



**福耀玻璃工业集团股份有限公司**  
**FUYAO GLASS INDUSTRY GROUP CO., LTD.**

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code: 3606

# 2025 ANNUAL REPORT



# Important Notice

- I. **The Board of Directors, the directors and the senior management of the Company warrant that the contents of this annual report are true, accurate and complete and there are no false representations, misleading statements contained in or material omissions from this annual report, and severally and jointly accept legal responsibility therefor.**
- II. **All the directors of the Company have attended the Board meeting.**
- III. **Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young have issued standard unqualified audit reports for the Company.**
- IV. **Tso Fai, the person-in-charge of the Company, Chen Xiangming, the person-in-charge of accounting affairs and Weng Jiao, the head of the accounting department (person-in-charge of accounting), warrant the truthfulness, accuracy and completeness of the financial report contained in this annual report.**
- V. **Plan for profit distribution or conversion of capital reserves into share capital as approved by the Board in the Reporting Period**

As audited by Ernst & Young Hua Ming LLP (Special General Partnership), the net profit attributable to shareholders of ordinary shares of the Company for the year of 2025 as shown on the consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises amounted to RMB9,312,304,150. As audited by Ernst & Young, the net profit attributable to shareholders of ordinary shares of the Company for the year of 2025 as shown on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) amounted to RMB9,311,873,589.

As audited by Ernst & Young Hua Ming LLP (Special General Partnership), the net profit for the year of 2025 as shown on the Company's financial statements prepared in accordance with the China Accounting Standards for Business Enterprises amounted to RMB6,024,633,376; adding the undistributed profits of RMB8,717,965,322 at the beginning of the year of 2025, deducting the distributed interim profits of RMB7,046,307,536 for the years of 2024 and 2025, and after appropriating 10% of the net profit of the Company for the year of 2025 to the statutory surplus reserve amounting to RMB602,463,338, the profits distributable to the shareholders of the Company as at December 31, 2025 amounted to RMB7,093,827,824.

The profit distribution plan for the year of 2025 as proposed by the Company is as follows: Based on the total number of shares registered on the record date in respect of the equity distribution for the year of 2025, the Company proposes to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the equity distinction for the year of 2025, with a cash dividend of RMB1.20 (tax inclusive) per share, and the remaining undistributed profits of the Company will be carried forward to the following year. As of December 31, 2025, the total number of shares of the Company was 2,609,743,532, based on which, the total cash dividend proposed to be distributed will be RMB3,131,692,238.40 (tax inclusive). In view of the Company having implemented the 2025 interim profit distribution for its A shares and H shares on October 13, 2025 and November 13, 2025, respectively, the Company proposed to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the interim equity distribution for the year of 2025, with a cash dividend of RMB0.90 (tax inclusive) per share, totaling RMB2,348,769,178.80 (tax inclusive). After the aforesaid 2025 cash dividend estimated to be distributed and the amount of 2025 interim profit distribution implemented are calculated together, the total cash dividend of the Company for the year 2025 is RMB5,480,461,417.20 (tax inclusive), accounting for 58.85% of the net profit attributable to shareholders of ordinary shares of the Company in the consolidated financial statements of the year prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. The Company will not carry out bonus issue and conversion of capital reserve into share capital for the year of 2025. The cash dividends distributed by the Company are denominated and declared in RMB and payable in RMB to holders of A shares, and in HKD to holders of H shares.

If the total number of shares of the Company changes between the date of disclosure of such profit distribution plan and the record date for the implementation of equity distribution, the Company proposes to maintain the distribution ratio per share unchanged and make adjustment to the total distribution accordingly. The details of adjustments will be published separately.

- VI. **Risks associated with forward-looking statements**  
The forward-looking statements contained in this annual report such as future plans and development strategies do not constitute substantive commitment of the Company to investors. Investors should be aware of the investment risks.
- VII. **Any appropriation of fund by the controlling shareholder and its connected parties for non-operating purpose**  
No
- VIII. **Any provision of external guarantee in violation of the stipulated decision-making procedure**  
No
- IX. **Whether more than half of the directors are unable to provide assurance as to the truthfulness, accuracy and completeness of the annual report disclosed by the Company**  
No
- X. **Material risk alert**  
The Company has described in detail the potential risks it may face in this annual report. For further information, please refer to "(IV) Potential Risks" under "II. Discussion and Analysis on the Future Development of the Company" of "Section IV Report of the Board of Directors".

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# Section I Chairman's Statement

Dear Shareholders:

First of all, on behalf of the Group's Board of Directors and all employees of Fuyao, I would like to express our sincerest gratitude to all shareholders! Over nearly five decades of relentless progress, our achievements today would not have been possible without your unwavering trust and steadfast support. We are deeply grateful for your enduring companionship and steadfast partnership.

In 2025, the normalization of low global economic growth, coupled with multiple uncertainties, escalating geopolitical conflicts, and fluctuations in trade policies, posed challenges to the global supply chain and the automotive industry, such as weakened demand and rising costs. Although China's automotive industry accelerated the iteration of old and new driving forces driven by policies, it still faced pressures from insufficient demand and intensified competition. Confronted with this complex environment, Fuyao rose to the challenge, courageously tackled technical hurdles, and won tough battles. Through the collective efforts of all employees, the Company's performance reached heights once again:

In 2025, the Company, on a consolidated basis, achieved revenue of RMB45,787,436,000, representing a year-on-year increase of 16.65%; profit before tax of RMB11,161,253,000, representing a year-on-year increase of 24.15%; annual profit attributable to the owners of the Company of RMB9,311,874,000, representing a year-on-year increase of 24.20%; and earnings per share of RMB3.57, representing a year-on-year increase of 24.39%.

In 2026, Fuyao will mark the significant milestone of its 50th anniversary. Facing persistent global economic uncertainties and complex domestic and overseas challenges, Fuyao will uphold the spirit of avoiding complacency and gathering momentum to explore new frontiers. On the basis of a prudent operation, we will actively integrate internal and external resources to open a new chapter that belongs to Fuyao and to this era:

1. Driven by both digitalization and intelligence, we embark on a "second venture": Facing transformative times, as an industry leading enterprise, we must take proactive responsibility and actively break through barriers to lead the way forward. To this end, we will comprehensively deepen our digital and intelligent transformation, reshape production and management models, and strive to build a truly "Digital Fuyao."
2. Looking inward and pursuing efficiency through management: We will advance lean and intelligent upgrades across the entire value chain, build a highly efficient, collaborative and fully visible supply chain system, and implement the concept of extreme cost control, deeply explore potential, strictly control losses, and continuously enhance the endogenous momentum and operational quality of the enterprise.
3. Building on talent and aspiring with AI: We will focus on building a dual-track talent system integrating "business experts + AI application specialists", deeply integrate AI technology into core processes, including R&D design, production management, market analysis and customer service, and advance intelligent business transformation, achieving a comprehensive leap from professional empowerment to technology-driven growth.

We will always insisted on our original intention of "making glass", remaining steadfast in our core business. Rooted in quality, centered on technology and supported by our supply chain, we leverage the advantages of our global presence and multi-base collaboration to continuously provide reliable support for the automotive industry. Enterprise development requires both "upward breakthroughs" and "solid foundations": driving R&D transformation through technological breakthroughs and building robust operational and risk control defenses through meticulous management, thereby ensuring steady and sustained progress in global competition.

Finally, I would like to thank all shareholders once again for your trust. Let us embrace ambitious visions, persevere in our endeavors, and jointly strive toward an even more glorious future!

*Chairman: Tso Fai*

## Section II Definitions

### I. DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the meanings as follows:

#### Definitions of common terms

PRC, China	the People's Republic of China
CSRC	China Securities Regulatory Commission
SSE	the Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Company, Listed Company, Fuyao Glass, Fuyao	Fuyao Glass Industry Group Co., Ltd.
Group	Fuyao Glass Industry Group Co., Ltd. and its subsidiaries
Board of Directors	the board of directors of the Company
Articles of Association	the articles of association of the Company currently in force
RMB, RMB1,000, RMB10,000 and RMB100 million	Renminbi 1 Yuan, Renminbi 1,000 Yuan, Renminbi 10,000 Yuan, Renminbi 100 million Yuan, the lawful currency in circulation in the PRC. Unless otherwise specified, amounts stated in this report are denominated in RMB
PVB	polyvinyl butyral
OEM, ancillary business	automotive glass and services used in new vehicles of automobile factories
ARG, spare parts and components business	used in aftermarket repairing glass, a kind of automotive glass that is produced for replacement purposes for aftermarket suppliers
laminated glass	automotive safety glass made of two or more than two layers of automobile float glass held in place by one or more interlayers of PVB

## Section II Definitions

tempered glass	automotive safety glass made by heating automotive grade float glass to a certain temperature, then promptly cooling it down evenly after being shaped
float glass	the glass produced by applying float technology
Reporting Period	the twelve months ended December 31, 2025
Latest Practicable Date	March 17, 2026, being the latest practicable date for including certain information herein prior to the publication of this annual report

# Section III Corporate Profile and Principal Financial Indicators

## I. COMPANY INFORMATION

Name of the Company in Chinese	福耀玻璃工業集團股份有限公司
Chinese abbreviation	福耀玻璃
Name of the Company in English	FUYAO GLASS INDUSTRY GROUP CO., LTD.
English abbreviation	FYG, FUYAO GLASS
Legal representative of the Company	Tso Fai

## II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board of Directors	Representative of Securities Affairs
Name	Li Xiaoxi	Zhang Wei
Contact address	District II of Fuyao Industrial Zone, Fuqing City, Fujian Province	District II of Fuyao Industrial Zone, Fuqing City, Fujian Province
Telephone	0591-85383777	0591-85383777
Fax	0591-85363983	0591-85363983
E-mail	600660@fuyaogroup.com	600660@fuyaogroup.com

## III. BASIC INFORMATION

Registered address of the Company	Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province
Historical changes of the registered address of the Company	None
Office address of the Company	District II of Fuyao Industrial Zone, Fuqing City, Fujian Province
Postal code of the office address of the Company	350301
Website of the Company	<a href="http://www.fuyaogroup.com">http://www.fuyaogroup.com</a>
E-mail	600660@fuyaogroup.com
Principal place of business in Hong Kong	Room 1907, Shun Tak Centre, West Tower, 200 Connaught Road, Central, Hong Kong
Custodian of A shares	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
Business address	No. 188 Yanggao South Road, Pudong New District, Shanghai
H share registrar	Computershare Hong Kong Investor Services Limited
Business address	Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

## Section III Corporate Profile and Principal Financial Indicators

### IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Media and website on which the annual report of the Company is available	Shanghai Securities News, China Securities Journal and Securities Times
Website of the stock exchange on which the annual report of the Company is published	SSE: <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> Hong Kong Stock Exchange: <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>
Place of inspection of the annual report of the Company	Secretarial Office of the Board of Directors of the Company, District II of Fuyao Industrial Zone, Fuqing City, Fujian Province, the PRC

### V. INFORMATION ON THE COMPANY'S SHARES

Information on the Company's Shares			
Class of shares	Stock exchange on which shares are listed	Stock abbreviation	Stock code
A Shares	SSE	FUYAO GLASS	600660
H Shares	Hong Kong Stock Exchange	FUYAO GLASS	3606

### VI. OTHER RELEVANT INFORMATION

Auditor engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
	Office address	Level 17, Ernst & Young Tower, Oriental Plaza, 1 East Chang An Ave, Dongcheng District, Beijing, the PRC
Auditor engaged by the Company (overseas)	Name of signing accountants	Fu Jun, Hao Xinxin
	Name	Ernst & Young (Registered Public Interest Entity Auditor)
	Office address	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Name of signing accountant	Lee Mee Kwan, Helena

## Section III Corporate Profile and Principal Financial Indicators

### VII. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST THREE YEARS

#### (I) Principal accounting data

Unit: '000 Currency: RMB

Principal accounting data	2025	2024	Increase/ decrease for the Reporting Period as compared with the corresponding period last year (%)	2023
Revenue	<b>45,787,436</b>	39,251,657	16.65	33,160,997
Annual profit attributable to owners of the Company	<b>9,311,874</b>	7,497,392	24.20	5,628,684
Annual profit attributable to owners of the Company, net of non-recurring profits or losses	<b>9,164,684</b>	7,446,000	23.08	5,527,468
Net cash generated from operating activities	<b>12,055,090</b>	8,562,188	40.79	7,624,582
	<b>As at the end of 2025</b>	As at the end of 2024	Increase/ decrease as at the end of the Reporting Period as compared with the end of the corresponding period last year (%)	As at the end of 2023
Equity attributable to owners of the Company	<b>37,565,508</b>	35,703,839	5.21	31,436,239
Total assets	<b>70,071,397</b>	63,263,654	10.76	56,640,463

Note: The "Annual profit attributable to owners of the Company, net of non-recurring profits or losses" was prepared in accordance with the China Accounting Standards for Business Enterprises.

## Section III Corporate Profile and Principal Financial Indicators

### (II) Principal financial indicators

Unit: Yuan Currency: RMB

Principal financial indicators	2025	2024	Increase/ decrease for the Reporting Period as compared with the corresponding period last year (%)	
			2024	2023
Basic earnings per share (RMB/share)	<b>3.57</b>	2.87	24.39	2.16
Diluted earnings per share (RMB/share)	<b>3.57</b>	2.87	24.39	2.16
Return on equity (%)	<b>24.79</b>	21.00	3.79	17.91

For the details of principal accounting data and financial indicators of the Company for the previous three years as at the end of the Reporting Period, please refer to "Section XI Business Performance Highlights for the Previous Five Years".

## Section III Corporate Profile and Principal Financial Indicators

### VIII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

#### (I) Differences between annual profit and equity attributable to owners of the Company in the financial statements prepared under IFRSs and those under the China Accounting Standards for Business Enterprises

Unit: '000 Currency: RMB

	Annual profit attributable to owners of the Company		Equity attributable to owners of the Company	
	For the Reporting Period	For the corresponding period of previous year	As at the end of the Reporting Period	As at the beginning of the Reporting Period
Prepared in accordance with the China Accounting Standards for Business Enterprises	<b>9,312,304</b>	7,497,976	<b>37,556,465</b>	35,694,366
Adjustments to items and amounts in accordance with IFRSs:				
Reversal of impairment for buildings and land use rights and the differences in corresponding depreciation and amortization	<b>-430</b>	-584	<b>9,043</b>	9,473
Prepared in accordance with IFRSs	<b>9,311,874</b>	7,497,392	<b>37,565,508</b>	35,703,839

## Section III Corporate Profile and Principal Financial Indicators

### (II) Explanation on the differences under domestic and overseas accounting standards

In addition to preparing the financial statements for H shares in accordance with IFRSs, the Company, with its A shares listed on the SSE, is also required to prepare financial statements in accordance with the China Accounting Standards for Business Enterprises. There are differences between the financial statements prepared by the Company in accordance with IFRSs and those prepared by the Company in accordance with the China Accounting Standards for Business Enterprises: Yung Tak Investment Limited, a subsidiary established by the Group in the Hong Kong Special Administrative Region, made provision for impairment with respect to the differences between recoverable amounts and carrying amounts of buildings and land use rights in previous years. The provision for long-term asset impairment was subject to the "Accounting Standards for Business Enterprises No. 8 – Assets Impairment" issued by the Ministry of Finance on February 15, 2006. Upon recognition, the loss on asset impairment of the Group shall not be reversed in subsequent accounting periods. Under IFRSs, the loss on asset impairment, excluding goodwill, recognized in previous periods should be reversed as there have changes in the estimates used by the Group for determining the recoverable amounts of assets since the last recognition of loss on impairment. The differences between IFRSs and the China Accounting Standards for Business Enterprises will have an impact on the provision for (and loss on) asset impairment of the Group, and operating results (depreciation/amortization) of the buildings and land use rights within their useful lives, thus resulting in the adjustments above.

### IX. PRINCIPAL FINANCIAL DATA FOR THE YEAR OF 2025 BY QUARTER

Unit: '000 Currency: RMB

	First Quarter (From January to March)	Second Quarter (From April to June)	Third Quarter (From July to September)	Fourth Quarter (From October to December)
Revenue	9,910,013	11,537,379	11,854,516	12,485,528
Annual profit attributable to owners of the Company	2,029,595	2,774,829	2,259,071	2,248,379
Annual profit attributable to owners of the Company, net of non-recurring profits or losses	1,986,938	2,719,744	2,214,952	2,243,050
Net cash generated from operating activities	2,007,595	3,346,882	4,530,153	2,170,460

Notes:

1. The above financial data by quarter was unaudited.
2. The "Annual profit attributable to owners of the Company, net of non-recurring profits or losses" was prepared in accordance with the China Accounting Standards for Business Enterprises.

