, 132,139,235 shares were issued at an issue price of HK$6.64 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

18 RESERVES

	Other reserves										
	Statutory reserve fund RMB'000 *(Note (a))*	Enterprise expansion fund RMB'000 *(Note (a))*	Foreign currency translation reserve RMB'000	Capital reserve RMB'000 *(Note (b))*	Share option reserve RMB'000	Property revaluation reserve RMB'000	Capital redemption reserve RMB'000	FVOCI reserve RMB'000 *(Note (c))*	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024 (restated)	3,507,831	39,837	(1,163,283)	354,163	198,055	54,034	22,397	(33,905)	2,979,129	26,968,445	29,947,574
Profit for the year	—	—	—	—	—	—	—	—	—	3,369,173	3,369,173
Currency translation differences	—	—	(58,027)	—	—	—	—	—	(58,027)	—	(58,027)
Share of other comprehensive income of investments accounted for using the equity method *(Note 13)*	—	—	57,668	—	—	—	—	—	57,668	—	57,668
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax	—	—	—	—	—	104,713	—	—	104,713	—	104,713
Employees share option scheme:											
– proceeds from shares issued	—	—	—	—	(1,946)	—	—	—	(1,946)	—	(1,946)
– value of employee services *(Note 17(A))*	—	—	—	—	81,129	—	—	—	81,129	—	81,129
– adjustment relating to expired share options	—	—	—	—	(23,100)	—	—	—	(23,100)	23,100	—
Transfer to reserves	116,464	—	—	—	—	—	—	—	116,464	(116,464)	—
Dividends relating to 2023	—	—	—	—	—	—	—	—	—	(1,446,942)	(1,446,942)
Dividends relating to 2024	—	—	—	—	—	—	—	—	—	(1,225,025)	(1,225,025)
At 31 December 2024	3,624,295	39,837	(1,163,642)	354,163	254,138	158,747	22,397	(33,905)	3,256,030	27,572,287	30,828,317

Notes to the Consolidated Financial Statements

18 RESERVES (Continued)

	Other reserves										
	Statutory reserve fund RMB'000 *(Note (a))*	Enterprise expansion fund RMB'000 *(Note (a))*	Foreign currency translation reserve RMB'000	Capital reserve RMB'000 *(Note (b))*	Share option reserve RMB'000	Property revaluation reserve RMB'000	Capital redemption reserve RMB'000	FVOCI reserve RMB'000 *(Note (c))*	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2023 (restated)	3,037,313	39,837	(835,880)	354,163	129,281	29,538	22,397	(9,056)	2,767,593	24,358,203	27,125,796
Profit for the year	—	—	—	—	—	—	—	—	—	4,883,103	4,883,103
Change in fair value of financial assets at FVOCI *(Note 11)*	—	—	—	—	—	—	—	(24,849)	(24,849)	—	(24,849)
Dilution gains of interest in an associate	—	—	3,554	—	—	—	—	—	3,554	—	3,554
Currency translation differences	—	—	(217,866)	—	—	—	—	—	(217,866)	—	(217,866)
Share of other comprehensive loss of investments accounted for using the equity method *(Note 13)*	—	—	(113,091)	—	—	—	—	—	(113,091)	—	(113,091)
Revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets, net of tax	—	—	—	—	—	24,496	—	—	24,496	—	24,496
Employees share option scheme:											
– proceeds from shares issued	—	—	—	—	(24,136)	—	—	—	(24,136)	—	(24,136)
– value of employee services *(Note 17(A))*	—	—	—	—	92,962	—	—	—	92,962	—	92,962
– adjustment relating to expired share options	—	—	—	—	(52)	—	—	—	(52)	52	—
Transfer to reserves	470,518	—	—	—	—	—	—	—	470,518	(470,518)	—
Dividends relating to 2022	—	—	—	—	—	—	—	—	—	(821,991)	(821,991)
Dividends relating to 2023	—	—	—	—	—	—	—	—	—	(980,404)	(980,404)
At 31 December 2023 (restated)	3,507,831	39,837	(1,163,283)	354,163	198,055	54,034	22,397	(33,905)	2,979,129	26,968,445	29,947,574

18 RESERVES (Continued)

Notes:

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

During the year ended 31 December 2024, the boards of directors of the subsidiaries resolved to appropriate approximately RMB116,464,000 (2023: RMB470,518,000) from retained earnings to statutory reserve fund. No enterprise expansion fund was appropriated during the years ended 31 December 2024 and 2023.

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

(c) Financial assets at FVOCI

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

19 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

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

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

19 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Notes:

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

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

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

	2024 RMB'000	2023 RMB'000 (restated)
RMB	1,630,371	1,259,127
MYR	74,001	117,501
USD	65,075	30,579
Indonesia Rupiah ("IRD")	4,371	14,824
Other currencies	7,831	1,300
	1,781,649	1,423,331

(b) Bills payable have maturities ranging within 12 months (2023: 12 months).