## Section III Corporate Profile and Principal Financial Indicators

### X. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS (PREPARED IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount for the year of 2025	Amount for the year of 2024	Amount for the year of 2023
Profit or loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-31,852,378	-135,847,386	-100,067,948
Government subsidies recorded under current profit or loss, other than those closely related to the normal business operations of the Company, in compliance with national policy requirements, enjoyed in accordance with defined standards and having a sustained impact on the Company's profit or loss	180,292,257	185,166,753	195,795,178
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and profit or loss from disposal of financial assets and financial liabilities, other than effective hedging activities related to the normal business operations of the Company	3,233,548	1,941,956	-1,655,540
Reversal of the provision for impairment of accounts receivable which are tested individually for impairment	21,329	2,882,570	145,770
Other non-operating income and expenses apart from the aforesaid items	20,540,931	21,077,866	26,451,965
Less: Effects of income tax	23,905,158	22,632,029	18,310,357
Effects of minority interests (after tax)	710,727	613,266	570,844
Total	<b>147,619,802</b>	<b>51,976,464</b>	<b>101,788,224</b>

### XI. ITEMS MEASURED AT FAIR VALUE

Unit: Yuan Currency: RMB

Name of items	Opening balance	Closing balance	Changes in the Reporting Period	Impact on profit for the Reporting Period
Equity instrument investment-held for trading	7,682,574	10,916,122	3,233,548	3,233,548
Equity of unlisted companies measured at fair value through other comprehensive income	82,682,735	88,338,256	5,655,521	
Notes receivable measured at fair value through other comprehensive income	1,921,465,582	2,922,909,334	1,001,443,752	-16,952,367
Total	<b>2,011,830,891</b>	<b>3,022,163,712</b>	<b>1,010,332,821</b>	<b>-13,718,819</b>

Note: The shares of listed companies are the distribution from customer debt restructuring to subsidiaries.

# Section IV Report of the Board of Directors

## I. BUSINESS REVIEW

### (I) Review of the business of the Company

The Company is principally engaged in providing total solutions of safety glass and automotive accessories for various transportation vehicles, including design, manufacturing and sale of automotive grade float glass, automotive glass, locomotive glass, luggage racks, vehicle window trims and provision of relevant services. The business model of the Company is globalized research and development, design, manufacture, distribution and after-sales services. Adhering to its brand development strategy of maintaining an industry-leading position in technology and quickly responding to market changes, the Company works with its customers on product design, manufacturing and rendering of services, focuses on improving its business ecological chain and responds to the ever-changing demand of customers systematically, professionally and rapidly, thus creating value for its customers. Fuyao is a green development enterprise with a strong sense of social responsibility, pursuing mutual benefit, safety and environmental protection, and scientific and technological innovation.

During the Reporting Period, the Company, on a consolidated basis, achieved revenue of RMB45,787,436,000, representing a year-on-year increase of 16.65%; profit before tax of RMB11,161,253,000, representing a year-on-year increase of 24.15%; annual profit attributable to owners of the Company of RMB9,311,874,000, representing a year-on-year increase of 24.20%; and earnings per share of RMB3.57, representing a year-on-year increase of 24.39%.

For other details of the business review of the Company, please refer to this section and the subsection headed "III. Discussion and Analysis on Operation Results" in "Section V Management Discussion and Analysis".

## Section IV Report of the Board of Directors

### (II) Development, performance or status of the business of the Company

Most of the revenue of the Company is generated from the design and supply of high quality automotive glass and the provision of relevant services. The Company, also produces and sells float glass which is the primary raw material for manufacturing automotive glass, as well as automotive accessories. The table below sets forth a summary of financial ratios for the periods and as at the dates indicated:

Financial indicators	Year ended December 31,		
	2025	2024	2023
Revenue growth <sup>(1)</sup>	<b>16.65%</b>	18.37%	18.02%
Growth in annual profit <sup>(2)</sup>	<b>24.16%</b>	33.31%	18.44%
Gross profit margin <sup>(3)</sup>	<b>36.76%</b>	35.53%	34.14%
Interest and profit before tax margin <sup>(4)</sup>	<b>25.08%</b>	23.64%	21.12%
Annual profit margin <sup>(5)</sup>	<b>20.35%</b>	19.12%	16.97%
Return on equity <sup>(6)</sup>	<b>24.79%</b>	21.00%	17.91%
Return on total assets <sup>(7)</sup>	<b>13.30%</b>	11.86%	9.94%
Gearing ratio <sup>(8)</sup>	<b>46.40%</b>	43.58%	44.52%
Turnover period of trade receivables <sup>(9)</sup>	<b>91</b>	92	85
Inventory turnover period <sup>(10)</sup>	<b>82</b>	82	90

*Note:* (1) Revenue growth=(revenue for the period ÷ revenue for the previous period – 1) × 100%; (2) Growth in annual profit=(annual profit for the period ÷ annual profit for the previous period – 1) × 100%; (3) Gross profit margin=(gross profit for the period ÷ revenue) × 100%; (4) Interest and profit before tax margin=(sum of finance costs and profit before tax for the period ÷ revenue) × 100%; (5) Annual profit margin=(annual profit for the period ÷ revenue) × 100%; (6) Return on equity=(annual profit attributable to owners of the Company for the period ÷ equity attributable to owners of the Company) × 100%; (7) Return on total assets=(annual profit for the period ÷ total assets as at the end of the period) × 100%; (8) Gearing ratio=(total liabilities ÷ total assets) × 100%; (9) Turnover period of trade receivables=(trade receivables at the beginning of the period + trade receivables as at the end of the period) ÷ 2 ÷ revenue × 365 days, trade receivables include trade receivables and notes receivable (including notes receivable measured at fair value through other comprehensive income); (10) Inventory turnover period=(balance of inventory as at the beginning of the period + balance of inventory as at the end of the period) ÷ 2 ÷ sales costs × 365 days.

The Company uses representative financial indicators relating to its profitability, operation capacity and solvency to analyse its growth potential. The Company's revenue in 2025 increased by 16.65% year on year, and the annual profit increased by 24.16% year on year, demonstrating a sustained enhancement in profitability. The turnover periods of trade receivables and inventories of the Company in 2025 were 91 days and 82 days, respectively, maintaining normal turnover efficiency level of the Company. The gearing ratio of the Company as at December 31, 2025 was 46.40%, maintaining strong solvency. The Company constantly strengthens its operation management, enhances its comprehensive competitiveness, and continuously creates value for its shareholders.

For details of other information, please refer to "Section V Management Discussion and Analysis".

# Section IV Report of the Board of Directors

## II. DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

### (I) Industry landscape and development trend

According to statistics released by the China Association of Automobile Manufacturers, China's automobile production and sales volumes in 2025 amounted to 34.531 million units and 34.4 million units, respectively, representing year-on-year increases of 10.4% and 9.4%, and the production and sales volumes hit a new record high and continued to remain at a scale of more than 30 million units. As of 2025, China has ranked first in the world for 17 consecutive years in terms of automobile production and sales volumes.

For the automobile industry, in the short term, the market is undergoing a continuous recovery, but the domestic and international landscape remains complex and severe, with multiple unresolved challenges and uncertainties facing the industry. In response to the complex and challenging environment, the Chinese government has persistently intensified macro-control efforts. While focusing on expanding domestic demand and optimizing industrial structure, it actively expands overseas markets and promotes automotive consumption through a series of precise and effective policy measures, such as optimizing purchase restriction policies, conducting a new round of "automobile subsidies for rural areas", facilitating trade-ins, and renewing and optimizing the reduction of the purchase tax on new energy vehicles until the end of December 2027. As these consumption-promoting and growth-stabilizing policies are deeply implemented and continue to exert their effects, China's automobile market is expected to maintain a stable and positive development trend with structural optimization.

In terms of the global automobile industrial structure, the proportion of developing countries in new automobile production and automobile ownership has been increasing, resulting in their greater influence; but there is still a tremendous gap between developing countries and developed countries in terms of automobile popularisation. In 2025, the automobile ownership per 100 population reached over 50 units in developed countries including the US, Japan and Germany, while in developing China, it was only approximately 26 units, much lower than that in major developed countries. In terms of China's population, the percentage of middle-income groups and GDP per capita, there is still growth potential in China's automobile consumption, and the comprehensive supply chain system within China provides robust support for the development of the automotive industry. Therefore, as a supporting industry of the automobile industry, there is still great room for development in the industry.

The automobile is developing towards the trend of "electrification, networking, intelligence and sharing" (new four modernizations) and the automobile industry has now entered a new stage of development characterized by diversified demands and an optimized structure. The penetration rate of new energy vehicles is increasing and smart vehicles have been made available in everyday use. Vehicles have transformed from simple transportation tools to "intelligent mobile terminal". Due to the development of new four modernizations, more and more new technologies are also being integrated into automobile glass. It puts forward new requirements for automobile glass and also provides new opportunities for the development of the automobile glass industry. Accordingly, automotive glass has developed towards "safety and comfort, energy conservation and environmental friendliness, beautiful appearance, and intelligence and integration" with growing share of the high value-added products such as smart and panoramic skylight glass, dimmable glass, head-up display glass, coated heatable glass and flush-mounted tempered laminated glass. The industry-leading position of Fuyao in terms of technology has brought structural opportunities to the sale of automotive glass of the Company.

Therefore, as a supporting industry of the automobile industry, there is still stable room for development for the industry in the medium and long run.

*Note:* The sources of the above information include information from Organization Internationale des Constructeurs d'Automobiles (OICA), the China Association of Automobile Manufacturers and the International Organization of Motor Vehicle Manufacturers.

# Section IV Report of the Board of Directors

## (II) Development strategy of the Company

Leveraging the culture and talent of techniques and innovation, the Company has systemically established sustainable competitive advantages and profitability for “Fuyao” to become a transparent and reliable company for customers, shareholders, employees, suppliers, government, distributors and the society in the long run.

### The plan of the Company is:

1. to expand the boundary of “a piece of glass”, focus on intelligent glass as the core, extend the industrial chain, strengthen supporting products such as precision aluminum components and intelligent decorative parts, consolidate the advantage in float glass, and upgrade equipment and mold technology to build an insurmountable barrier in terms of technology and scale.
2. to continuously promote the “Four-in-one, Dual-drive” business management model, which integrates product, character, quality and taste driven by humanism and innovation, to achieve the quality objectives of “high performance, high stability and high efficiency” and continuously improve the quality management system covering all employees, all processes, and the entire value chain with the “one-vote veto system for quality”.
3. to improve the processes and incentive mechanisms for management innovation and technological innovation with a customer-centric, market-driven and product-oriented approach to achieve technology-led development.
4. to comprehensively deepen digital lean management from different dimensions, improve quality and efficiency, save energy and reduce costs, to strengthen the risk resilience of the enterprise.
5. to implement green and sustainable development, vigorously carry out energy-saving and consumption-reduction measures, and promote green design, green manufacturing and green material applications, in order to build Fuyao into a benchmark enterprise for high-quality development characterized by “stability, innovation and greenness”.
6. to continue leveraging the leading role of sales, and improve sales management mechanism, continuously expand into new markets and acquire new clients while deepening stable relationships with existing clients, establish a customer-centric service culture, improve customer satisfaction, enhance customer loyalty, and drive sustained business growth.
7. to further comprehensively promote a management system that combines intensive capital with budgeting, optimize capital structure, ensure safe and effective capital management, so as to ensure the maximization of capital efficiency.
8. to operate globally, systematically promote comprehensive transformation and upgrading across organizational structure, corporate culture, investment layout and talent recruitment, and continuously enhance our ability to create value and provide excellent service for global customers.
9. to comprehensively promote digital construction, integrate data across various business modules, build an interconnected data system, empower production efficiency and quality control, innovate R&D processes, and continuously optimize service and product experiences to provide solid support for operational decision-making and business growth.
10. to uphold the core values of “diligence, simplicity, learning and innovation”, adopt a dual-track strategy of internal cultivation and external recruitment, systematically optimize the talent structure, focus on building a management team that maintains strategic resolve, drives transformation and change, stimulates organizational vitality, and safeguards critical boundaries, laying a solid talent and organizational foundation for Fuyao’s high-quality development.

## Section IV Report of the Board of Directors

### **Opportunities for the Company:**

1. Under the trend of consumption upgrading and technological iteration, market demand for high value-added products is increasingly strong, presenting new strategic opportunities for Fuyao. Relying on the brand operation strategy of integrated solutions, corporate value is steadily increasing.
2. The reasonable capital structure, sufficient cash flows, stable finance and exceptional operating capability of the Company have laid a good foundation for the sustainable development of the Company.
3. Its strong research and development capabilities, flexible production capacity and forward-looking capacity planning enable the Company to make quick response to the high requirements of design, development and mass production under the new four modernizations of vehicles.
4. Its reasonable overseas presence and relocation of production and operation bases to serve international customers can provide faster and more valuable services for the Company's development in overseas markets and constantly enhance the ability of customer services.
5. The Company has expanded its presence along the industry chain to the automotive decoration business, which not only addresses the need for decorations required for automotive glass integration but is also conducive to the extension of the Company's business, which will create synergy between the automotive decoration business and the automotive glass business, further enhancing its cooperation ties with and automotive plants.
6. The Company has established a global presence, which enables it to cope with challenges brought about by changes in the international landscape.

### **Challenges faced by the Company:**

1. The complex world's economic and political situations, ongoing risks and uncertainties will bring challenges to the Company's operations.
2. In the information age, customers have growing requirements for response speed, which leads to higher requirements on the service and management level, the intelligence level and collaborative ability of the Company.
3. As the tendency of automotive intelligence and integration is highlighted, more and more new technologies are being integrated into automotive glass, and the upgrade of product consumption and technical progress pose new requirements on automotive glass and challenges on the Company's technological development.
4. To cope with its globalized operation and development, the Company is required to embrace the challenges in relation to, among others things, adapting to cultural differences, compliance with laws and arrangement of manpower in the countries where it operates.

## Section IV Report of the Board of Directors

### (III) Business plan

In 2026, the global economy will continue to face numerous uncertainties, and the internal and external conditions remains severe and complex. To this end, Fuyao will adhere to the spirit of avoiding complacency and harnessing momentum to drive innovation, proceeding cautiously with each step:

1. to implement a multi-market layout and dual-drive strategy for domestic and international operations, deeply cultivate customer value, optimize services, stabilize existing customers while expanding to new ones, enhance customer satisfaction, and comprehensively strengthen the Company's overall comprehensive competitiveness.
2. to accelerate the construction of new projects, including Shanghai Aluminum Components, Chongqing Aluminum Components, Anhui Decorative Parts and Anhui Molds, to achieve a leap in production capacity and comprehensively upgrade the Company's supply assurance capability.
3. to strengthen market and technology foresight, concentrate efforts on enhancing core innovation capabilities, tackle the R&D of new automotive glass products and technologies, accelerate the pace of product iteration, and seize market opportunities through first-mover advantage.
4. to deepen comprehensive lean management, gradually upgrade to the establishment of five-star factories and companies based on the foundation of five-star teams, and establish a distinctive lean five-star management model with Fuyao's characteristics that promotes continuous and stable development of the Company through exceptional management standards and efficient operations.
5. to continuously strengthen the comprehensive quality management system, run through the entire process from raw material procurement, production and manufacturing, finished product inspection to after-sales service, ensuring excellence in every stage and maintaining a leading industry position in product quality.
6. to comprehensively advance digital and intelligent transformation, promote the automation transformation and digital control of production lines, intelligently enhancing the efficiency of the entire process, and strive to build a "Digital Fuyao" in the true sense.
7. to fully develop a dual-track talent system of "business experts + AI application specialists", deeply integrate artificial intelligence technology into core areas such as R&D design, production management, market analysis, and customer service, achieving intelligent empowerment, professional decision-making, and technology-driven growth.

In order to accomplish its business plan and goals for the year of 2026, the Company expects its funding needs throughout 2026 will be RMB49,862 million, of which operating expenditure, capital expenditure and payments of cash dividends will be RMB39,000 million, RMB7,730 million and RMB3,132 million (excluding any interim dividend that may be declared and paid during 2026), respectively. The Company plans to satisfy the funding needs through acceleration of collection of trade receivables and inventory turnover, optimization of the utilization of balance of funds, borrowings from financial institutions or issuance of debentures. In 2026, the Company will continue to enhance comprehensive budget management, accelerate the collection of trade receivables, strictly control exchange risks and optimize capital structure, thereby enhancing the security and effectiveness of capital management.

The above-mentioned business plan is mapped out based on the Company's understanding of the current economic and market conditions and the position of the Company and therefore does not constitute a performance guarantee or substantive commitment by the Company to investors. Investors should maintain sufficient risk awareness in this regard, and should gain an understanding of the differences between a business plan and a performance guarantee.

# Section IV Report of the Board of Directors

## (IV) Potential risks

1. Risks associated with economic, political and social conditions, government policies and wars

About 50% of the Company's revenue is derived from the operations in the PRC and another 50% from overseas operations. Therefore, the operating results, financial status and prospects of the Company are susceptible to, among others, changes in the economy, politics, policies, laws, and wars. As the Chinese economy is in the stage of transformation and upgrading, the operations of the Company in the PRC might be affected. In addition, geopolitical conflicts, wars and other related factors will further deepen the impact on the economy and industry. In response, the Company will put more efforts in technological innovation, enhance the organization management, build new culture of Fuyao, strengthen its position in aftersales service market, ensure stable and healthy development in the PRC market and exploit the advantages of its global presence.

2. Risks associated with industry development

The global automobile industry is in the process of transformation and upgrading. Competition in the automobile industry is stretching from the manufacturing field to the service field, and automobile consumers increasingly focus on quality rather than functionality. Intelligent, networking and digital elements will play key roles in the development of the automobile industry. If the Company fails to promptly respond to technological changes, it may fail to cater for customers' demands. If the demand for automobiles fluctuates, the demand for products of the Company would also fluctuate, which might result in an adverse impact on the financial position and operating results of the Company. In light of the above, the Company will enrich product lines, optimize product structure and increase the added value of products, including smart and panoramic skylight glass, dimmable glass, head-up display glass and ultra-insulation glass, as well as providing more comprehensive product solutions and services to customers worldwide.

3. Risks associated with market competition

Intensified market competition may result in a decrease in the selling prices or demand for part of the Company's products. If the competitors of the Company successfully reduce their costs of products or launch new glass products or materials which could substitute glass, the sales and profit margin of the Company may be adversely affected. In this regard, the Company adopts the strategy of differentiation to strengthen strategic and cooperative relationship with customers, further satisfy market needs at home and abroad, and boost the value and competitiveness of "Fuyao" brand.

## Section IV Report of the Board of Directors

### 4. Risks associated with cost fluctuations

The costs of automotive glass of the Company mainly comprise of raw materials of float glass, PVB raw materials, labor, electricity and manufacturing costs, while the costs of float glass mainly include quartz sand raw materials, sodium ash raw materials, natural gas fuel, labor, electricity and manufacturing costs. The Company is exposed to the risk of cost fluctuations due to fluctuations in international commodity prices, changes in supply and demand in the natural gas market, changes in production capacity in the soda ash industry and changes in demand for soda ash from the boom in the glass and alumina industries, and rising labor costs. Given the above, the Company will:

- (1) consolidate key material suppliers and develop cooperative partnership with them; set up a sound supplier evaluation and incentive mechanism to recognize outstanding suppliers; set up an iron-triangle management mechanism for suppliers of key materials and import of materials, focusing on areas such as procurement, technology and quality.
- (2) enhance the research on the price trends of raw materials and make purchases in a timely manner; expand supply channel to ensure a stable and effective supply chain.
- (3) improve the utilization rate of materials, increase automation, optimize staff allocation, enhance efficiency, conserve energy and reduce consumption, strictly control costs throughout the process, integrate logistics, optimize packaging plans, increase transportation capacity for trucks and containers, reduce costs of packaging and logistics, enhance innovation in research and development and the application of research outcomes to increase productivity, improve management level and achieve overall efficiency.
- (4) strengthen customer loyalty and inspire their confidence in placing orders through setting up plants in Europe and the US for production and sale in those regions, and leverage certain of its strengths in the prices of materials, natural gas and electricity to avoid risks arising from cost fluctuations.
- (5) improve intellectual productivity and create value for the Company by devoting efforts to energy conservation in manufacturing and management, as well as product intelligence.

### 5. Risks associated with exchange rate fluctuations

China has reformed the RMB exchange rate mechanism on the principles of voluntarism, gradualism and controllability, and pursues a managed floating exchange rate regime that is based on market supply and demand and with reference to a basket of currencies. Although the underlying cause of imbalances in international trade lies in the issues behind the economic structure of certain countries, fluctuations in exchange rates will take place alongside the fluctuations in the global economy, turbulence in certain countries, growing tension in certain key areas, and the tightening and easing of monetary policies by different countries. Given that the Company's oversea sales business has accounted for around 50% and keeps growing every year, a significant fluctuation in exchange rates will affect the results of the Company. In this regard, (1) the finance department of the headquarters of the Group will strengthen the supervision on the scale of foreign currency transactions as well as foreign currency assets and liabilities of the Group, and manage the potential fluctuations in exchange rates possibly by optimizing the settlement currency of export trades and utilizing exchange rate financial instruments and other proactive preventive measures; (2) the Company will strengthen customer loyalty and inspire their confidence in placing orders through building plants in Europe and the US for production and sale in those regions while avoiding risks arising from the fluctuations in exchange rates, so as to keep the risks at a controllable level.

## Section IV Report of the Board of Directors

6. The Company might not be able to respond quickly enough to rapid technological change and evolving standards in the automotive glass industry or in industries where its customers operate

The Company focuses on developing proprietary technologies and new automotive glass products. A long time may be required for the new product development process, potentially leading to mounting expenses. Substantial investment of capital and resources may be necessary before new products contribute to sales. Investment in the development of new products by the Company may not generate sufficient earnings in the event that competitors release new products to the market more rapidly than the Company does or if alternative technologies and products are preferred by the market. If the Company is unable to predict or respond in a timely manner to changes in technologies or does not succeed in developing new products suited to customer needs, the Company's business activities, business performance and financial condition may be adversely affected. In order to maintain the competitive edge, the Company will increase its investment in research and development, improve its independent innovation capabilities, strengthen the management of research and development projects and establish the market-oriented research and development mechanism. The Company will also directly respond to the demands of the main manufacturers through the product center to establish a strategic cooperative relationship with the customers.

7. Cyber security risk

With the growing smart manufacturing capacity of the Company, the operation and management of core business are all backed by and realized through information systems. In case of external attack or ransomware virus against the core information network of the Company, corruption of important files and failures in manufacturing execution system and other systems may occur, or production and delivery may be affected. Therefore, the Company will, in accordance with the guidance of the overall information security scheme: (1) establish crisis awareness, strengthen the publicity and implementation for information security awareness of all staff, and always prevent cyber fraud and other security risks; (2) continuously optimize the construction of information security management system, standardize key operational procedures, and reduce the possibility of security risks; (3) continuously improve the Company's information security strategy, and establish control measures for cyber security, host security, terminal security, data security, etc.; (4) regularly carry out information security risk assessment including risk identification, risk assessment, risk monitoring and risk response, and establish risk management system and processes for the Company; (5) establish and improve security operation capabilities, build multi-layered and three-dimensional defense system, and proactively detect anomalies and take intelligent measures to enhance the ability to withstand and prevent cyber security risks.

8. Data security risk

With the advancement of information-based construction of the Company, information and data has gradually become an important basis for the Company's business development. If the Company's information or data is stolen or leaked, it will have an adverse impact on the Company's core competitiveness. To safeguard the data security, the Company has implemented a series of control measures from both management and technical aspects: (1) the Company complies with laws and regulations and compliance requirements related to data security; (2) in terms of management, the Company strengthens the publicity and implementation for confidentiality awareness of all staff, standardizes data classification and grading, and strictly controls the scope of data distribution; (3) in terms of technology, the Company controls the whole life cycle of data in storage, processing, circulation and destruction through encryption and other control measures to protect the confidentiality and integrity of data; (4) the Company will continue to invest in upgrading data protection and control measures to prevent data security risks.

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### 9. Environmental and social risks

As China's policies, plans and standards in respect of environmental governance and management are becoming increasingly detailed and stringent in terms of both depth and breadth, there may be risks that indicators in some aspects or a certain aspect of the Company deviate from new policies and new standards promulgated by the government. Therefore, the Company first upholds the "resource conserving and eco-friendly" concept and has been implementing this concept through innovations in technology, process and equipment, application of new materials and investment in environmental facilities. As a result, the industries of the Company have satisfied the top-notch standards in the world in respect of materials, process, technology, equipment, energy saving, environmental protection and functional performance; second, it carries out propagation and training courses on environmental protection, energy saving and recycling economy with a view to improving the environmental consciousness of the entire staff on a continuous basis; third, the Company exerts strict internal monitoring and assessment of the comprehensive implementation of various measures and objectives for environmental protection work.

## III. RESULTS

Please refer to "Consolidated Income Statement" of "Section X Financial Report" for details of the annual results of the Company for the year ended December 31, 2025. Please refer to "Section XI Business Performance Highlights for the Previous Five Years" for details of the summary of the results of the Company for the last five financial years.

## IV. DIVIDEND AND REDUCTION AND EXEMPTION OF DIVIDEND TAX

The profit distribution plan for the year of 2025 as proposed by the Company is as follows: Based on the total number of shares registered on the record date in respect of the equity distribution for the year of 2025, the Company proposes to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the equity distribution for the year of 2025, with a cash dividend of RMB1.20 (tax inclusive) per share, and the remaining undistributed profits of the Company will be carried forward to the following year. As of December 31, 2025, the total number of shares of the Company was 2,609,743,532, based on which, the total cash dividend proposed to be distributed will be RMB3,131,692,238.40 (tax inclusive). In view of the Company having implemented the 2025 interim profit distribution for its A shares and H shares on October 13, 2025 and November 13, 2025, respectively, the Company proposed to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the interim equity distribution for the year of 2025, with a cash dividend of RMB0.90 (tax inclusive) per share, totaling RMB2,348,769,178.80 (tax inclusive). After the aforesaid 2025 cash dividend estimated to be distributed and the amount of 2025 interim profit distribution implemented are calculated together, the total cash dividend of the Company for the year 2025 is RMB5,480,461,417.20 (tax inclusive), accounting for 58.85% of the net profit attributable to shareholders of ordinary shares of the Company in the consolidated financial statements of the year prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. The Company will not carry out bonus issue and conversion of capital reserve into share capital for the year of 2025. The cash dividends distributed by the Company are denominated and declared in RMB and payable in RMB to holders of A shares, and in HKD to holders of H shares.

If the total number of shares of the Company changes between the date of disclosure of such profit distribution plan and the record date for the implementation of equity distribution, the Company proposes to maintain the distribution ratio per share unchanged and make adjustment to the total distribution accordingly. The details of adjustments will be published separately.

## Section IV Report of the Board of Directors

Subject to the approval of the 2025 profit distribution plan of the Company by shareholders at the forthcoming general meeting, the cash dividends will be distributed within two months from the closing of the general meeting in accordance with the Articles of Association. Based on the existing working schedule of the Company, the dividends are expected to be paid on or before June 15, 2026. In the case of any change in the payment date mentioned above, the Company will make an announcement in a timely manner. The Company will announce the details regarding other specific matters on dividend distribution in due course.

For details of the formulation, implementation of, and adjustment to, the cash dividend policy of Company and the special description for cash dividend policy, please refer to “XX. Profit Distribution Plan or Plan to Convert Capital Reserve into Share Capital” of “Section VI Corporate Governance, Environment and Society”.

### Holders of A shares

In accordance with the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonus of Listed Companies (Cai Shui [2015] No. 101) (《財政部、國家稅務總局、中國證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for shares of listed companies acquired by individuals from public offerings or transfer of shares in the market, where the holding period exceeds one year, the dividends shall be temporarily exempted from individual income tax; where the holding period is less than one month (inclusive), the full amount of dividends shall be counted as taxable income and where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above. For dividends distributed by listed companies, where the period of individual shareholding is within one year (inclusive), the listed companies shall not withhold the individual income tax temporarily. The tax payable, subject to individual transfer of shares, shall be calculated by China Securities Depository and Clearing Corporation Limited in accordance with the duration of its holding period. Custodian of shares including securities companies will withhold the amount from individual accounts and transfer the tax to China Securities Depository and Clearing Corporation Limited. China Securities Depository and Clearing Corporation Limited shall transfer the tax to the listed companies within 5 working days of the next month, and the listed companies shall declare the tax to the competent tax authorities upon receiving the tax amount within the statutory reporting period of that month.

Resident enterprise shareholders of A shares shall report and pay for the enterprise income tax of dividends by themselves.

For the shareholders who are Qualified Foreign Institutional Investor (QFII), the listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice of the State Administration of Taxation Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (《國家稅務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函2009[47]號)). QFII shareholders entitled to preferential tax treatment under tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends, and tax rebates will be executed under tax treaties upon verification carried out by competent tax authorities.

For non-resident enterprise shareholders of A shares except the above-mentioned QFII, listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the relevant requirements of the Tentative Measures for the Administration of Withholding at the Source of Income Tax of Non-resident Enterprises (Guo Shui Fa [2009] No. 3) (《非居民企業所得稅源泉扣繳管理暫行辦法》(國稅發[2009]3號)) and the Response of the State Administration of Taxation Concerning Questions on Enterprise Income Tax over Dividend of B-Shares and Other Shares Received by Non-resident Enterprises (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)). Non-resident enterprise shareholders entitled to preferential tax treatment under tax treaties shall make registration in accordance with the relevant provisions of the tax treaties.

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Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), listed companies shall withhold an income tax at the rate of 10% on dividends from the A shares of the company invested by Hong Kong investors (including enterprises and individuals) through the SSE, and apply for withholding via the competent tax authorities (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). For investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the listed company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), listed companies shall withhold an income tax at the rate of 10% on dividends from the A shares of the company invested by Hong Kong investors (including enterprises and individuals) through the Shenzhen Stock Exchange, and apply for withholding via the competent tax authorities (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). For investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the listed company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

### Holders of H shares

In accordance with the requirements of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the dividends for the year ended December 31, 2025 to overseas individual shareholders whose names appear on the register of members of H shares of the Company.

Pursuant to the requirements of the Notice of the State Administration of Taxation on Matters Concerning Withholding Enterprise Income Tax When China Resident Enterprises Distribute Dividends to Foreign Non-resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), distributing dividends to foreign non-resident enterprise shareholders of H shares for 2008 and for the years onwards shall be subject to the enterprise income tax withheld at a uniform rate of 10%. Upon receipt of such dividends, an overseas non-resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

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According to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds from investment through the Shanghai-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprise investors from investment through the Shanghai-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in mainland which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law.

According to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds from investment through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprise investors from investment through the Shenzhen-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in mainland which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law.

The shareholders of the Company shall pay the relevant tax and/or are entitled to tax reliefs in accordance with the above requirements.

### V. UTILIZATION OF THE PROCEEDS FROM H SHARE OFFERING

Upon approval by the CSRC, as evidenced by the Reply on the Approval for the Issuance of Additional Overseas Listed Foreign Shares by Fuyao Glass Industry Group Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1495) (《關於核准福耀玻璃工業集團股份有限公司增發境外上市外資股的批覆》(證監許可[2021]1495號)), the Company completed the issuance of 101,126,000 additional overseas listed foreign shares (H shares) at a placing price of HKD42.90 per share on May 10, 2021. After deducting underwriting fees and other issuance expenses (translated based on the exchange rate announced by the People's Bank of China on May 10, 2021 (stock delivery date)), the net proceeds from the placing received by the Company amounted to HKD4,312.78 million. As at December 31, 2025, the proceeds from H share offering of the Company has been fully utilized according to the intended use as previously disclosed, with the specific utilization detailed as follows:

Unit: HKD million

Proposed use of the proceeds	Planned use of the net proceeds	Utilized net proceeds	Unutilized net proceeds as at December 31, 2024	Unutilized net proceeds as at December 31, 2025
Replenishment of working capital and optimization of the capital structure of the Group	2,587.67	2,587.67	218.35	0
Repayment of interest-bearing debts	646.92	646.92	0	0
Investment in R&D projects	646.92	646.92	0	0
Expansion of photovoltaic glass market and general corporate use	431.27	431.27	0	0
Total	4,312.78	4,312.78	218.35	0

# Section IV Report of the Board of Directors

## VI. CONNECTED TRANSACTIONS

Please refer to “VI. Substantial Connected Transactions” of “Section VII Significant Events” for the details of the connected transactions of the Company.

## VII. DONATION

During the Reporting Period, the total external donations of the Group amounted to RMB2,463,400.

## VIII. PROPERTY, PLANT AND EQUIPMENT

Please refer to “Note 15. Property, plant and equipment” of the Notes to the Consolidated Financial Statements” of “Section X Financial Report” for the details of the changes in property, plant and equipment of the Company.

## IX. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Please refer to “Note 1. Corporate information – Information about subsidiaries and 19. Investments accounted for using the equity method” of the Notes to the Consolidated Financial Statements” of “Section X Financial Report” for the details of the interests of the Company in major subsidiaries, joint ventures and associates as at December 31, 2025.

## X. DIRECTORS AND SENIOR MANAGEMENT

Please refer to “IV. Directors and Senior Management” of “Section VI Corporate Governance, Environment and Society” for details.

## XI. PERMITTED INDEMNITY PROVISION

As at December 31, 2025, the Company maintained directors’ and senior management’s liability insurance for all of its directors, former supervisors and senior management members.