(c) Nature of other payables is as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Payables for investment properties	16,325	18,526
Payables for property, plant and equipment	1,216,940	286,116
Payables for employee benefits and welfare	486,399	469,516
Payables for value-added tax	246,365	289,245
Payables for utilities	75,855	39,983
Payables for transportation charges	103,613	571,582
Payables for commission	58,387	54,813
Others	256,779	441,664
	2,460,663	2,171,445

19 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

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

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

	2024 RMB'000	2023 RMB'000 (restated)
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	559,551	559,060

20 BANK BORROWINGS

	2024 RMB'000	2023 RMB'000 (restated)
Non-current		
Long-term bank borrowings	3,262,088	4,681,712
Less: Current portion of long-term bank borrowings	(1,379,869)	(2,020,020)
	1,882,219	2,661,692
Shown as non-current liabilities	1,882,219	2,661,692
Current		
Short-term bank borrowings	4,051,000	2,768,916
Current portion of long-term bank borrowings	1,379,869	2,020,020
Shown as current liabilities	5,430,869	4,788,936
Total bank borrowings	7,313,088	7,450,628

20 BANK BORROWINGS (Continued)

At 31 December 2024 and 2023, the Group's bank borrowings were repayable as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Within 1 year	**5,430,869**	4,788,936
Between 1 and 2 years	**1,587,869**	2,217,248
Between 2 and 5 years	**257,150**	444,444
Over 5 years	**37,200**	—
	7,313,088	7,450,628

These bank borrowings are repayable by installments up to 2031 (2023: 2026) and the carrying amounts of bank borrowings approximate their fair values as at 31 December 2024 and 2023. The fair values are categorised within level 2 of the fair value hierarchy.

The Group is required to comply with the related financial bank covenants for the next financial year and the Group complied with the financial bank covenants of its bank loans during both periods presented. There is no any indication that the Group has any difficulty to comply with the financial bank covenants for the next financial year.

At 31 December 2024 and 2023, the carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000 (restated)
RMB	**7,033,487**	4,062,207
HKD	**279,601**	2,910,276
USD	**—**	478,145
	7,313,088	7,450,628

The effective interest rate is as follows:

	2024	2023
Bank borrowings	**3.30%**	4.92%

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

21 DEFERRED INCOME TAX

The analysis of deferred income tax is as follows:

DEFERRED INCOME TAX ASSETS:

	2024 RMB'000	2023 RMB'000 (restated)
Deferred income tax assets	5,152	4,025

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

	Tax losses RMB'000	Government grants relating to purchase of land use rights RMB'000	Total RMB'000
At 1 January 2023 (restated)	—	—	—
Currency translation differences	(2)	—	(2)
Credited to the consolidated income statement *(Note 27)*	245	3,782	4,027
At 31 December 2023 (restated)	**243**	**3,782**	**4,025**
Currency translation differences	(37)	—	(37)
(Charged)/credited to the consolidated income statement *(Note 27)*	(206)	1,370	1,164
At 31 December 2024	—	5,152	5,152

The Group did not recognise deferred income tax assets of approximately RMB182,069,000 (2023: RMB69,579,000) in respect of losses amounting to approximately RMB774,588,000 (2023: RMB283,962,000) that can be carried forward against future taxable income.

21 DEFERRED INCOME TAX (Continued)

DEFERRED INCOME TAX ASSETS: (Continued)

The time frame of tax losses expiration is as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Expiring in 2024	—	52,520
Expiring in 2025	53,117	55,226
Expiring in 2026	48,363	48,363
Expiring in 2027	51,642	55,209
Expiring in 2028	50,605	61,278
Expiring in 2029	554,889	—
No expire date	15,972	11,366
	774,588	283,962

DEFERRED INCOME TAX LIABILITIES:

	2024 RMB'000	2023 RMB'000 (restated)
Deferred income tax liabilities	579,096	476,678

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

	2024 RMB'000	2023 RMB'000 (restated)
Beginning of the year	476,678	418,883
Currency translation differences	7,861	(1,885)
Charged to the consolidated income statement *(Note 27)*	59,652	51,514
Charged to other comprehensive income	34,905	8,166
End of the year	579,096	476,678

21 DEFERRED INCOME TAX (Continued)

DEFERRED INCOME TAX LIABILITIES: (Continued)

	Accelerated tax depreciation RMB'000	Fair value gains RMB'000	Undistributed profits of subsidiaries RMB'000	Total RMB'000
At 1 January 2023 (restated)	40,436	214,265	164,182	418,883
Charged/(credited) to the consolidated income statement *(Note 27)*	58,803	(7,289)	—	51,514
Charged to other comprehensive income	—	8,166	—	8,166
Currency translation differences	(1,885)	—	—	(1,885)
At 31 December 2023 (restated)	**97,354**	**215,142**	**164,182**	**476,678**
Charged/(credited) to the consolidated income statement *(Note 27)*	77,303	(17,651)	—	59,652
Charged to other comprehensive income	—	34,905	—	34,905
Currency translation differences	7,861	—	—	7,861
At 31 December 2024	182,518	232,396	164,182	579,096

As at 31 December 2024, investment properties located in the PRC amounted to RMB1,722,596,000 (2023: RMB1,347,385,000) are held by certain subsidiaries with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The investment property located in Hong Kong amounted to RMB47,035,000 (2023: RMB56,768,000) are held by certain subsidiaries and expected to be recovered entirely through sale. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 7).

Deferred income tax liabilities of approximately RMB1,478,713,000 (2023: RMB1,446,459,000) have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries in the PRC. Such temporary differences are not expected to be reversed in the foreseeable future. At 31 December 2024, total unremitted earnings for which deferred withholding tax liability has not been recognised amounted to approximately RMB29,574,267,000 (2023: RMB28,929,193,000).