## XII. MANAGEMENT CONTRACTS

Except the service contracts entered into with management officers, the Company has not entered into any contract with any person or any corporate group concerning the management or operation of any department or any important parts of the business of the Company.

## XIII. DISCLOSURE OF INTERESTS

Please refer to “Section VIII Changes in Shares and Information of Shareholders” for the details of the disclosure of interests of directors, former supervisors, chief executives and substantial shareholders of Company.

## Section IV Report of the Board of Directors

### XIV. PURCHASE, DISPOSAL OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

No purchase, sale or redemption of any listed securities (including any sale of treasury shares) of the Company or its subsidiaries was made during the Reporting Period, except for the bond issuance described in “Section IX Relevant Information on Bonds” in this report.

As at December 31, 2025, the Company did not hold any treasury shares.

### XV. MINIMUM PUBLIC FLOAT

As at the Latest Practicable Date, based on the publicly available information and to the best knowledge of the directors of the Company, the Company has satisfied the requirements of Rule 19A.28B of the Hong Kong Listing Rules with respect to the minimum public float, as the H shares of the Company held by the public account for at least 5% of the total number of issued shares of the Company.

### XVI. ISSUANCE OF SHARES

Please refer to “Section VIII Changes in Shares and Information of Shareholders” for the details of the issuance of shares by the Company.

### XVII. RESERVES AND DISTRIBUTABLE RESERVE

Pursuant to the Company Law, undistributed profit could be distributed as dividends after the appropriation is made to the statutory surplus reserve. According to the requirements of the Articles of Association, when the Company is to distribute its profit after tax in the relevant accounting year, the profit after tax shall be deemed to be the lesser of the amounts stated in the financial statements prepared in accordance with the China Accounting Standards for Business Enterprises and IFRSs. Under IFRSs, the undistributed profit of the Company as at the end of 2025 amounted to RMB7,086 million.

### XVIII. PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant PRC laws, regulations and rules, according to which the Company would be obliged to offer new shares on a pro rata basis to its existing shareholders. Meanwhile, the Company currently does not have any share option arrangements.

### XIX. BANK BORROWINGS AND OTHER LOANS

Please refer to “Note 27. Borrowings of the Notes to the Consolidated Financial Statements” of “Section X Financial Report” for the details of the bank borrowings and other loans of the Company.

### XX. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE HONG KONG LISTING RULES

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules. Please refer to “Section VI Corporate Governance, Environment and Society” for the details of the corporate governance of the Company.

## Section IV Report of the Board of Directors

### XXI. FULFILMENT OF SOCIAL RESPONSIBILITY

The Company prepared and disclosed the 2025 Environmental, Social and Corporate Governance Report (ESG Report) in accordance with Appendix C2 Environmental, Social and Governance Reporting Code of the Hong Kong Listing Rules and with reference to the Guidelines No. 14 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Sustainability Reporting (Trial) and the Guidelines No. 4 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Sustainability Report Preparation. The aforesaid reports, along with the 2025 Annual Report for A Shares and the 2025 Annual Results Announcement for H Shares, will be published on the same day.

### XXII. RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

#### (I) Employees

In line with the internationalization trend and according to the needs brought by technology upgrading and management upgrading, the Company recruits employees via various channels such as official website, official microblog and job-hunting websites at home and abroad, social media and on-campus recruitment programs at home and abroad. Employees will serve Fuyao companies around the world upon completion of orientation training, operational training and job-specific training. The Group conducts quarterly performance coaching and annual performance review to provide its employees with feedback on their performance. Moreover, the Group also provides on-the-job training to its employees to enhance their skills and comprehensive quality. Please refer to “XIX. Employees of the Company and Its Major Subsidiaries at the end of the Reporting Period” of “Section VI Corporate Governance, Environment and Society” for other information of employees.

#### (II) Customers

The Group sells automotive glass to OEM and ARG customers in various countries and regions, including the PRC, the United States, the United Kingdom, Hong Kong, Germany and Japan. The Group's OEM customers include the world's top 20 automobile manufacturers and top 10 passenger vehicle manufacturers in China by production volume.

In 2025, the top five customers of the Group, all of which are independent third-party automotive glass customers, accounted for 21.79% of the revenue of the Group, and the largest customer of the Group accounted for 6.34% of the revenue of the Group. The Group has maintained good relationships with its major customers, and has maintained its partnership with its largest customer for more than 20 years. Nevertheless, the Group did not depend on any of its major customers. None of the directors of the Company and their close associates or shareholders who hold more than 5% of the shares of the Company has any interest in the top five customers of the Group.

## Section IV Report of the Board of Directors

### (III) Suppliers

The Group has adopted procedures for evaluating potential domestic and overseas suppliers based on product quality, price, ability to deliver products on time and technical capability. The Group has established procurement departments at the Russian, German and U.S. subsidiaries to purchase the raw materials used in the overseas production from local suppliers through the same supply management system that has been adopted by the Group. The Group conducts periodic onsite reviews of the suppliers' production base according to the IATF 16949 quality system. The Group generally enters into procurement contracts with major suppliers for one year. The agreements between the Group and suppliers typically set forth the quantity, price, quality specifications, payment terms and warranty for each type of raw materials.

In 2025, the top five suppliers of the Group accounted for 17.18% of the purchases of the Group, and the largest supplier of the Group accounted for 5.44% of the purchases of the Group. None of the directors of the Company and their close associates or shareholders who hold more than 5% of the shares of the Company has any interest in the top five suppliers of the Group.

## XXIII. ENVIRONMENTAL MATTERS

### 1. Compliance with Environmental Laws and Regulations

The Group strictly complies with environmental laws, regulations and standards in countries in which it operates, including those governing project approvals, waste gas emissions, wastewater discharge, noise control and the management and disposal of hazardous waste and general industrial solid wastes. During the Reporting Period, the Group was not subject to material administrative punishments by the environmental protection authorities due to laws and regulations in respect of environmental protection.

### 2. Major Pollutants and Compliance Status

The major pollutants from the production process include waste gas, wastewater, noise of factories and wastes, the emissions of which are in compliance with the requirements of national and local environmental laws, regulations and standards.

### 3. Environmental Protection Measures and Practices

To implement the "Three-Simultaneous" requirements for environmental protection, the Group has concurrently planned and implemented the following major environmental protection measures during the design, construction and commissioning phases of new construction, reconstruction and expansion projects:

#### (1) Waste Gas Treatment

The Group has implemented comprehensive and differentiated waste gas treatment strategies tailored to the process characteristics and emission profiles of different production lines, ensuring stable and compliant emissions of all waste gas pollutants.

For float glass production lines, natural gas is fully utilized as a clean fuel. For particulate matter generated during the batching process is efficiently captured using baghouse or cartridge dust collection technologies. Particulate matter, sulfur dioxide and nitrogen oxides produced during the melting process are comprehensively treated using a "dry desulfurization + integrated dust removal and denitration using composite ceramic fiber filter tubes" technology, supported by an online monitoring system to ensure stable and compliant emissions throughout the production cycle.

## Section IV Report of the Board of Directors

In automotive glass production lines, an integrated waste gas treatment system has been established to cover the entire process of both organized and unorganized emissions. For the main pollutant, volatile organic compounds (VOCs), all collectible waste gases are centrally gathered through enclosed collection systems and treated using recovery and destruction technologies such as adsorption where molecules adhere to the surface of a solid material, absorption where molecules are taken up into the volume of a liquid or solid, catalytic combustion (CO) and regenerative thermal oxidizer (RTO), as well as combined processes. The Company continuously promotes technological upgrades: newly built production lines fully adopt efficient combined processes such as “activated carbon/molecular sieve adsorption + catalytic combustion (CO)/regenerative thermal oxidizer (RTO)”. Existing production lines employing traditional treatment technologies are progressively upgraded to similar advanced processes. Some subsidiaries have implemented online monitoring, while those without online monitoring strictly adhere to regular monitoring plans to ensure continuous and stable compliance of organized waste gas emissions. Unorganized emissions are managed with precise process control measures: laser film removal particulate matter is treated using baghouse dust collection or directed to adsorption combustion devices; welding particulate matter is treated using mobile purifiers, adsorption materials, or baghouse dust collection methods, effectively reducing dispersion. Grinding processes across all lines employ wet methods to suppress dust generation at the source.

### (2) Wastewater Management

The Group fully implements the separation of rainwater and sewage, along with the classified collection and treatment of production wastewater. For various types of wastewater generated during production (e.g., from grinding, drilling, washing, rinsing, etc.), differentiated treatment is applied based on the water quality characteristics: reusable wastewater is treated through processes such as “ultrafiltration systems + reclaimed water treatment systems” for recycling; final discharges are centrally treated to ensure compliance with national and local emission standards before being discharged into municipal sewage networks. Meanwhile, some key units have implemented online wastewater monitoring systems connected to environmental protection authorities, while other units strictly adhere to regular monitoring plans to ensure stable, controlled and fully compliant discharges.

### (3) Noise Control

During the equipment selection phase, the Group prioritizes low-noise equipment and implements engineering control measures for major noise sources (including cutting/grinding machines, washing machines, pressing furnaces, autoclaves, etc.), such as vibration-damping bases, acoustic enclosures/rooms, and sound-absorbing materials. Through rational layout, plant sound insulation and distance attenuation, noise levels at factory boundaries are consistently maintained within relevant limits. Each production unit is equipped with noise detection instruments, conducts regular noise monitoring at factory boundaries and key areas, maintains records, and ensures the continuous and effective operation of the noise control system.

## Section IV Report of the Board of Directors

### (4) Waste Management

The Group has established a refined waste management system that spans the entire production process, enabling classified collection, standardized storage and compliant disposal.

For hazardous waste generated during production (e.g., waste mineral oil, waste organic solvents, spent activated carbon/molecular sieves, contaminated packaging and wastewater treatment sludge, etc.), strict classification management is applied based on their hazardous characteristics. All such waste is entrusted to relevant qualified units for safe disposal, with the implementation of a transfer manifest system.

For general industrial solid waste, resource utilization pathways are actively promoted. Specifically, glass scraps are reused as raw materials in the Group's internal float glass production lines, achieving closed-loop utilization; other recyclables are handed over to compliant units for comprehensive utilization. Municipal solid waste is collected and transported by environmental hygiene departments.

Through these measures, the Group has fully realized standardized, resource-oriented, and harmless waste management.

### (5) Construction of Environmental Management System

The Group has established a systematic environmental management system, which is continuously operated and improved in accordance with ISO 14001:2015 standards. All new construction, reconstruction and expansion projects strictly adhere to the environmental impact assessment system, ensuring that environmental protection facilities are designed, constructed and put into operation simultaneously with the main projects ("**Three Simultaneous**"). During the operational phase, the Group encourages relevant units to conduct clean production audits as scheduled, formulates and implements environmental monitoring plans, and accepts supervision from regulatory authorities and the public. Meanwhile, all production units have prepared and filed environmental contingency plans, conduct regular drills, and enhance environmental risk prevention and emergency response capabilities.

Through institutionalized management and regular improvement, the Group ensures the ongoing effective operation of the environmental management system and steadily implements various environmental protection measures.

# Section IV Report of the Board of Directors

## XXIV. OCCUPATIONAL HEALTH AND SAFETY MATTERS

The Group strictly complies with national and local safety laws, regulations and standards. Centered on the ISO45001:2018 Occupational Health and Safety Management System, it integrates safety standardization, risk classification control, and a mechanism for inspecting and managing hidden hazards to implement the requirements of the safety, health and environment management system, comprehensively safeguarding the safe production operations of all subsidiaries. The specific control measures are as follows:

### 1. Organizational Structure Assurance

The Group has established a safety production management body responsible for monitoring the implementation of occupational health and safety management provisions and standards of each subsidiary, ensuring coordinated safeguards for safe and healthy production practices throughout the Group. Each subsidiary has established a safety production committee and a safety production management organization, deploying full-time (part-time) safety management personnel to ensure the efficient operation of the occupational health and safety system.

### 2. Personnel and System Control

The Group has developed the “Yao” Learning online learning platform, which integrates core contents such as regulations and systems, management knowledge, operational skills and accident case studies, providing all employees with access to learning resources for the safety, health and environment knowledge and skills. Each subsidiary has formulated and improved safety operation regulations, standards for the allocation of personal protective equipment and MSDS (Material Safety Data Sheet) based on actual job requirements, clearly defining operational boundaries and protection requirements.

### 3. Risk and Emergency Management

The Group has formulated the Management Regulations on the Safety, Health and Environment Risk Classification, Control and Hidden Hazard Inspection and Governance and the Safety, Health and Environment Emergency Management Process to guide subsidiaries in conducting risk identification and control, hidden hazard inspection and governance, and emergency response work. It also issues special inspection notices and requirements periodically based on actual situations. Each subsidiary develops supporting safety inspection standards and plans, strictly implements closed-loop management for hidden hazard rectification, and enhances employees' capability to respond to and handle emergencies through regular emergency drills.

### 4. On-site and Labor Protection

The Group has issued the Management Regulations on Safety, Health and Environment of “Three Simultaneous” to prevent the disconnection between the safety, health and environment facilities and the main construction project from the source. Each subsidiary sets up standardized safety protection facilities based on the hazardous characteristics of equipment and corresponding standards. Simultaneously, sufficient, reasonable and effective PPE (Personal Protective Equipment) is provided to employees, with continuous optimization of product comfort.

## Section IV Report of the Board of Directors

### 5. Occupational Health Assurance

Each subsidiary regularly organizes occupational health examinations for employees to accurately assess their physical condition and prevent occupational health risks. Concurrently, occupational hazard factor detection is conducted, with the results publicly displayed on-site to safeguard employees' right to know.

### 6. Incident Control and Continuous Improvement

The Group has established the Safety, Health and Environment Incident Management Procedures to standardize the rapid response mechanism for environmental protection, occupational health and safety emergencies. Each subsidiary strictly implements the full-process requirements of incident reporting, investigation, and rectification, resolutely preventing the recurrence of incidents. Furthermore, leveraging the ISO45001:2018 Occupational Health and Safety Management System and the Safety, Health and Environment Management System, the Group continuously improves the effectiveness of occupational health and safety management during the production process, steadily enhancing the overall control level.

During the Reporting Period, the Group did not encounter any material unplanned production stoppages due to health and safety issues, nor did it received any material claim in relation to health and safety.

## XXV. LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

The Company may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of its business. As at the Latest Practicable Date, the Company was not a party to, nor was it aware of any threat of, any legal, arbitral or administrative proceedings, which, in the opinion of the Company, is likely to have a material adverse effect on the business, financial conditions or results of operations of the Company. Please refer to "Section VI Corporate Governance, Environment and Society" for the details of the ongoing compliance with applicable laws and regulations by the Company and its directors and senior management.

## XXVI. REVIEW BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The financial statements and annual results of the Company for the year ended December 31, 2025 have been reviewed by the audit committee of the Company.

# Section V Management Discussion and Analysis

## I. BUSINESS OPERATIONS DURING THE REPORTING PERIOD

For detailed information, please refer to “I. Business Review” in “Section IV Report of the Board of Directors”.

## II. INDUSTRY IN WHICH THE COMPANY IS OPERATING DURING THE REPORTING PERIOD

While the automotive industry continues to face uncertainties in the short term, there remains stable room for development in the medium and long term for the industry supporting the automotive sector, in which the Company operates. For details, please refer to “II. Discussion and Analysis on the Future Development of the Company – (I) Industry landscape and development trend” in “Section IV Report of the Board of Directors”.

## III. DISCUSSION AND ANALYSIS ON OPERATION RESULTS

As a worldwide leading enterprise engaged in integrated solutions for the design, development, manufacturing, supply and service of automotive glass and automotive grade float glass, Fuyao adheres to its brand development strategy of pursuing ultimate quality, maintaining an industry-leading position in technology and quickly responding to market changes. During the Reporting Period, Fuyao, as always, provided automobile manufacturers and maintenance market worldwide with products and services of automotive safety glass crafted with the wisdom and care of the Fuyao staff and provided global automobile users with intelligent, safe, comfortable, environment-friendly and trendy, total solutions relating to automotive safety glass and automotive decoration, aiming at making the in-vehicle experience of drivers and passengers more enjoyable.

In 2025, the global economy struggled forward amid multiple uncertainties, with growth momentum slowing significantly. The uncertainty of trade policies and persistent geopolitical conflicts imposed severe pressure on global supply chains. In this macroeconomic context, the global automotive industry generally faced challenges such as sluggish growth, weakening demand and rising costs. Driven by coordinated policies, China's automotive industry showed positive trends of accelerated iteration between old and new driving forces, yet it still encountered issues including insufficient effective demand and increasingly fierce industry competition. According to statistics from the China Association of Automobile Manufacturers, China's automobile production and sales in 2025 reached 34.531 million units and 34.4 million units, respectively, representing year-on-year increases of 10.4% and 9.4%. Confronted with the complex environment of the “normalization of low growth” in the global economy, Fuyao rose to the challenge, bravely tackled technological difficulties, and with the concerted efforts of all employees, the Company's performance once again ascended to a new level.