22 EXPENSES BY NATURE

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

	2024 RMB'000	2023 RMB'000 (restated)
Depreciation charge of property, plant and equipment	**1,317,855**	1,249,229
Depreciation charge of right-of-use assets *(Note 6)*	**129,189**	117,296
Amortisation charge of intangible assets *(Note 8)*	**2,968**	3,225
Employee benefit expenses *(Note 23)*	**2,210,505**	2,076,154
Cost of inventories *(Note 14)*	**11,518,398**	12,726,001
Transportation costs	**637,117**	662,260
Advertising costs	**8,184**	7,219
Auditor's remuneration		
– Audit services	**2,991**	3,291
– Non-statutory audit services	**1,269**	1,583
Research and development expenses	**520,643**	657,725
Losses on impairment and disposal of property, plant and equipment	**502,097**	—
Other expenses *(Note)*	**2,042,376**	2,209,575
Total cost of sales, selling and marketing costs and administrative and other operating expenses	**18,893,592**	19,713,558

Note:

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

23 EMPLOYEE BENEFIT EXPENSES

	2024 RMB'000	2023 RMB'000 (restated)
Wages and salaries	1,919,529	1,820,048
Share options granted to employees *(Note 17(A))*	81,129	92,962
Pension costs - defined contribution plans	209,847	163,144
	2,210,505	2,076,154

(A) FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include four (2023: four) directors whose emoluments are reflected in the analysis shown in Note 34. The emoluments payable to the remaining one individual (2023: one individual) during the year are as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Basic salaries and allowances	1,411	1,429
Discretionary and performance bonus	4,746	4,812
Employer's contributions to pension scheme	21	20
Share options granted	682	600
	6,860	6,861

24 OTHER INCOME

	2024 RMB'000	2023 RMB'000 (restated)
Rental income *(Note 7)*	**118,558**	66,831
Government grants *(Note (a))*	**329,897**	318,274
Insurance compensation income *(Note (b))*	**16,615**	6,291
Income from sale of electricity *(Note (c))*	**109,645**	93,805
Income from sale of automatic machines *(Note (d))*	**55,362**	54,022
Realised income from financial products at FVTPL *(Note (e))*	**—**	2,167
Shipping service income	**24,487**	—
Others	**67,183**	64,330
	721,747	605,720

Notes:

(a) Government grants mainly represent grants obtained from the PRC government in relation to the refund of value-added tax, income tax, land use tax and other operating costs of certain PRC subsidiaries.

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

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

(b) It includes the impairment losses of inventory caused by typhoon, as mentioned in Note 14(I) and the corresponding insurance compensation income received of RMB50,000,000.

(c) It represents income from sale of electricity generated from its wind power and solar power plants.

(d) It represents the net income from sale of automatic machines for solar glass factory and other related industry and the related cost of sales.

(e) It represents the realised income arising from certain financial products ("Financial Products"), which were issued by reputable commercial banks in the PRC that were not principal guaranteed nor with pre-determined or guaranteed return. As at 31 December 2024, the Group had RMB107,000 (2023: RMB16,307,000) Financial Products not redeemed or matured. The Group had totally recovered the principal and received the expected returns for those Financial Products that were redeemed or matured during the year.

25 OTHER GAINS/(LOSSES) - NET

	2024 RMB'000	2023 RMB'000 (restated)
Losses on disposal of property, plant and equipment *(Note 30(b))*	(33,417)	(74,851)
Impairment losses of right-of-use assets	(42,787)	—
Unrealised fair value (losses)/gains on financial assets at FVTPL *(Note 12)*	(492)	11,307
Fair value losses on investment properties, net *(Note 7)*	(82,970)	(29,475)
Other foreign exchange gains, net	272,907	57,299
Losses on dilution of investments in an associate *(Note 13)*	—	(5,228)
Others	294	516
	113,535	(40,432)

26 FINANCE INCOME AND COSTS

	2024 RMB'000	2023 RMB'000 (restated)
Finance income:		
Interest income on bank deposits	46,686	177,634
	46,686	177,634
Finance costs:		
Interest on lease liabilities *(Note 6)*	779	1,296
Interest expense on bank borrowings	268,784	549,661
Less: interest expense capitalised on qualifying assets *(Note 6)*	(88,537)	(94,596)
	181,026	456,361

27 INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000 (restated)
Current income tax		
– Hong Kong profits tax *(Note (a))*	**83,318**	67,658
– PRC corporate income tax *(Note (b))*	**562,853**	671,509
– Overseas income tax *(Note (c))*	**2,298**	1,508
– Over provision in prior years	**(30,864)**	(51,229)
– Withholding tax on remitted earnings *(Note (d))*	**200,026**	142,733
	817,631	832,179
Deferred income tax *(Note 21)*		
– Increase in deferred income tax assets	**(1,164)**	(4,027)
– Increase in deferred income tax liabilities	**59,652**	51,514
	58,488	47,487
	876,119	879,666

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable 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% (2023: 25%). Sixteen (2023: Sixteen) major subsidiaries located in Chongqing, Deyang, Dongguan, Guangxi, Jiangmen, Shenzhen, Tianjin, Wuhu, Yingkou and Zhangjiagang enjoy high-tech enterprise income tax benefit and are entitled to a preferential tax treatment of reduction in the CIT rate to 15% (2023: 15%).

(c) Overseas income tax

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. Oversea income tax mainly represents Malaysia income tax which has been calculated on the estimated assessable profits for the year at the standard Malaysia corporate income tax rate of 24% (2023: 24%).

(d) Withholding tax on remitted earnings

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

27 INCOME TAX EXPENSE (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
Profit before income tax	4,248,029	5,775,149
Associates' results reported	(196,869)	(912,257)
	4,051,160	4,862,892
Calculated at weighted average tax rate of 24.3% (2023: 25.5%)	982,417	1,238,016
Preferential tax rates on income of certain PRC and overseas subsidiaries	(338,498)	(490,799)
Over provision in prior years	(30,864)	(51,229)
Tax losses for which no deferred income tax asset was recognised	137,086	12,382
Income not subject to tax	(103,765)	(4,504)
Expenses not deductible for tax purposes	29,717	33,067
Tax effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	200,026	142,733
Income tax expense	876,119	879,666

28 EARNINGS PER SHARE

BASIC:

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue after taking into account the effect of the issuance of new shares and share repurchased and cancellation stated in Note 17(A), (B) during 2024 and 2023.

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

28 EARNINGS PER SHARE (Continued)

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.

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

29 DIVIDENDS

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

Notes:

(a) During the year ended 31 December 2024, an interim dividend of HK$0.31 per share (2023: HK$0.26 per share) was partially paid in cash and partially settled by the issuance of shares in respect of scrip dividend for 2024 interim dividend whose names appeared on the Register of Members of the Company on 19 August 2024 (2023: 17 August 2023). Shares issued during the year on the shareholders' election to receive shares are set out in Note 17.

(b) A final dividend in respect of the financial year ended 31 December 2024 of HK$0.10 per share (2023: HK$0.37 per share), amounting to a total dividend of RMB409,881,000 (2023: RMB1,446,942,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2024 proposed final dividend is based on 4,357,192,919 shares in issue as at 31 January 2025 (2023: 4,224,536,272 shares in issue as of 4 June 2024). These consolidated financial statements do not reflect this proposed dividend payable.

Notes to the Consolidated Financial Statements

30 CASH GENERATED FROM OPERATIONS

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

	Note	2024 RMB'000	2023 RMB'000 (restated)
Profit before income tax		**4,248,029**	5,775,149
Adjustments for:			
– Depreciation charge of property, plant and equipment	22	**1,317,855**	1,249,229
– Losses on impairment and disposal of property, plant and equipment	22, 25	**535,514**	74,851
– Impairment losses of right-of-use assets	25	**42,787**	—
– Depreciation charge of right-of-use assets	22	**129,189**	117,296
– Fair value losses on investment properties - net	25	**82,970**	29,475
– Amortisation charge of intangible assets	22	**2,968**	3,225
– Share of profits of associates	13	**(196,869)**	(912,257)
– Losses on dilution of investments in an associate	25	**—**	5,228
– Interest income	26	**(46,686)**	(177,634)
– Interest expense	26	**181,026**	456,361
– Share options granted to employees	23	**81,129**	92,962
– Unrealised fair value losses/(gains) on financial assets at FVTPL	25	**492**	(11,307)
– Realised income from financial products at FVTPL	24	**—**	(2,167)
– Net impairment losses on financial assets	15	**79,759**	3,784
Changes in working capital:			
– Inventories		**130,445**	487,079
– Trade and other receivables		**83,869**	(1,242,580)
– Trade, other payables and contract liabilities		**14,412**	(417,840)
Cash generated from operations		**6,686,889**	5,530,854

30 CASH GENERATED FROM OPERATIONS (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
Net book amount of property, plant and equipment *(Note 6)*	622,860	214,552
Losses on impairment and disposal of property, plant and equipment	(535,514)	(74,851)
Proceeds from disposal of property, plant and equipment	87,346	139,701

(c) Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2024 RMB'000	2023 RMB'000 (restated)
Cash and cash equivalents *(Note 16)*	1,456,115	1,814,614
Bank borrowings - repayable within one year *(Note 20)*	(5,430,869)	(4,788,936)
Bank borrowings - repayable after one year *(Note 20)*	(1,882,219)	(2,661,692)
Lease liabilities *(Note 6)*	(9,079)	(16,229)
Net debt	(5,866,052)	(5,652,243)
Cash and cash equivalents	1,456,115	1,814,614
Gross debt - variable interest rates	(7,313,088)	(7,450,628)
Gross debt - fixed interest rates	(9,079)	(16,229)
Net debt	(5,866,052)	(5,652,243)

Notes to the Consolidated Financial Statements

30 CASH GENERATED FROM OPERATIONS (Continued)

(c) Net debt reconciliation: (Continued)