During the Reporting Period, the Company, on a consolidated basis, achieved revenue of RMB45,787,436,000, representing a year-on-year increase of 16.65%; profit before tax of RMB11,161,253,000, representing a year-on-year increase of 24.15%; annual profit attributable to owners of the Company of RMB9,311,874,000, representing a year-on-year increase of 24.20%; and earnings per share of RMB3.57, representing a year-on-year increase of 24.39%.

During the Reporting Period, the Company focused on the Group's business strategy of “continuously creating values for customers”, adopting a market-oriented approach, supported by technological innovation and safeguarded by standardized management, to enhance the comprehensive competitiveness of the Company. The main initiatives undertaken include:

1. Actively promoting global market layout: the Company consistently adhered to a customer demand-oriented approach, leveraging the synergistic advantages of its global production bases and business entities to deeply explore application scenarios for new technologies and products. It strengthened collaboration with domestic and international customers, earning their deep trust through comprehensive services, thereby steadily increasing market share and continuously enhancing risk resilience.
2. Continuously improving the comprehensive quality management system: quality is the lifeline of Fuyao. The Company always placed product quality at the forefront, covering the entire chain from procurement, production, inspection to after-sales service, pursuing excellence with zero tolerance for quality defects.

## Section V Management Discussion and Analysis

3. Consolidating the foundation of core business: in 2025, the Company capitalized on favorable momentum and strategically expanded its footprint. Key projects such as Anhui Hefei, Fuzhou Yangxia, Benxi Float and Hungary have successively commenced operations, achieving a leap in production capacity scale and further strengthening the assurance capability of the global supply chain and overall competitiveness.
4. Leading technological innovation: with the development of automotive intelligence, automotive glass and trims, etc, have evolved from mere weather protection to components of intelligent cockpits, becoming platforms for external perception and interaction. The Company strengthened market and technological insights, promoted cross-domain integration, and continuously enhanced glass manufacturing techniques and raw material research, gradually building a technological moat. The proportion of high value-added products such as intelligent panoramic skylight glass, dimmable glass, head-up display glass, ultra-insulating glass, lightweight ultra-thin glass, coated heatable glass, flush-mounted tempered laminated glass has continued to grow, rising by 5.44 percentage points compared to the corresponding period last year, reflecting their value.
5. Lean operations for cost reduction and efficiency improvement: the Company adhered to the dual-drive of standardization and digitalization, enhanced production flexibility through intelligent manufacturing, focused on comprehensive budgeting as a core lever, steadily advanced the construction of the five-star management system, fully implemented cost control measures, and embedded lean concepts into every aspect, laying a solid foundation for the Company's sustained and stable development.
6. Continuously advancing the construction of "Human-oriented Fuyao": upholding the core values of "diligence, simplicity, learning and innovation", and fully integrating them into the training, further education and cultural promotion systems, the Company ensured implementation by using improved systems as a safeguard and solid practices as a pathway, building a humanistic development ecosystem with full participation and continuous iteration.

### IV. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

During the Reporting Period, the Company continued to strengthen its core competitiveness:

1. Fuyao, a company with strong sense of social responsibility and mission, has gained trust from global automobile manufacturers, users, suppliers and investors by fulfilling its supporting role in the world's automobile industry and contributing transparent, exquisite glass to the world. Brand is the core competitiveness of Fuyao.
2. Fuyao has developed a team with devotion, passion, unity and ambition which has competitive advantages in operation, management, technology, quality, technique, design and IT in the glass industry.
3. The standardized, transparent and international financial system and the ERP-based process optimization system of Fuyao lay a solid foundation for the digitalization and intelligentization of "Industry 4.0".
4. Fuyao has built a relatively comprehensive industrial ecology, such as sand mineral resources, quality float technology, research and development of process and equipment, multi-function integrated glass, extension to aluminum trim industry, global layout of R&D centers and supply chain network; unique staff training and development mechanism, all of which form the systematic business advantages of Fuyao and create barriers to competitors.
5. Development strategy that highlights specialism, devotion and concentration enables the Company to respond promptly to market changes and provide Total Solutions of automotive glass and automotive accessories to customers.

# Section V Management Discussion and Analysis

## V. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

As at December 31, 2025, the total assets of the Company amounted to RMB70,071,397,000, representing an increase of 10.76% as compared with the beginning of the year; the total liabilities amounted to RMB32,510,194,000, representing an increase of 17.92% as compared with the beginning of the year; the equity attributable to owners of the Company amounted to RMB37,565,508,000, representing an increase of 5.21% as compared with the beginning of the year.

During the Reporting Period, the Company realized revenue of RMB45,787,436,000, representing a year-on-year increase of 16.65%; annual profit attributable to owners of the Company of RMB9,311,874,000, representing a year-on-year increase of 24.20%; and earnings per share of RMB3.57, representing a year-on-year increase of 24.39%.

### (I) Analysis of principal business

#### 1. Analysis on changes of relevant items in the income statement and cash flow statement

Unit: '000 Currency: RMB

Items	For the Reporting Period	For the corresponding period last year	Percentage of change (%)
Revenue	<b>45,787,436</b>	39,251,657	16.65
Cost of sales	<b>28,957,205</b>	25,303,908	14.44
Distribution costs and selling expenses	<b>1,327,765</b>	1,180,261	12.50
Administrative expenses	<b>3,542,948</b>	3,021,597	17.25
Finance income – net	<b>547,421</b>	690,685	-20.74
Research and development expenses	<b>1,913,082</b>	1,677,751	14.03
Net cash generated from operating activities	<b>12,055,090</b>	8,562,188	40.79
Net cash (used in)/generated from investing activities	<b>-6,098,860</b>	55,730	N/A
Net cash used in financing activities	<b>-5,170,389</b>	-3,358,175	53.96
Other gains/(losses) – net	<b>272,492</b>	-149,639	N/A
Share of net losses of joint venture and associate accounted for using the equity method	<b>-21,217</b>	-15,802	34.27

The increase in revenue was mainly attributable to the Company's increased marketing efforts and an increase in the proportion of high value-added products.

The increase in cost of sales was mainly due to an increase in revenue.

The increase in distribution costs and selling expenses was mainly attributable to revenue growth, which resulted in a rise in related expenses.

The increase in administrative expenses was mainly due to an increase in staff salaries and other expenses.

The decrease in Finance income – net was mainly due to a decrease in finance gains during the Reporting Period.

## Section V Management Discussion and Analysis

The increase in research and development expenses was mainly due to the Company's further strengthening of research and development project management, ongoing research and development innovation, and efforts to drive technological upgrades and enhance the value-added content of its products.

The increase in net cash generated from operating activities was mainly due to an increase in revenue and profit.

The change in net cash used in investing activities was mainly attributable to a net inflow of RMB5,449 million from "held-to-maturity time deposits" in the same period last year.

The increase in net cash used in financing activities was mainly due to a year-on-year increase of RMB3,573 million in dividends paid during the Reporting Period.

The change in Other gains/(losses) – net was mainly attributable to the foreign exchange gain of RMB298 million arising from exchange rate fluctuations during the Reporting Period, compared with an exchange loss of RMB24 million in the same period last year.

The change in the share of net losses of joint venture and associate accounted for using the equity method was mainly due to the change in profit of the joint venture and associate during the Reporting Period.

## Section V Management Discussion and Analysis

### 2. Analysis of revenue and costs

During the Reporting Period, the sales revenue of automotive glass of the Company increased by RMB6,177,233,000 compared to the same period last year, representing a year-on-year increase of 17.30%, and the cost of sales of automotive glass of the Company increased by RMB3,890,261,000 compared to the same period last year, representing a year-on-year increase of 15.52%. The float glass produced and sold by the Company is mainly to be used by its automotive glass with internal supply as its main purpose. The breakdown of principal business by product is as follows:

#### (1). Business by product and region

Unit: '000 Currency: RMB

By product	Revenue	Business by product				
		Costs of sales	Gross margin (%)	Year-on-year increase/decrease in revenue (%)	Year-on-year increase/decrease in costs of sales (%)	Year-on-year increase/decrease in gross margin (%)
Automotive glass	41,889,226	28,960,388	30.86	17.30	15.52	Increased by 1.06 percentage points
Float glass	6,479,744	3,956,279	38.94	8.71	2.41	Increased by 3.75 percentage points
Others	5,425,652	3,939,395				
Less: Intra-group elimination	<u>-8,007,186</u>	<u>-7,898,857</u>				
Total	<u>45,787,436</u>	<u>28,957,205</u>	36.76	16.65	14.44	Increased by 1.23 percentage points

By region	Revenue	Business by region				
		Costs of sales	Gross margin (%)	Year-on-year increase/decrease in revenue (%)	Year-on-year increase/decrease in costs of sales (%)	Year-on-year increase/decrease in gross margin (%)
Within China	24,830,032	14,876,528	40.09	14.64	12.86	Increased by 0.95 percentage point
Other regions	20,957,404	14,080,677	32.81	19.13	16.15	Increased by 1.72 percentage points
Total	<u>45,787,436</u>	<u>28,957,205</u>	36.76	16.65	14.44	Increased by 1.23 percentage points

## Section V Management Discussion and Analysis

### (2). Analysis of production and sales volumes

Principal products	Unit	Production volume	Sales volume	Inventory	Change in production volume as compared with last year	Change in sales volume as compared with last year	Change in inventory as compared with last year
					(%)	(%)	(%)
Automotive glass	million square meters	174.57	169.18	21.10	7.76	8.54	9.66
Float glass	'0,000 tons	173.45	174.51	25.88	0.32	2.37	-7.37

### (3). Costs analysis

Unit: '000 Currency: RMB

By product	Cost structure	Amount for the period		Amount for the corresponding period last year	Amount for the corresponding period last year accounting for total costs (%)	Change in the amount for the period as compared with the corresponding period last year (%)
		Amount for the period	Amount for the period accounting for total costs (%)			
Automotive glass	Raw and auxiliary materials	18,456,295	63.73	15,963,885	63.68	15.61
Automotive glass	Costs of energy	1,405,218	4.85	1,251,352	4.99	12.30
Automotive glass	Costs of labor	4,098,183	14.15	3,471,136	13.85	18.06
Automotive glass	Other <sup>(1)</sup>	5,000,692	17.27	4,383,754	17.48	14.07
Float glass	Raw and auxiliary materials	1,153,100	29.15	1,236,782	32.01	-6.77
Float glass	Costs of energy	1,417,091	35.82	1,331,347	34.46	6.44
Float glass	Costs of labor	375,838	9.50	323,858	8.38	16.05
Float glass	Other <sup>(1)</sup>	1,010,250	25.53	971,275	25.15	4.01

Note: Other expenses include manufacturing overhead, packaging expenses, and logistics and transportation expenses, among others.

## Section V Management Discussion and Analysis

- (4). Changes in equity of major subsidiaries during the Reporting Period resulting in changes in the scope of consolidation

For details, see “Note 1. Corporate information – Information about subsidiaries of the Consolidated Financial Statements” in “Section X Financial Report”.

- (5). Major customers and suppliers

Customers or suppliers under the control of the same controlling party are deemed to be a single customer or supplier and are presented on a combined basis, except for those under the de facto control of the same state-owned assets supervision and administration authority.

- A. Major customers and suppliers of the Company

Sales to the top five customers amounted to RMB9,977.7427 million, accounting for 21.79% of the total sales for the year; of which related-party sales amounted to RMB0, accounting for 0% of the total sales for the year.

Purchases from top five suppliers amounted to RMB3,164.7950 million, accounting for 17.18% of the total purchases for the year; of which related-party purchases amounted to RMB0, accounting for 0% of the total purchases for the year.

## Section V Management Discussion and Analysis

- B. Sales to a single customer exceeding 50% of the total, new additions among top five customers, or significant reliance on a few customers during the Reporting Period

Unit: '0,000 Currency: RMB

No.	Name of customers	Sales	Percentage of total sales for the year (%)
1	No. 1	290,490.87	6.34
2	No. 2	207,489.74	4.53
3	No. 3	176,083.36	3.85
4	No. 4	164,554.37	3.59
5	No. 5	159,155.93	3.48

Note: The Company did not rely significantly on a few customers. The No. 5 customer jumped to the top five customers during the Reporting Period due to an increase in sales.

Purchases from a single supplier exceeding 50% of the total, new additions among top five suppliers, or significant reliance on a few suppliers during the Reporting Period

Unit: '0,000 Currency: RMB

No.	Name of suppliers	Purchases	Percentage of total purchases for the year (%)
1	No. 1	100,243.97	5.44
2	No. 2	66,073.07	3.59
3	No. 3	54,553.19	2.96
4	No. 4	51,859.51	2.82
5	No. 5	43,749.76	2.37

Note: The Company did not rely significantly on a few suppliers. The No. 4 supplier and No. 5 supplier jumped to the top five suppliers during the Reporting Period due to an increase in purchases.

### 3. Expenses

For details of changes in the Company's expenses during the Reporting Period, please refer to "Analysis on changes of relevant items in the income statement and cash flow statement".

## Section V Management Discussion and Analysis

### 4. Research and development costs

#### (1). Analysis of research and development (R&D) costs

Unit: '000 Currency: RMB

R&D costs expensed for the Reporting Period	1,913,082
R&D costs capitalized for the Reporting Period	0
Total R&D costs	1,913,082
Total R&D costs as a percentage of operating revenue (%)	4.18
Capitalization percentage of R&D costs (%)	0

#### (2). Analysis of R&D staff

Number of R&D staff of the Company	6,338
Number of R&D staff as a percentage of the total number of staff of the Company (%)	14.90%

#### Educational structure of R&D staff

Educational level	Number of staff
Doctoral candidate	14
Postgraduate	544
Undergraduate	3,844
Junior college	1,238
High school and below	698

#### Age structure of R&D staff

Age level	Number of staff
Under 30 years old (excluding 30 years old)	2,668
30–40 years old (including 30 years old and excluding 40 years old)	2,295
40–50 years old (including 40 years old and excluding 50 years old)	1,055
50–60 years old (including 50 years old and excluding 60 years old)	314
60 years old and above	6

### 5. Details of charge on assets

As of December 31, 2025, the Group's pledged assets were as described in the the Notes 15(c), 17(a), 22(e) and 24(c) of the "Notes to the Consolidated Financial Statements" in "Section X Financial Report".

# Section V Management Discussion and Analysis

## 6. Liquidity and capital sources

### 6.1 Cash flows

Unit: '000 Currency: RMB

Items	<b>Amount for the Reporting Period</b>	Amount for the corresponding period last year
Net cash generated from operating activities	<b>12,055,090</b>	8,562,188
Net cash (used in)/generated from investing activities	<b>-6,098,860</b>	55,730
Net cash used in financing activities	<b>-5,170,389</b>	-3,358,175
Net increase in cash and cash equivalents	<b>785,841</b>	5,259,743

- (1) During the Reporting Period, net cash generated from operating activities amounted to RMB12,055 million. In particular, cash received from sale of goods and provision of labor services amounted to RMB45,331 million; cash paid for purchase of goods and acceptance of labor services amounted to RMB21,868 million, cash paid to and paid on behalf of employees amounted to RMB8,207 million, and payment for various taxes amounted to RMB4,605 million. Daily capital needs of the Group can be financed by cash flows generated from operating activities. The Group also had adequate credit facilities provided by banks.
- (2) During the Reporting Period, net cash used in investing activities amounted to RMB6,099 million, primarily attributable to cash payments of RMB6,164 million for the acquisition and construction of long-term assets such as property, plant and equipment.
- (3) During the Reporting Period, net cash used in financing activities amounted to RMB5,170 million. In particular, cash received from bank borrowings amounted to RMB14,182 million, issuance of super short-term commercial papers amounted to RMB900 million, cash used for repayment of debts amounted to RMB12,769 million; cash payment of dividend distribution and interest amounted to RMB7,315 million.
- (4) The Company will further strengthen management system with intensive capital and budget, strictly control the exchange risks and optimize the capital structure to enhance the security and effectiveness of capital management and ensure the maximization of capital efficiency.