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	Cash and cash equivalents RMB'000	Bank and other borrowings due within 1 year RMB'000	Bank and other borrowings due after 1 year RMB'000	Lease liabilities RMB'000	Total RMB'000
Net debt as at 31 December 2022 (restated)	2,845,921	(5,185,441)	(6,909,741)	(18,863)	(9,268,124)
Unwinding of interest on lease liabilities	—	—	—	(1,296)	(1,296)
Cash flows	(1,049,524)	510,705	4,403,573	22,294	3,887,048
Foreign exchange adjustments	18,217	(114,200)	(155,524)	(18,364)	(269,871)
Net debt as at 31 December 2023 (restated)	1,814,614	(4,788,936)	(2,661,692)	(16,229)	(5,652,243)
Net debt as at 31 December 2023 (restated)	**1,814,614**	**(4,788,936)**	**(2,661,692)**	**(16,229)**	**(5,652,243)**
Unwinding of interest on lease liabilities	**—**	**—**	**—**	**(779)**	**(779)**
Cash flows	**(372,607)**	**(617,189)**	**779,473**	**7,590**	**(202,733)**
Foreign exchange adjustments	**14,108**	**(24,744)**	**—**	**339**	**(10,297)**
Net debt as at 31 December 2024	**1,456,115**	**(5,430,869)**	**(1,882,219)**	**(9,079)**	**(5,866,052)**

31 COMMITMENTS

CAPITAL COMMITMENTS

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

	2024 RMB'000	2023 RMB'000 (restated)
Property, plant and equipment, intangible assets and right-of-use assets contracted but not provided for	**1,173,955**	1,419,462

OPERATING LEASE COMMITMENTS

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating lease of investment properties not recognised in the consolidated financial statements are as follows:

	2024 RMB'000	2023 RMB'000 (restated)
Not later than 1 year	**78,113**	55,507
Later than 1 year and not later than 5 years	**243,685**	127,947
Later than 5 years	**182,228**	95,274
	504,026	278,728

32 RELATED PARTY TRANSACTIONS

As at 31 December 2024, the Group was controlled by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai J.P., Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung which in aggregate owns 2,845,060,997 (2023: 2,741,106,831) of the Company's shares.

32 RELATED PARTY TRANSACTIONS (Continued)

The following transactions were carried out with related parties:

(A) TRANSACTIONS WITH RELATED PARTIES

	Note	2024 RMB'000	2023 RMB'000 (restated)
Purchase of goods from associates	i		
– Tianjin Wuqing District Xinke Natural Gas Investment Company Limited		311,265	308,612
– Wuxuan Xinbao Mining Company Limited	xi	50,133	16,449
– Jiangsu Lianxun Technology Company Ltd.		394	—
Sales of goods to an associate			
– Subsidiaries of Xinyi Solar	ii	5,417	5,399
Sales of consumable goods to an associate			
– Subsidiaries of Xinyi Solar	ii, vii	1,939	244
Sales of goods to related parties			
– An entity controlled by a controlling party	ii	9,263	9,704
– Entities controlled by a controlling party	ii, vii	1	1
Sales of machineries to an associate			
– Subsidiaries of Xinyi Solar	iii	199,371	213,919
Sales of fixed assets to an associate			
– A subsidiary of Xinyi Solar	iii, vii	—	1,333
– Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	iii	13,084	—
Rental income received from an associate			
– Subsidiaries of Xinyi Solar	v, vii	28,683	17,540
– Jiangsu Lianxun Technology Company Ltd.	v	810	—
Rental expenses paid to an associate			
– A subsidiary of Xinyi Solar	v, vii	6,369	3,646

32 RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

	Note	2024 RMB'000	2023 RMB'000 (restated)
Purchase of silica sand from an associate			
– A subsidiary of Xinyi Solar	i	**51,668**	68,630
Rental income received from a related party			
– An entity controlled by a controlling party	v, vii	**674**	496
Wind farm management fees paid to related parties			
– An entity controlled by a controlling party	vi	**9,434**	8,254
Sales and processing income of silica sands and raw materials from an associate			
– Subsidiaries of Xinyi Solar	ii	**—**	6,745
Purchase and processing charge of silica sands to an associate			
– Subsidiaries of Xinyi Solar	i, vii	**1,624**	—
Purchase of electric storage products from a related party			
– An entity controlled by a controlling party	ix	**20,625**	4,975
Purchase of consumables from an associate			
– Subsidiaries of Xinyi Solar	vii, x	**8,976**	531
Engineering, procurement and construction service fees paid to an associate			
– Subsidiaries of Xinyi Solar	vii, viii	**—**	3,707
Sales of wooden packaging products to an associate			
– A subsidiary of Xinyi Solar	ii, vii	**—**	1,898
Provision of shipping services to an associate			
– A subsidiary of Xinyi Solar	xii	**23,782**	—

Notes to the Consolidated Financial Statements

32 RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

	Note	2024 RMB'000	2023 RMB'000 (restated)
Purchase of green electricity certificate			
– A subsidiary of Xinyi Solar	vii, x	138	—
Rental expenses paid to a related party			
– An entity controlled by a controlling party	v, vii	2,514	726
Purchase of automobile glass from an entity controlled by a controlling party			
– An entity controlled by a controlling party	vii, ix	646	149
Purchase of electricity from a related party			
– An entity controlled by a controlling party	vii, ix	2,510	—
Purchase of fixed assets from an associate			
– A subsidiary of Xinyi Solar	i, vii	5	—
– Jiangsu Dannai New Material Company Limited	i	11,062	—
Purchase of consumable and fixed assets from an entity controlled by a controlling party			
– An entity controlled by a controlling party	vii, ix	713	248

Notes:

(i) The purchases of goods and fixed assets from associates were charged at mutually agreed prices and terms.

(ii) The sales of goods to associates and related parties were charged at mutually agreed prices and terms.

(iii) The sales of machineries and fixed assets to an associate was charged at considerations based on mutually agreed terms.

(iv) Consultancy income received from an associate was charged at mutually agreed fee.

(v) The leases of premises were charged at mutually agreed rental.

(vi) Wind farm management fees were charged at mutually agreed fees.

(vii) The transactions were de minimis transactions entered into in the ordinary course of business and under normal commercial terms.

(viii) Processing fees, engineering, procurement and construction service fees were charged at mutually agreed prices.

(ix) The purchase of machinery parts, electric storage products, automobile glass, electricity and fixed assets were charged at mutually agreed prices and terms.

32 RELATED PARTY TRANSACTIONS (Continued)

(A) TRANSACTIONS WITH RELATED PARTIES (Continued)

Notes: (Continued)

(x) The purchase of consumables and green electricity certificate was charged at mutually agreed prices and terms.

(xi) The purchase was under a long-term supply contract under which the Group has an option to purchase pre-determined quantity of goods from the associate annually. The long-term contract has a period of 20 years. The purchase prices under the contract were fixed for the first 5 years and will be adjusted upward or downward by a predetermined percentage according to the market trend for the remaining 15 years.

(xii) The shipping services was charged at mutually agreed prices and terms.

(B) YEAR-END BALANCES WITH RELATED PARTIES

	2024 RMB'000	2023 RMB'000 (restated)
Prepayment to an associate *(Note (i))*		
– Dongyuan County Xinhuali Quartz Sand Company Limited	**20,000**	24,000
Receivable from an associate arising from sales of machineries and land parcel *(Note (ii))*		
– Subsidiaries of Xinyi Solar	**127,130**	57,420
Receivable from related parties arising from sales of goods *(Note (i))*		
– An entity controlled by a controlling party	**1,718**	1,642
Advance to an associate *(Note (iii))*		
–Subsidiaries of Xinyi Solar	**1,713,028**	1,414,396
Advance from a related party *(Note (i))*		
– An entity controlled by a controlling party	**—**	(1)
Payable to a related party arising from purchase of goods and processing fee and management fee *(Note (i))*		
– An entity controlled by a controlling party	**23,833**	14,569

32 RELATED PARTY TRANSACTIONS (Continued)

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

	2024 RMB'000	2023 RMB'000 (restated)
Payable to an associate arising from purchase of goods *(Note (i))*		
– Subsidiaries of Xinyi Solar	757	—
Payable to an associate arising from purchase of silica sands *(Note (i))*		
– A subsidiary of Xinyi Solar	—	8,984
Payable to associate arising from provision of EPC service *(Note (i))*		
– A subsidiary of Xinyi Solar	137	766
Prepayment to an associate arising from purchase of goods *(Note (i))*		
– Beihai Yiyang Mineral Company Limited	1,381	1,254
– Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	11,966	—
Prepayment to an associate arising from purchase of fixed assets *(Note (i))*		
– Jiangsu Lianxun Technology Company Ltd.	23,084	—
– Jiangsu Dannai New Material Company Limited	22,125	—
Payable to an associate arising from purchase of goods *(Note (i))*		
– Wuxuan Xinbao Mining Company Ltd.	5,829	—
Prepayment to related parties arising from purchase of goods *(Note (i))*		
– An entity controlled by a controlling party	(1)	(1)
Receivable from an associate arising from provision of shipping service *(Note (iv))*		
– A subsidiary of Xinyi Solar	2,006	—
Receivable from an associate arising from sales of goods *(Note (i))*		
– Subsidiaries of Xinyi Solar	782	—
Loans to an associate *(Note 13)*		
– Wuxuan Xinbao Mining Company Ltd.	—	25,000

32 RELATED PARTY TRANSACTIONS (Continued)

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

Note:

(i) As at 31 December 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values and are denominated in RMB.

(ii) As at 31 December 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values. RMB124,135,000 are denominated in RMB and RMB2,995,000 are denominated in MYR.

(iii) As at 31 December 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values. RMB1,150,655,000 are denominated in RMB and RMB562,373,000 are denominated in HKD.

(iv) As at 31 December 2024, balances with related parties are unsecured, interest-free and repayable on demand. The amounts approximate their fair values and are denominated in USD.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	2024 RMB'000	2023 RMB'000 (restated)
Basic salaries and allowances	17,742	16,948
Discretionary and performance bonus	62,475	88,754
Employer's contributions to pension scheme	104	250
Share options granted	4,894	4,998
	85,215	110,950

33 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

Balance sheet of the Company	Note	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000 (restated)	At 1 January 2023 RMB'000 (restated)
Assets				
Non-current assets				
Investments in subsidiaries		**199,337**	193,150	189,283
Investment in an associate		**450,567**	431,694	423,832
Amounts due from subsidiaries		**2,026,879**	3,362,872	1,928,196
		2,676,783	3,987,716	2,541,311
Current assets				
Amount due from subsidiaries		**20,885,404**	14,448,985	14,185,844
Prepayments and other receivables		**2,924**	3,111	4,551
Cash and bank balances		**1,440**	1,166	1,983
		20,889,768	14,453,262	14,192,378
Total assets		**23,566,551**	18,440,978	16,733,689
Equity				
Equity attributable to the equity holders of the Company				
Share capital		**408,378**	396,222	385,801
Share premium		**3,048,090**	2,246,103	1,101,629
Other reserves	(a)	**418,348**	228,832	138,663
Retained earnings	(a)	**140,425**	72,942	119,460
Total equity		**4,015,241**	2,944,099	1,745,553