# Section V Management Discussion and Analysis

## 6.2 Cash flow

Unit: '000 Currency: RMB

Items	Amount for the Reporting Period	Amount for the corresponding period last year	Increase/decrease in amount	Percentage of increase/decrease (%)	Explanations for the changes
Proceeds from disposal of property, plant and equipment	39,193	102,111	-62,918	-61.62	The decrease in proceeds from disposal of property, plant and equipment was primarily attributable to a year-on-year reduction in the disposal of related assets during the Reporting Period.
Purchases of intangible assets	66,543	141,763	-75,220	-53.06	The decrease in purchases of intangible assets was primarily attributable to the expenditures incurred to acquire production capacity indicators during the same period last year.
Decrease/(increase) in restricted funds	17,836	-14,673	32,509	N/A	The change in restricted funds was primarily attributable to the movements in funds deposited as margin for bank guarantees
Decrease in held-to-maturity time deposits with a maturity of more than 3 months	-	14,698,509	-14,698,509	-100.00	The decrease in held-to-maturity time deposits with a maturity of over 3 months was mainly attributable to the maturity and redemption of the relevant held-to-maturity time deposits and their accrued interest income held as at the corresponding period of the previous year.
Increase in held-to-maturity time deposits with a maturity of more than 3 months	-	9,666,769	-9,666,769	-100.00	The increase in held-to-maturity time deposits with a maturity of over 3 months was mainly attributable to the placement of held-to-maturity time deposits during the corresponding period of the previous year.
Dividends paid to shareholders of the Company	6,966,084	3,392,667	3,573,417	105.33	The increase in dividends paid to shareholders of the Company was primarily attributable to a year-on-year increase in dividends declared for the previous year during the Reporting Period, coupled with the distribution of interim dividends during the Reporting Period.

## Section V Management Discussion and Analysis

### 6.3 Capital expenditure

The Company's capital expenditure was mainly for ongoing investment in new projects and other renovations and upgrades. During the Reporting Period, cash paid for the purchase and construction of property, plant and equipment, and other long-term assets amounted to RMB6,164 million, of which approximately RMB1,799 million was spent on the capital expenditure for the Anhui Ancillary Automotive Glass, Anhui Accessory Automotive Glass and Anhui Float projects, approximately RMB1,132 million was spent on the capital expenditure for the Fujian Ancillary Glass project, approximately RMB983 million was spent on the capital expenditure for the automotive glass project in the United States, approximately RMB428 million was spent on the capital expenditure for the Suzhou Automotive Glass project and approximately RMB422 million was spent on the capital expenditure for the Tianjin Automotive Glass project.

### 6.4 Interest-bearing debts

During the Reporting Period, the newly-added bank borrowings amounted to RMB14,182 million and the ultra short-term commercial papers amounted to RMB900 million; repayment of bank borrowings amounted to RMB12,369 million and ultra short-term commercial papers amounted to RMB400 million. The Company did not utilize any financial instrument for hedging. As at December 31, 2025, interest-bearing debts are set out as follows:

*Unit: '00 million Currency: RMB*

Type	Amount
Short-term borrowings with fixed interest rates	70.10
Short-term borrowings with floating interest rates	5.99
Long-term borrowings with fixed interest rates due within one year	25.87
Long-term borrowings with floating interest rates due within one year	24.89
Long-term borrowings with fixed interest rates	8.85
Long-term borrowings with floating interest rates	27.84
Ultra short-term commercial papers	5.00
	<hr/>
Total	<b>168.54</b>

*Note:* The accrued interest is not included in the above table.

## 7. Foreign exchange risks and foreign exchange gains or losses

The principal business of the Group is carried out within the PRC and is primarily settled in RMB. However, foreign exchange risks still exist for the assets and liabilities in foreign currencies and future foreign currency transactions as recognized by the Group (assets and liabilities in foreign currencies and foreign currency transactions are mainly denominated in U.S. dollar). To this end, the finance department of the headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and assets and liabilities in foreign currencies to minimize the foreign exchange risks to the largest extent. The Group may hedge against foreign exchange risks by stepping up its globalization paces, reasonably matching the scale of foreign currency assets and liabilities with overseas business expansion, optimizing the currency used for business settlement, matching the same currency between income and expenditure, adopting appropriate exchange rate instruments and financial derivatives such as locking exchange rate, forward foreign exchange contracts, currency swap contracts and currency swap. During the Reporting Period, foreign exchange gains of the Group amounted to RMB298 million as compared with foreign exchange losses of RMB24 million for the corresponding period last year.

## Section V Management Discussion and Analysis

### 8. Capital efficiency

Inventory turnover period during the Reporting Period was 82 days, unchanged from 82 days in the corresponding period last year. Specifically, inventory turnover period for automotive glass was 61 days as compared with 59 days of the corresponding period last year; inventory turnover period for float glass was 90 days as compared with 96 days of the corresponding period last year.

The turnover period of the trade receivables during the Reporting Period was 91 days as compared with 92 days of the corresponding period last year.

The return on equity during the Reporting Period was 24.79%, as compared with 21.00% for the corresponding period last year.

Gearing ratio during the Reporting Period is set out as follows:

Unit: '000 Currency: RMB

	December 31, 2025	December 31, 2024
Total borrowings	<b>16,964,111</b>	14,687,439
Lease liabilities	<b>524,290</b>	443,195
Long-term payables	<b>53,855</b>	59,287
Less: Cash and cash equivalents	<b>-19,240,786</b>	-18,733,774
Net liability	<b>-1,698,530</b>	-3,543,853
Total equity	<b>37,561,203</b>	35,695,042
Total capital	<b>35,862,673</b>	32,151,189
Gearing ratio (%)	<b>-4.74%</b>	-11.02%

### 9. Commitments

For details, please refer to the descriptions under "Note 34. Commitments of the Consolidated Financial Statements" in "Section X Financial Report".

### 10. Contingent liabilities

During the Reporting Period, the Company did not have any material contingent liabilities.

### 11. Events occurring after the Reporting Period

For details, please refer to the descriptions under "Note 40. Events after the Balance Sheet Date of the Consolidated Financial Statements" in "Section X Financial Report".

# Section V Management Discussion and Analysis

## (II) Analysis on assets and liabilities

### 1. Assets and liabilities

Unit: '000 Currency: RMB

Names of items	Closing balance	Percentage of closing balance to total assets (%)	Opening balance	Percentage of opening balance to total assets (%)	Change in the closing balance as compared with the opening balance (%)	Explanations
Deferred income tax assets	488,197	0.70	375,066	0.59	30.16	The increase in deferred income tax assets was mainly due to temporary differences in the recognition time of sales revenue during the Reporting Period.
Financial assets at fair value through profit or loss	10,916	0.02	7,683	0.01	42.08	The increase in financial assets at fair value through profit or loss was due to the gain on revaluation in fair value of the held-for-trading equity instrument in the Reporting Period.
Financial assets at fair value through other comprehensive income	2,922,909	4.17	1,921,466	3.04	52.12	The increase in financial assets at fair value through other comprehensive income was mainly attributable to the increase in the volume of bank acceptance settlements during the Reporting Period.
Restricted funds	32,954	0.05	50,790	0.08	-35.12	The change in restricted funds was mainly due to a decrease in margin deposits for bank guarantees during the Reporting Period.
Borrowings – non-current liabilities	3,669,045	5.24	7,212,920	11.40	-49.13	The decrease in borrowings – non-current liabilities was mainly due to the rise in long-term borrowings falling due within one year during the Reporting Period, which have been transferred to "borrowings – current liabilities" for presentation.
Other non-current liabilities	836,894	1.19	498,898	0.79	67.75	The increase in other non-current liabilities was mainly due to the addition of payments received in advance for goods expected to be performed after one year in the Reporting Period.
Deferred income tax liabilities	1,094,688	1.56	704,771	1.11	55.33	The increase in deferred income tax liabilities was mainly due to the provision for income tax on undistributed profits of overseas subsidiaries and an increase in taxable temporary differences on fixed assets.

## Section V Management Discussion and Analysis

Names of items	Closing balance	Percentage of closing balance to total assets (%)	Opening balance	Percentage of opening balance to total assets (%)	Change in the closing balance as compared with the opening balance (%)	Explanations
Current income tax liabilities	709,115	1.01	527,713	0.83	34.38	The increase in current income tax liabilities was primarily attributable to higher profit before tax for the year, which led to a corresponding rise in recognized taxes payable.
Borrowings – current liabilities	13,295,066	18.98	7,474,519	11.81	77.87	The increase in borrowings – current liabilities was mainly due to the addition of new borrowings during the Reporting Period and the transfer of long-term borrowings maturing within one year to this account for presentation.
Lease liabilities due within one year	145,729	0.21	99,456	0.16	46.53	The increase in lease liabilities due within one year was mainly due to new property leases entered into during the Reporting Period.

### 2. Overseas Assets

#### (1) Size of assets

Including: overseas assets (amounted to RMB25,336 million) accounted for 36.16% of the total assets.

#### (2) Details of the higher percentage of overseas assets

The overseas assets are the assets in the account of the overseas subsidiaries (for details, please refer to “Corporate Information-Information about subsidiaries” of Note 1 in the “Notes to the Consolidated Financial Statements” in “Section X Financial Report”) which are established by the Company and the deposits of the Company which are deposited in Hong Kong and denominated in foreign currencies. In particular, the total assets of Fuyao Glass America Inc., an overseas subsidiary (including 100%-controlled Fuyao Glass Illinois Inc. and Fuyao Asset Management C, LLC), were equivalent to RMB8,743 million as at December 31, 2025, with the operating revenue equivalent to RMB7,917 million and net profit equivalent to RMB884 million in 2025.

### 3. Major restricted assets as at the end of the Reporting Period

As at the end of the Reporting Period, the major restricted assets were restricted funds deposited and certain charged assets, as described in the related notes 15(c), 17(a), 22(e), 23(b), and 24(c) of the “Notes to the Consolidated Financial Statements” in “Section X Financial Report”.

# Section V Management Discussion and Analysis

## (III) Analysis on industry operating information

While the automotive industry continues to face uncertainties in the short term, there remains stable room for development in the medium and long term for the industry supporting the automotive sector, in which the Company operates. For details, please refer to “II. Discussion and Analysis on the Future Development of the Company – (I) Industry landscape and development trend” in “Section IV Report of the Board of Directors”.

### Analysis on operating information of automobile manufacturing industry

#### 1. Production and sales volumes of components and parts

##### By classification of components and parts

Unit: million square meters (other than percentage)

Classification of components and parts	Accumulation within the year	Sales volume		Accumulative year-on-year increase/decrease (%)	Accumulation within the year	Production volume	
		Accumulation of last year	Accumulative year-on-year increase/decrease (%)			Accumulation of last year	Accumulative year-on-year increase/decrease (%)
Automotive glass	169.18	155.87	8.54	174.57	162.00	7.76	

##### By classification of markets

Unit: million square meters (other than percentage)

Classification of components and parts	Accumulative within the year	Sales volume in components market for finished automobiles		Accumulative year-on-year increase/decrease (%)	Accumulation within the year	Sales volume in after-sales service market	
		Accumulation of last year	Accumulative year-on-year increase/decrease (%)			Accumulation of last year	Accumulative year-on-year increase/decrease (%)
Automotive glass	142.73	131.07	8.89	26.45	24.80	6.65	

# Section V Management Discussion and Analysis

## (IV) Analysis on investments

### *Overall analysis on external equity investment*

External investments during the Reporting Period: (1) on March 6, 2025, Fuyao Technology Development (Suzhou) Co., Ltd., a wholly-owned subsidiary of the Company, increased its registered capital by RMB28.50 million, and Fuyao Technology Development (Suzhou) Co., Ltd. currently has a registered capital of RMB50.00 million, in which the Company still holds 100% equity interest; (2) in March 2025, Fuyao Group Automotive Decoration (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company, absorbed and merged Shanghai Fuyao Bus Glass Co., Ltd. After the absorption and merger, the registered capital of Fuyao Group Automotive Decoration (Shanghai) Co., Ltd. was changed to RMB406,281,545. Meanwhile, on March 7, 2025, Shanghai Fuyao Bus Glass Co., Ltd. completed its deregistration procedures; (3) on July 22, 2025, the Company incorporated Fuyao Aluminum Parts (Chongqing) Co., Ltd., with a registered capital of RMB85.00 million. The Company holds 100% equity interest in Fuyao Aluminum Parts (Chongqing) Co., Ltd., which is principally engaged in the research and development, manufacturing and sales of products of aluminum trim products; (4) on September 2, 2025, the Company incorporated Fuyao Glass South Carolina, Inc. Fuyao Glass America Inc, a wholly-owned subsidiary of the Company, holds its 100% equity interest, which is principally engaged in the manufacturing of other automobile parts and components; (5) on October 13, 2025, the Company incorporated PT FUYAO GLASS INDONESIA, with a registered capital of 12 billion Indonesian rupiah. Fuyao (Hong Kong) Co., Ltd. and Meadland Limited, the wholly-owned subsidiaries of the Company, collectively hold its 100% equity interest, which is principally engaged in the sales of automotive glass.

External investments during the same period last year: (1) on January 8, 2024, the Company incorporated Fuyao Glass (Fujian) Co., Ltd., with a registered capital of RMB1,000.00 million; (2) on March 27, 2024, the Company incorporated Fuyao Glass (Anhui) Co., Ltd., with a registered capital of RMB500.00 million; (3) on March 27, 2024, the Company incorporated Fuyao Glass (Anhui) Automotive Parts Co., Ltd., with a registered capital of RMB150.00 million; (4) on March 27, 2024, the Company incorporated Fuyao Float Glass (Anhui) Co., Ltd., with a registered capital of RMB350.00 million; (5) on May 30, 2024, the Company incorporated Fuyao (Eastern Europe) Co., Ltd. in Hungary, with a registered capital of EUR8,000; (6) on September 10, 2024, Fuyao Technology Development (Suzhou) Co., Ltd., a wholly-owned subsidiary of the Company, reduced its registered capital by RMB28.50 million; (7) on November 8, 2024, Jiangsu Fuyao Automotive Trim System Co., Ltd., a wholly-owned subsidiary of the Company, completed the deregistration process; (8) on April 29, 2024, FYSAM Auto Decorative International GmbH completed the deregistration process.

## Section V Management Discussion and Analysis

### 1. Material equity investments

For details, please refer to the disclosure under “Overall analysis on external equity investment” above in relation to the capital increase of Fuyao Technology Development (Suzhou) Co., Ltd. and the absorption and merger of Shanghai Fuyao Bus Glass Co., Ltd. by Fuyao Group Automotive Decoration (Shanghai) Co., Ltd., the incorporation of Fuyao Aluminum Parts (Chongqing) Co., Ltd., Fuyao Glass South Carolina, Inc. and PT FUYAO GLASS INDONESIA.

### 2. Financial assets at fair value

Unit: Yuan Currency: RMB

Classification of assets	As at the beginning of the Reporting Period	Gain/(loss) arising from fair value change for the period	Cumulative fair value change accounted for in equity	Impairment provided for during the period	Amount purchased during the period	Amount disposed of /redeemed during the period	Other changes	As at the end of the Reporting Period
Equity instrument investment-held for trading	7,682,574	3,233,548	2,386,141					10,916,122
Equity of unlisted companies measured at fair value through other comprehensive income	82,682,735						5,655,521	88,338,256
Notes receivable measured at fair value through other comprehensive income	1,921,465,582	-16,952,367			13,419,643,165	12,401,247,046		2,922,909,334
<b>Total</b>	<b>2,011,830,891</b>	<b>-13,718,819</b>	<b>2,386,141</b>		<b>13,419,643,165</b>	<b>12,401,247,046</b>	<b>5,655,521</b>	<b>3,022,163,712</b>

### Investment in Securities

Unit: Yuan Currency: RMB

Type of securities	Stock code	Stock name	Initial investment	Capital source	Book value at the beginning of the period	Gain/(loss) arising from fair value change for the period	Cumulative fair value change accounted for in equity	Amount purchased during the period	Amount disposed of during the period	Gain/(loss) on investments during the period	Book value at the end of the period	Accounting classification
Share	601777	Lifan Technology	3,304,999	Debt restructuring	4,928,168	1,919,731	3,542,900				6,847,899	Financial assets at fair value through profit or loss
Share	000980	Zotye Automobile	5,224,982	Debt restructuring	2,754,406	1,313,817	-1,156,759				4,068,223	Financial assets at fair value through profit or loss
<b>Total</b>	<b>/</b>	<b>/</b>	<b>8,529,981</b>	<b>/</b>	<b>7,682,574</b>	<b>3,233,548</b>	<b>2,386,141</b>				<b>10,916,122</b>	

# Section V Management Discussion and Analysis

## (V) Analysis of major subsidiaries and investee companies

Major subsidiaries and investee companies affecting 10% or more of the Company's net profit

Unit: '0,000 Currency: RMB (unless otherwise specified)

Name of company	Company type	Major business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Fujian Wanda Automobile Glass Industry Co., Ltd. (福建省萬達汽車玻璃工業有限公司)	Subsidiary	Production and sale of automotive glass products	74,514.95	675,304.56	262,786.72	433,319.41	139,819.94	125,269.66
Fuyao Group (Shanghai) Automobile Glass Co., Ltd. (福耀集團(上海)汽車玻璃有限公司)	Subsidiary	Production and sale of automotive glass products	USD68.0488 million	748,487.75	144,968.46	351,111.26	61,563.41	53,488.82
Tianjin Hongde Auto Glass Co., Ltd. (天津泓德汽車玻璃有限公司)	Subsidiary	Production, design, technical research and development and sale of automobile glass and its spare parts	40,000	449,315.46	128,893.93	530,345.99	75,713.98	65,581.50
Guangzhou Fuyao Glass Co., Ltd. (廣州福耀玻璃有限公司)	Subsidiary	Production of specialty glass for inorganic non-metallic materials and related products	US\$75 million	711,276.91	150,061.00	399,030.95	67,701.35	58,846.04
Fuyao Glass America Inc. (福耀玻璃美國有限公司)	Subsidiary	Production and sale of automotive glass products	USD1,500	874,250.39	437,536.86	791,666.18	105,059.02	88,359.81

Note: Fuyao Glass America Inc. holds 100% equity interests in each of Fuyao Glass Illinois Inc. (福耀伊利諾有限公司) and Fuyao Asset Management C, LLC (福耀美國C資產公司). The financial figures of Fuyao Glass America Inc. as disclosed in the above table are the figures of the consolidated financial statements.

Acquisition and disposal of subsidiaries during the Reporting Period

Name of company	Method of acquisition and disposal of subsidiaries during Reporting Period	Impact on overall production, operations and performance
Shanghai Fuyao Bus Glass Co., Ltd. (上海福耀客車玻璃有限公司)	Absorption and merger (decrease)	Nil
Fuyao Aluminum Parts (Chongqing) Co., Ltd. (福耀鋁件(重慶)有限公司)	Establishment by investment	Loss of RMB453,900 for the period
Fuyao Glass South Carolina, Inc.	Establishment by investment	Nil
PT FUYAO GLASS INDONESIA	Establishment by investment	Nil

# Section VI Corporate Governance, Environment and Society

## I. CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly followed the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, and the requirements promulgated by the CSRC, the SSE and the Hong Kong Stock Exchange in relation to corporate governance. The corporate governance structure was constantly optimized, company operation was regulated, management of inside information was improved, disclosure of corporate information was strengthened, and the interest of the Company and all the shareholders was solidly protected. There is no material difference between the actual condition of the Company's governance structure and the provisions and requirements prescribed in the prevalent documents by the CSRC. The Company is also in compliance with the code provisions in the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange (the "**Corporate Governance Code**"). The general condition of the corporate governance is as follows:

1. **Shareholders and General Meeting:** The Company convened and held general meetings in accordance with the relevant requirements of the Articles of Association and the Rules of Procedure for General Meetings. During the Reporting Period, the Company held the 2024 annual general meeting and the 2025 first extraordinary general meeting, at which online voting was available to shareholders during the consideration of the relevant resolutions to protect the legal rights and interests of investors. The convention and the voting procedures of each of the general meetings were witnessed by lawyers in person and documents with legal opinions were delivered to ensure that the resolutions adopted at the general meetings were lawful and valid.
2. **Relations between the Controlling Shareholder and the Listed Company:** The Company stringently carried out the strategy of "Independence in Five Aspects" with respect to its personnel, assets, finance, organization and business from those of the controlling shareholder, with separate accounting systems and respective responsibilities and risks. The controlling shareholder exercised rights and assumed responsibilities as a capital contributor of the Company, and standardized their acts in strict compliance with relevant provisions under the Company Law and the Articles of Association. There was no business competition between the controlling shareholder and the Company, no direct or indirect interference in the decision-making and operation activities of the listed company by the controlling shareholder, no non-operational use of funds of the listed company, and no request of providing any guarantee for or by the controlling shareholder. The Board of Directors and internal organizations all operated independently. The Company has established a long-term mechanism to prevent the controlling shareholder from non-operational use of assets and damage of interests of the listed company, where the relevant terms of "freeze upon non-operational use" were clearly specified in the Articles of Association.
3. **Directors and the Board of Directors:** All directors made independent, objective and fair decisions on the resolutions brought to the Board of Directors for consideration with their professional knowledge and ability, exercised rights and bore responsibilities in accordance with the laws, and were in strict compliance with the Articles of Association, the Rules of Procedure for the Board of Directors and the requirements under relevant laws and regulations, in an honest and diligent manner. When considering resolutions in relation to connected transactions, the connected directors abstained from voting in order to ensure that the connected transactions were fair and reasonable.
4. **Information Disclosure and Transparency:** The Company strictly complied with the listing rules of the exchanges where its shares are listed, and fulfilled the obligation of information disclosure in a truthful, precise, complete and timely manner. Meanwhile, the Company also ensured confidentiality before the disclosure of information to make sure the disclosure of the Company's information was in an open, fair and just manner so that each shareholder would have an equal chance to obtain such information.

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5. **Investor Relationship and Stakeholders:** The Company placed emphasis on the maintenance of the investor relationship. The Company appointed the secretary to the Board of Directors and the representatives of the securities business and investor relations officer to be responsible for the information disclosure and management of the investor relationship, and responded to the visits and enquiries of the shareholders and investors in an earnest manner. The Company adequately respected and protected the lawful rights and interests of the creditors, clients, suppliers and other stakeholders, established coordination and balance of interests among different parties such as shareholders, employees and the society, actively engaged in welfare activities, valued the Company's social responsibilities and enhanced the stable and sustainable development of the Company.
6. **Registration and Management of People in Possession of Inside Information:** During the Reporting Period, the Company implemented the Policy for the Registration and Management of People in Possession of Inside Information in strict compliance with the requirements of the regulators. According to the regulations of such policy, the Company performed registration to record people associated with the inside information during the disclosure process of the Company's periodic reports.
7. **Anti-corruption, Anti-fraud, Whistle-blowing System and Policy:** In accordance with Internal Control Norms for Enterprises and other relevant laws and regulations, the Company has formulated the Anti-Fraud Management Policy in light of its actual situation to safeguard the legitimate rights and interests of the Company and its shareholders and to reduce the risks of the Company. The Company has set up a special reporting telephone number (0591-85363456) and a reporting email address (GM@fuyaogroup.com) to provide a means for employees and external parties to report and to ensure that whistleblowers are properly protected. Under the supervision of the Board of Directors and the Audit Committee, the Audit Department carried out anti-fraud prevention and publicity activities, received reports of fraud and organizes investigations into fraud cases, so as to encourage relevant personnel to strictly comply with relevant laws and regulations, professional ethics and the Company's rules and regulations, and prevent acts that are detrimental to the interests of the Company and its shareholders.

Corporate governance is a long-term commitment. The Company will enhance its internal control system, constantly raise the level of standardized operations and consistently optimize its corporate governance structure in accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, and the requirements promulgated by the CSRC, the SSE and the Hong Kong Stock Exchange in relation to corporate governance.

As at the end of the Reporting Period, the legal entity governance structure was sound and in compliance with the requirements under the Company Law and relevant regulations of the CSRC. The Company has adopted the principles and code provisions set out in the Corporate Governance Code. During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code.

The general meeting and the Board of Directors all operated effectively in strict compliance with the Articles of Association and their respective rules of procedure. For the information required for disclosure in accordance with the Corporate Governance Report, please refer to "Section IV Report of the Board of Directors", this section and relevant parts in other sections.

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## II. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of Appendix C3 to the Hong Kong Listing Rules as the model code on trading securities of the Company for all directors and relevant employees (as defined in the Corporate Governance Code). According to the specific enquiries made to the directors of the Company, all directors have confirmed that they had strictly complied with the standards stipulated under the Model Code during the Reporting Period. Meanwhile, to the knowledge of the Company, there has been no incident of non-compliance of the Model Code by the employees during the Reporting Period.

## III. THE RIGHTS OF SHAREHOLDERS

### (I) Shareholders to Convene an Extraordinary General Meeting

According to the Articles of Association, the shareholders individually or jointly holding more than 10% shares of the Company shall request the Board of Directors to hold an extraordinary general meeting. Such request shall be delivered in writing. The Board of Directors shall revert in writing whether to approve the holding of an extraordinary general meeting in accordance with applicable laws, administrative regulations and the Articles of Association within 10 days after the request is received. In case that the Board of Directors approves the holding of an extraordinary general meeting, it shall issue a corresponding notice convening the general meeting within 5 days after the resolution is made, and changes to the original proposal shall be subject to agreement by the relevant shareholders. In case the Board of Directors refuses the request of holding of an extraordinary general meeting, or makes no feedback within 10 days after receiving the proposal, the shareholders individually or jointly holding more than 10% shares of the Company may request the Audit Committee to hold an extraordinary general meeting and such request shall be delivered in writing. In the case that the Audit Committee approves the holding of an extraordinary general meeting, it shall issue a notice convening the general meeting within 5 days after the request is received, and changes to the original request shall be subject to agreement by the relevant shareholders. In the case that the Audit Committee fails to issue the notice of extraordinary general meeting within the prescribed period, the Audit Committee shall be deemed as refusing to convene and preside over such meeting. Shareholders individually or jointly holding more than 10% shares of the Company for more than 90 consecutive days may convene and preside over such meeting on their own initiative. In the case that the proposing shareholders convene and preside over such meeting on their own initiative due to the failure on the part of the Board of Directors and the Audit Committee to convene such meeting upon request, the reasonable expenses incurred from convening and holding of such meeting shall be borne by the Company.

### (II) Shareholders to Convene a Meeting for a Certain Class of Shareholders

According to the Articles of Association, in the case that shareholders request the convening of a meeting for a certain class of shareholders, the following procedures shall be followed: 1. Two or more shareholders jointly holding more than 10% (including 10%) of the voting shares at a proposed meeting may sign one or several copies of written request with the same format and particulars to be submitted to the Board of Directors for convening a class meeting, and state the agenda of the meeting. The Board of Directors shall, after receipt of such written request, convene the class meeting as soon as possible. The number of shares held as referred to above shall be calculated on the basis of the date of making the written request by the shareholders. 2. In the event that the Board of Directors does not issue a notice to convene the meeting within 30 days of receiving such written request, the shareholders who have made such request may convene such meeting on their own initiative within four months after the Board of Directors' receipt of the request. The procedures for convening the meeting shall be as similar as possible to the Board of Directors' procedures for convening a general meeting.

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### (III) Procedures for Putting Forward Enquiries to the Board of Directors

According to the Articles of Association, shareholders who request to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law and other laws and administrative regulations. Shareholders shall submit a written application to the Company stating the purpose of the request, and shall provide documentation certifying the class and number of the Company's shares they hold. Upon verifying shareholder's identity, the Company shall notify the shareholder to inspect and copy the relevant materials at a location designated by the Company. The shareholder shall sign a confidential agreement or letter of confidentiality undertaking as required by the Company.

### (IV) Procedures for Proposing a Resolution to the General Meeting

According to the Rules of Procedure for General Meetings, shareholders individually or jointly holding more than 1% of shares of the Company may bring forward provisional proposals and submit the same in writing to the convener ten days prior to the general meeting or the deadline for the issue of the supplementary circular for the general meeting as stipulated under the Hong Kong Listing Rules, whichever is earlier. The convener shall issue a supplementary notice of the general meeting within two days of receiving the proposals to disclose particulars of the provisional proposals. The proposals shall be within the scope of power of the general meeting, with clear agenda and resolutions, in compliance with relevant laws, administrative regulations and the Articles of Association and shall be submitted or delivered in writing.

### (V) Investor Exchange and Related Contact Information

The Company has formulated and reviewed annually the effectiveness of the Shareholder Communication Policy, the Investor Relations Management Policy and other related systems to maintain close contact with investors. During the Reporting Period, by way of holding general meetings, organizing result presentation meetings, accepting visits from investors for research, communicating through one-to-one or one-to-many telephone conferences, receiving enquiries by phone or replying by email, etc., the Company aimed to strengthen communication with investors and potential investors, enhance investors' understanding and recognition of the Company and improve corporate governance in order to maximise the overall interests of the Company and protect the legitimate rights and interests of investors. During the Reporting Period, the Company has effectively implemented the above policies and systems.

The Company has disclosed its address, investor relations hotline and email address on the Company's website and the periodic reports, and arranged manpower specially for taking calls from investors, handling investors' emails, and timely reporting to the Company's management. Please see "II. Contact Persons and Contact Methods" and "III. Basic Information" of "Section III Corporate Profile and Principal Financial Indicators" for contact information of the Company.

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## IV. DIRECTORS AND SENIOR MANAGEMENT

### (I) Changes in shareholding of current directors and senior management and those resigned during the Reporting Period and their remuneration

Unit: Share

Name	Position	Gender	Age	Commencement date of the term	Cessation date of the term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares held for the year	Reason for changes	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether they received remuneration from connected parties of the Company
Cho Tak Wong	Executive Director, Honorary Chairman for Life	Male	79	January 16, 2024	January 15, 2027	314,828	314,828	0		776.19	No
Tso Fai	Executive Director, Chairman of the Board of Directors	Male	55	January 16, 2024	January 15, 2027					161.95	No
Ye Shu	Executive Director, President	Male	53	January 16, 2024	January 15, 2027					385.89	No
Chen Xiangming	Executive Director, Chief Financial officer	Male	55	January 16, 2024	January 15, 2027					300.48	No
	Joint Company Secretary			October 30, 2014							
Zhang Haiyan	Employee Director, Director of HR Management Center	Female	44	September 29, 2025	January 15, 2027					155.88	No
Wu Shinong	Non-executive Director	Male	69	January 16, 2024	January 15, 2027					9.00	No
Zhu Dezhen	Non-executive Director	Female	67	January 16, 2024	January 15, 2027					9.00	No
Liu Xiaozhi	Independent Non-executive Director	Female	69	September 16, 2025	January 15, 2027					4.38	No
Cheng Yan	Independent Non-executive Director	Female	61	September 16, 2025	January 15, 2027					4.38	No
Xue Zuyun	Independent Non-executive Director	Male	62	January 16, 2024	January 15, 2027					15.00	No
Dat Dzung Hao Daniel	Independent Non-executive Director	Male	46	January 16, 2024	January 15, 2027					27.46	No
He Shimeng	Vice President	Male	67	January 16, 2024	January 15, 2027	33,633	33,633	0		281.10	No
Chen Juli	Vice President	Male	59	January 16, 2024	January 15, 2027					652.51	No

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Name	Position	Gender	Age	Commencement date of the term	Cessation date of the term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares held for the year	Reason for changes	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether they received remuneration from connected parties of the Company
Huang Xianqian	Vice President	Male	56	January 16, 2024	January 15, 2027					280.90	No
Lin Yong	Vice President	Male	55	January 16, 2024	January 15, 2027					191.48	No
Wu Lide	Vice President	Male	50	January 16, 2024	January 15, 2027					330.48	No
Li Xiaoxi	Secretary to the Board of Directors	Female	41	January 16, 2024	January 15, 2027	365,600	365,600	0		103.02	No
Liu Jing (retired)	Independent Non-executive Director	Male	65	October 30, 2019	September 16, 2025					10.67	No
Total	/	/	/	/	/	<u>714,061</u>	<u>714,061</u>	<u>0</u>	/	<u>3,699.77</u>	/

### Notes:

- The shareholdings set out in the table refer to the number of shares directly held by directors and senior management. For information on shareholdings of Mr. Cho Tak Wong and Mr. Tso Fai, please refer to "Interests and short positions of directors, former supervisors and chief executives in shares, underlying shares and debentures" under "III. Particulars of Shareholders and De Facto Controller" of "Section VIII Changes in Shares and Information of Shareholders".
- Ms. Li Xiaoxi holds H shares while the others hold A shares.
- Given the imminent expiry of Mr. Liu Jing's six-year term as an independent director of the Company, the Company convened the 2025 first extraordinary general meeting on September 16, 2025, at which Ms. Liu Xiaozhi was elected as an independent director of the eleventh session of the Board of the Company. Mr. Liu Jing retired upon the election of the new independent director. Concurrently, Ms. Cheng Yan was elected as an independent director of the eleventh session of the Board at the 2025 first extraordinary general meeting.
- The Company convened an employees' representative meeting on September 29, 2025, at which Ms. Zhang Haiyan was elected as an employee director of the eleventh session of the Board of Directors.
- The Company convened the eighth meeting of the eleventh session of the Board of Supervisors on August 19, 2025, at which it was decided to amend the Articles of Association. After the relevant amendments were approved by the 2025 first extraordinary general meeting (convened on September 16, 2025), the Company will no longer have the Board of Supervisors or Supervisors. The functions and powers originally belonging to the Board of Supervisors will be transferred to the Audit Committee under the Board of Directors, and the former Rules of Procedure for the Board of Supervisors (Applicable after H-share Listing) will be simultaneously abolished.