33 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

Balance sheet of the Company	*Note*	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000 (restated)	At 1 January 2023 RMB'000 (restated)
Liabilities				
Current liabilities				
Other payables		**2,825**	1,173	11,110
Amounts due to subsidiaries		**19,544,454**	15,491,846	14,976,146
Current income tax liabilities		**4,031**	3,860	880
		19,551,310	15,496,879	14,988,136
Total liabilities		**19,551,310**	15,496,879	14,988,136
Total equity and liabilities		**23,566,551**	18,440,978	16,733,689

The balance sheet of the Company was approved by the Board of Directors on 28 February 2025 and was signed on its behalf.

LEE Yin Yee, S.B.S.
Chairman

LEE Shing Kan, M.H.
Director

Notes to the Consolidated Financial Statements

33 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

Note (a) Reserve movements of the Company

	Share option reserve RMB'000	Capital redemption reserve RMB'000	Foreign currency translation reserve RMB'000	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2023 (restated)	129,281	22,397	(13,015)	138,663	119,460	258,123
Profit for the year	—	—	—	—	1,755,825	1,755,825
Currency translation differences	—	—	21,395	21,395	—	21,395
Employees share option scheme:						
– proceeds from shares issued	(24,136)	—	—	(24,136)	—	(24,136)
– value of employee services	92,962	—	—	92,962	—	92,962
– adjustments relating to expired share options	(52)	—	—	(52)	52	—
Dividend relating to 2022	—	—	—	—	(821,991)	(821,991)
Dividend relating to 2023	—	—	—	—	(980,404)	(980,404)
At 31 December 2023 (restated)	198,055	22,397	8,380	228,832	72,942	301,774
At 1 January 2024 (restated)	198,055	22,397	8,380	228,832	72,942	301,774
Profit for the year	—	—	—	—	2,716,350	2,716,350
Currency translation differences	—	—	133,433	133,433	—	133,433
Employees share option scheme:						
– proceeds from shares issued	(1,946)	—	—	(1,946)	—	(1,946)
– value of employee services	81,129	—	—	81,129	—	81,129
– adjustments relating to expired share options	(23,100)	—	—	(23,100)	23,100	—
Dividend relating to 2023	—	—	—	—	(1,446,942)	(1,446,942)
Dividend relating to 2024	—	—	—	—	(1,225,025)	(1,225,025)
At 31 December 2024	254,138	22,397	141,813	418,348	140,425	558,773

34 BENEFITS AND INTEREST OF DIRECTORS

(A) DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The remuneration for the year ended 31 December 2024 of every director is set out below:

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

34 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(A) DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The remuneration for the year ended 31 December 2023 of every director is set out below:

Name of directors *(Note (i))*	Fees RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Employer's contribution to benefit scheme RMB'000	Total RMB'000
LEE Yin Yee	272	44	26,713	—	27,029
TUNG Ching Bor	272	2,210	11,449	16	13,947
TUNG Ching Sai	272	7,293	26,713	16	34,294
LEE Shing Kan	272	2,162	11,449	16	13,899
NG Ngan Ho	272	—	—	—	272
LI Ching Wai	272	—	—	—	272
SZE Nang Sze	272	—	—	—	272
LI Ching Leung	272	—	—	—	272
YANG Siu Shun	272	—	—	—	272
LAM Kwong Siu	272	—	—	—	272
WONG Chat Chor, Samuel	272	—	—	—	272
TRAN Chuen Wah, John	272	—	—	—	272

Notes

(i) During the year ended 31 December 2024, none of the directors of the Company (a) received any allowances and benefits in kind; (b) received or paid emoluments in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking, except for the director set out in Note (iv) below; and (c) received or paid any remuneration in respect of accepting office (2023: same).

(ii) The remuneration shown above represents remuneration received from the Group by these directors in respect of their services as directors and/or in their respect of their services as employees of the Company or its subsidiaries undertaking (2023: same).

(iii) On 31 May 2024, YANG Siu Shun retired as an independent non-executive Director and Starry LEE Wai-king has been appointed as an independent non-executive Director and approved by the shareholders at the AGM. (No director of the Company was appointed/retired during the year ended 31 December 2023.)

(iv) TUNG Ching Sai is also the Chief Executive Officer of the Group and his remuneration disclosed above include those for services rendered by him as the Chief Executive Officer.

34 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(B) DIRECTORS' TERMINATION BENEFITS

During the year ended 31 December 2024, none of the directors of the Company received termination benefits. (2023: same).

(C) CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 31 December 2024, the Company did not pay any consideration to third party for making available services of director (2023: same).

(D) DIRECTORS' LOANS, QUASI-LOANS AND OTHER DEALINGS

There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate by and connected entities with such directors (2023: same).

(E) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for those transactions disclosed in Note 32, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: same).

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES

35.1 SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

(a) Business combinations

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

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

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

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.1 SUBSIDIARIES (Continued)

(a) *Business combinations* (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.1 SUBSIDIARIES (Continued)

(b) Changes in ownership interests

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

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

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

(c) Separate financial statements

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

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

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.2 ASSOCIATES

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

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

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

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

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the consolidated income statement where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profits of associates" in the consolidated income statement.

35.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

Notes to the Consolidated Financial Statements

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.4 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within "Other gains/(losses) - net".

Changes in the fair value of monetary securities denominated in foreign currency classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated income statement, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as FVOCI are included in other comprehensive income.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.4 FOREIGN CURRENCY TRANSLATION (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

35.5 PROPERTY, PLANT AND EQUIPMENT

Freehold land is stated at historical cost less subsequent impairment losses.

Buildings comprise mainly factories and offices. Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.5 PROPERTY, PLANT AND EQUIPMENT (Continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 35.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses) - net" in the consolidated income statement.

35.6 INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Trademark, customer relationship and patent

Separately acquired trademarks are shown at historical cost. Trademark, customer relationship and patent acquired in a business combination are recognised at fair value at the acquisition date. Trademark, customer relationship and patent have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.6 INTANGIBLE ASSETS (Continued)

(c) Float glass production capacity

Float glass production capacity acquired from external parties are recognised at fair value at the acquisition date. The management considered that the float glass production capacity has indefinite useful life because it is expected to contribute to net cash inflows indefinitely. It has no foreseeable limit to the period over which the Group can use to generate net cash flows. The float glass production capacity will not be amortised until its useful life is determined to be finite. Float glass production capacity is subjected to impairment test annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Float glass production capacity is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the using of the float glass production capacity. The units or groups of units are identified at the lowest level at which float glass production capacity is monitored for internal management purposes, being the operating segments.

35.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.8 INVESTMENTS AND OTHER FINANCIAL ASSETS

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated income statement or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.8 INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

(c) *Measurement* (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement and presented in "Other gains/(losses) - net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other gains/(losses) - net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses) - net" and impairment expenses are presented as separate line item in the consolidated income statement.

  Where equity security is not held for trading, an entity can irrevocably elected to present fair value changes of such equity security in other comprehensive income. If an entity makes the election, changes in fair value recognised in other comprehensive income will not be reclassified to profit and loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in consolidated income statement and presented within "Other gains/(losses) - net" in the period in which it arises.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.8 INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

(c) *Measurement* (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated income statement as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "Other gains/(losses) - net" or "Other income" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3.

(d) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

35.9 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount are reported in the consolidated balance sheet when the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparties.

35.10 CASH AND BANK BALANCES

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.11 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

35.12 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

When the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.13 BORROWINGS COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

35.14 CURRENT AND DEFERRED INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.14 CURRENT AND DEFERRED INCOME TAX (Continued)

(b) *Deferred income tax* (Continued)

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered either through sale or through use.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(d) *Investment allowances and similar tax incentives*

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that can be carried forward and when it is probable that future taxable amounts will be available to utilise the unclaimed tax credits.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.15 PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

35.16 EMPLOYEE BENEFITS

(a) Pension obligations

The Group participates in a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.17 SHARE-BASED PAYMENTS

(a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

When the options are forfeited, the expense recognised in prior periods is reversed. When the options are expired, the reserve related to the expired options is transferred to retained earnings.

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

35.18 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.19 FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

35.20 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Note 24 (a) provides further information on how the Group accounts for government grants.

35.21 LEASES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

35 SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

35.21 LEASES (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Entity-specific details about the Group's leasing policy are provided in note 6.

35.22 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

35.23 INTEREST INCOME

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the consolidated income statement as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is presented below.

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(restated)	(restated)	(restated)	(restated)
Revenue	**22,323,569**	24,293,673	22,005,354	25,318,636	16,664,625
Cost of sales	**(15,593,909)**	(16,476,198)	(14,597,508)	(12,204,161)	(9,707,766)
Gross profit	**6,729,660**	7,817,475	7,407,846	13,114,475	6,956,859
Profit before income tax	**4,248,029**	5,775,149	5,085,762	11,223,081	6,562,000
Income tax expense	**(876,119)**	(879,666)	(719,297)	(1,605,146)	(804,844)
Profit for the year	**3,371,910**	4,895,483	4,366,465	9,617,935	5,757,156
Profit attributable to					
– equity holders of the Company	**3,369,173**	4,883,103	4,351,845	9,605,639	5,749,058
– non-controlling interests	**2,737**	12,380	14,620	12,296	8,098
	3,371,910	4,895,483	4,366,465	9,617,935	5,757,156
Dividends	**1,634,906**	2,427,346	2,257,053	4,766,587	2,863,146

Asset and Liabilities	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(restated)	(restated)	(restated)	(restated)
Total assets	**48,078,296**	46,316,143	46,742,940	46,193,308	37,828,165
Total liabilities	**13,701,155**	13,621,491	18,027,015	17,817,254	14,350,133
	34,377,141	32,694,652	28,715,925	28,376,054	23,478,032
Equity attributable to equity holders of the Company	**34,284,785**	32,589,899	28,613,226	28,287,854	23,401,005
Non-controlling interests	**92,356**	104,753	102,699	88,200	77,027
	34,377,141	32,694,652	28,715,925	28,376,054	23,478,032