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Name	Major working experience
Cho Tak Wong	<p>Mr. Cho Tak Wong, the founder of Fuyao Group, has served as an executive director and the honorary chairman for life of the Board of Directors of the Company since October 2025. Mr. Cho Tak Wong served as the chairman of the Board of Directors of the Company from August 1999 to October 2025; the managing director of the Company from December 1994 to August 1999; the vice chairman of the Board of Directors of the Company from May 1988 to December 1994; the president of the Company from June 1987 to September 2003; and worked at Fuqing County Gaoshan Special Shaped Glass Factory, a company primarily engaged in glass manufacturing business, from 1976 to June 1987. Mr. Cho Tak Wong also serves as a director of a majority of subsidiaries of the Company, holds key positions in many organizations, and serves as the first chairman of Heren Charitable Foundation and the chairman of Fujian Fuyao University of Science and Technology. Mr. Cho Tak Wong is the father of Mr. Tso Fai, a director of the Company, and the father-in-law of Mr. Ye Shu, a director of the Company, and Mr. He Shimeng, a vice president of the Company, is his brother-in-law.</p>
Tso Fai	<p>Mr. Tso Fai is a member of the National Committee of the Chinese People's Political Consultative Conference and a member of the National Democratic Construction Association. Mr. Tso Fai holds a master's degree in business administration and is a senior engineer and senior economist. Mr. Tso Fai has served as the chairman of the Board of Directors of the Company since October 2025; the vice chairman of the Board of Directors of the Company from August 2015 to October 2025; the president of the Company from September 2006 to July 2015; the president of Fuyao North America Inc. from August 2001 to December 2009; the chief financial officer and general manager of Greenville Glass Industries Inc., a member of the Company engaged in glass trading which was currently deregistered, from July 1996 to December 2009; the president of Fuyao (Hong Kong) Co., Ltd. from March 1994 to June 1996; and the president of Sanyi Development Limited from June 1992 to February 1994. Mr. Tso Fai joined the Company in November 1989, starting from grassroots positions and laying a solid foundation through front-line practice. Mr. Tso Fai is also a director of a majority of subsidiaries of the Company and holds key positions in many organizations. Mr. Tso Fai received a master's degree in business administration from Baker College in the United States in December 2005, and obtained the qualification of senior economist as approved by Fujian Provincial Bureau of Civil Servants and the Office of Human Resources Development of Fujian Province in December 2012 and the qualification of senior engineer as approved by the Department of Human Resources and Social Security of Fujian Province in March 2022. Mr. Tso Fai is the son of Mr. Cho Tak Wong, a director and the de facto controller of the Company, the nephew of Mr. He Shimeng, a vice president of the Company, and Mr. Ye Shu, a director of the Company, is his brother-in-law.</p>

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Name	Major working experience
Ye Shu	<p>Mr. Ye Shu has served as an executive director of the Company since October 2019 and the president of the Company since March 2017. Mr. Ye Shu currently also serves as a director of a majority of subsidiaries of the Company. Mr. Ye Shu served as the vice president of the Company from February 2017 to March 2017, the supply management director of the supply management department of the Company from June 2009 to February 2017, the vice president of the procurement department of the Company from March 2009 to June 2009, and the president of Fuyao Hainan Float Glass Co., Ltd. from May 2008 to November 2008. Mr. Ye Shu joined the Company in July 2003, worked in the supporting department, the preparatory team and other departments, and successively served as deputy manager, vice president and other positions of the Company and its subsidiaries from July 2003 to May 2008. From November 2008 to March 2009, Mr. Ye Shu left the Company and served as the president of Fujian Yaohua Industrial Village Development Co., Ltd.. Mr. Ye Shu graduated from Xiamen University majoring in international trade with a bachelor's degree in economics in July 1995, and a master's degree in economics from Xiamen University in July 1999. Mr. Ye Shu is the son-in-law of Mr. Cho Tak Wong, a director and the de facto controller of the Company, and the brother-in-law of Mr. Tso Fai, a director of the Company.</p>
Chen Xiangming	<p>Mr. Chen Xiangming has served as an executive director of the Company since February 2003, the chief financial officer of the Company since August 2015, secretary to the Board of Directors from October 2012 to March 2016 and joint company secretary since October 2014. Mr. Chen Xiangming currently also serves as a director of a majority of the subsidiaries of the Company. Mr. Chen Xiangming served as the manager of the accounting department of the Company from February 2002 to December 2002. Mr. Chen Xiangming was the chief financial officer of the Company from August 1999 to January 2002 and from January 2003 to November 2014. Prior to that, Mr. Chen Xiangming was the manager of the finance department of the Company from October 1994 to June 1998. Mr. Chen Xiangming joined the Company in February 1994. Mr. Chen Xiangming graduated from Nanjing Forestry University in June 1991 with a college diploma in finance and accounting, and received a certificate of the comprehensive national uniform examination for staff of equivalent academic attainments to apply for a master's degree in business administration from Fujian Province Degree Committee in June 1999. Mr. Chen Xiangming obtained the qualification as an accountant as approved by the Ministry of Personnel of the PRC in December 1996 and the qualification as a senior economist as approved by the Fujian Provincial Bureau of Civil Servants and the Office of Human Resources Development of Fujian Province in December 2012.</p>
Zhang Haiyan	<p>Ms. Zhang Haiyan has served as an employee director of the Company since September 2025. Ms. Zhang Haiyan has been the human resources director of Automobile Glass Group and General Group of Fuyao Glass Industry Group Co., Ltd. since May 2018, and served as the human resources director of Fujian Triplex Group Holdings Co., Ltd. (福建三鋒控股集團有限公司) from October 2015 to April 2018, the human resources manager of Fujian Wanda Automobile Glass Industry Co., Ltd. from May 2012 to October 2015, and the human resources manager of Fuyao (Fujian) Bus Glass Co., Ltd. (福耀(福建)巴士玻璃有限公司) (currently merged with Fujian Wanda Automobile Glass Industry Co., Ltd. (福建省萬達汽車玻璃工業有限公司)) from October 2006 to May 2012. Ms. Zhang Haiyan joined the Company in July 2004. She graduated from Fujian Agriculture and Forestry University in July 2004 majoring in human resource management with a bachelor's degree in management.</p>

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Name	Major working experience
Wu Shinong	<p>Mr. Wu Shinong has served as a non-executive director of the Company since December 2005. He joined the Company as an independent non-executive director from April 2000 to December 2005. Mr. Wu Shinong is currently the vice president of Heren Charitable Foundation. Mr Wu Shinong also serves as an independent non-executive director of Guangdong Baolihua New Energy Stock Co., Ltd. (廣東寶麗華新能源股份有限公司) (a company listed on the Shenzhen Stock Exchange (the "SZSE"), stock code: 000690). Mr. Wu Shinong served as an independent non-executive director of Fujian Longking Co., Ltd. (福建龍淨環保股份有限公司) (a company listed on the SSE, stock code: 600388) from 30 December 2020 to 21 February 2024; and an independent non-executive director of Industrial Securities Co., Ltd. (a company listed on the SSE, stock code: 601377) from 29 November 2017 to 22 February 2024. Mr. Wu Shinong served as the vice principal of Xiamen University from December 2001 to November 2012. He served in the School of Management of Xiamen University from September 1999 to April 2003 with his last role as a dean. Mr. Wu Shinong served as the dean of the School of Business Administration of Xiamen University from May 1996 to September 1999, a Fulbright visiting professor at Stanford University from September 1994 to July 1995 and the director of the MBA Center of Xiamen University from May 1991 to April 1996. Mr. Wu Shinong obtained a master's degree in business administration from Dalhousie University in Canada in May 1986 and a doctorate in economics from Xiamen University in December 1992.</p>
Zhu Dezhen	<p>Ms. Zhu Dezhen has served as a non-executive director of the Company since November 2011. She currently also serves as a director of Heren Charitable Foundation, and has been the chairman of the board of directors and the president of Xiamen Deyi Equity Investment Management Co., Ltd. since July 2016. Ms. Zhu Dezhen currently also serves as an independent non-executive director of China Yongda Automobiles Service Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 3669). Ms. Zhu Dezhen served as the president of Shanghai Guohe Modern Services Industries Equity Investment Management Co., Ltd. from December 2010 to June 2016, the chief investment officer and president of the private banking department of China Minsheng Banking Corp., Ltd. from July 2008 to December 2010 and president of Fortune CLSA Securities Limited (formerly known as China Euro Securities Co., Ltd.) from June 2003 to May 2008. Ms. Zhu Dezhen obtained a bachelor's degree in literature from Xiamen University in May 1982, a bachelor's degree in economics from College of Saint Elizabeth in the United States in May 1990, a master's degree in business administration from Pace University in the United States in June 1992 and a doctorate degree in economics from Xiamen University in September 2013.</p>

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<b>Name</b>	<b>Major working experience</b>
Liu Xiaozhi	<p>Ms. Liu Xiaozhi has served as an independent non-executive director of the Company since September 2025. Ms. Liu Xiaozhi is the founder of and has served as the president of ASL Automobile Science &amp; Technology (Shanghai) Co., Ltd., a company that focuses on the development of advanced automobile technology in China, since June 2009. Ms. Liu Xiaozhi served as an independent non-executive director of the Company from October 2013 to October 2019 and was the president, director and vice chairperson of the Company from November 2005 to September 2006. Ms. Liu Xiaozhi has been serving as an independent non-executive director of Autoliv Inc. (an automobile safety equipment manufacturer listed on the New York Stock Exchange (stock code: ALV)) since November 2011, and an independent non-executive director of Johnson Matthey Plc (a global specialty chemicals company listed on the London Stock Exchange (stock code: JMAT)) since April 2019, and served as an independent non-executive director of AB InBev (a company listed on the Brussels Stock Exchange in Belgium (stock code: ABI)) from April 2019 to April 2023. Ms. Liu Xiaozhi worked for NeoTek China, a manufacturer of chassis brake casting components, as chairperson from January 2008 to February 2012 and president and chief executive officer from September 2006 to December 2007. Ms. Liu Xiaozhi served as the director of the electronic, control and software integration department of General Motors U.S.A. from March 2004 to September 2005, the chairperson and president of General Motors Taiwan from March 2001 to March 2004, the chief technical officer and general engineer of General Motors in Greater China from August 1998 to January 2001, and the managing director of Delphi (China) Corporation (德爾福(中國)公司) in Shanghai from July 1997 to July 1998. Ms. Liu Xiaozhi graduated with a bachelor's degree from the Faculty of Information and Control Engineering of Xi'an Jiaotong University in January 1982 majoring in radio technology. She graduated from Friedrich-Alexander-Universität Erlangen-Nürnberg in Germany in August 1988 and July 1992 with a master's degree in engineering and a doctorate degree in engineering, respectively.</p>
Cheng Yan	<p>Ms. Cheng Yan has served as an independent non-executive director of the Company since September 2025. Ms. Cheng Yan is the founder of Grand Horizon Investment Management (HK) Company Limited (博宇資本管理(香港)有限公司) (the main business of which is investment advisory for family capital) and has served as its executive director and chairperson since January 2018. Ms. Cheng Yan currently also serves as a non-executive director of Add New Energy Investment Holdings Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2623). Ms. Cheng Yan has held various positions in multiple organizations. Ms. Cheng Yan served as an executive director and vice chairperson (part-time) of IBO Technology Company Limited from September 2019 to May 2020, an executive director, the chief executive officer and a senior advisor of China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司) from December 2016 to August 2019, an executive director and the chairperson of Huarong Financial Holdings Group Limited (華融金控集團有限公司) from September 2015 to September 2016, an independent non-executive Director of the Company from November 2011 to January 2018, the managing director, executive head of the global customer center, vice chairperson of the investment banking and other positions of BOC International Holdings Limited from April 2005 to September 2015, and the chief representative of South China Securities Limited (南華證券有限公司) from April 2004 to April 2005. Ms. Cheng Yan received a bachelor's degree in economics from Anhui Institute of Finance and Trade (安徽財貿學院) in December 1993, a master's degree in business administration for senior executives from the Guanghua School of Management of Peking University in January 2005, and a doctorate degree in applied finance (jointly offered by PBC School of Finance of Tsinghua University) in July 2023.</p>

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Name	Major working experience
Xue Zuyun	Mr. Xue Zuyun has served as an independent non-executive director of the Company since January 2024 and is currently an independent non-executive director of Joeone Co., Ltd. (a company listed on the SSE, stock code: 601566) and Xiamen Xiangyu Co. Ltd. (a company listed on the SSE, stock code: 600057). Mr. Xue Zuyun served as an independent non-executive director of Contemporary Amperex Technology Co., Limited (a company listed on the SZSE, stock code: 300750) from June 2017 to August 2023; an independent non-executive director of Aojiahua Intelligent Health Technology Group Co., Ltd. (a company listed on the SZSE, stock code: 002614) from March 2017 to September 2023; and a professor in the Department of Accounting of the School of Management of Xiamen University from May 2001 to July 2023. Mr. Xue Zuyun graduated from Dalian Maritime College majoring in marine engineering management with a bachelor's degree in engineering in July 1983; from Xiamen University majoring in accounting with a master's degree in accounting in July 1991; from Xiamen University majoring in accounting with a doctoral degree in management in July 1999.
Dat Dzung Hao Daniel	Mr. Dat Dzung Hao Daniel has served as an independent non-executive director of the Company since January 2024 and the partner and managing director of Asia Carbon Search Limited since April 2019, and was a director of Executive Access Limited from August 2007 to January 2019. From August 2002 to July 2007, he served as a senior manager of Retail Banking at HSBC in Hong Kong. Mr. Dat Dzung Hao Daniel graduated from the School of Science and Engineering of the University of Manchester, UK majoring in international business management with a bachelor's degree in management in June 2002.
He Shimeng	Mr. He Shimeng has served as a vice president of the Company since August 1999. Mr. He Shimeng served as the president of the production department of the Company from March 1995 to November 1999, the vice president of the sales department of the Company from August 1994 to February 1995 and the manager of the production department of the Company from July 1988 to August 1994. Mr. He Shimeng joined the Company in July 1988. Mr. He Shimeng graduated from the Naval University of Engineering in the PRC in June 2001 with a college diploma, majoring in management engineering. Mr. He Shimeng is the brother-in-law of Mr. Cho Tak Wong, a director and the de facto controller of the Company, and the uncle of Mr. Tso Fai, a director of the Company.
Chen Juli	Mr. Chen Juli has served as a vice president of the Company since February 2002. Mr. Chen Juli has also served as the president of Fuyao (Hong Kong) Co., Ltd. since September 1997 and president of Fuyao Group (Hong Kong) Co., Ltd. since March 2010. Prior to his current position, Mr. Chen Juli served various positions in the Company or its subsidiaries, including vice president of Fujian Wanda Automobile Glass Industry Co., Ltd. from July 1995 to August 1997, the manager of the sales department of the Company from July 1994 to July 1995 and the manager of the export department of the Company from May 1992 to July 1994. Mr. Chen Juli joined the Company in July 1989. Mr. Chen Juli also served as a director of the Company from December 1994 to July 2001. Mr. Chen Juli graduated from Beijing University of Aeronautics and Astronautics in July 1989, majoring in management information system and earning a bachelor's degree in engineering.

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Name	Major working experience
Huang Xianqian	<p>Mr. Huang Xianqian has served as a vice president of the Company since August 2015. Mr. Huang Xianqian held various positions in the Company, including the director of the operation department and an assistant to the president of the Company from February 2011 to July 2015, the general manager of Guangzhou Fuyao Glass Co., Ltd. from June 2008 to February 2011, and vice president of the commerce department of the Company from May 2003 to June 2008. Since Mr. Huang Xianqian joined the Company in September 1990, he has worked in positions in connection with quality, process and factory. From January 1993 to May 2003, he successively served as the manager of the product development department, director of factory, manager of the sales department of the Company and its subsidiaries. Mr. Huang Xianqian graduated from Fuzhou University with a bachelor's degree majoring in geological and mineral exploration in July 1990.</p>
Wu Lide	<p>Mr. Wu Lide has served as a vice president of the Company since August 2017. Mr. Wu Lide held various positions in the Company or its subsidiaries, including the president of Fujian Wanda Automobile Glass Industry Co., Ltd. from July 2015 to August 2017, vice president of Fujian Wanda Automobile Glass Industry Co., Ltd. from April 2015 to July 2015, and the business manager of the sales department of Fuyao Glass Group (Chongqing) Co., Ltd. (福耀玻璃集團(重慶)有限公司) from March 2002 to April 2015. Since Mr. Wu Lide joined the Company in March 1997, he worked in different positions such as manufacturing, logistics and factory, and successively served as the manager of the logistics department and the director of a factory and other positions in the Company and its subsidiaries. Mr. Wu Lide obtained a Seminar Core Course Diploma in Business Administration (《工商管理核心課程研修班結業證書》) issued by the School of Management of Xiamen University in May 2012.</p>
Lin Yong	<p>Mr. Lin Yong has served as a vice president of the Company since February 2017. Mr. Lin Yong held various positions in the Company, including the chief operating officer of the Company from May 2016 to February 2017, the general manager of Fuyao Group (Shanghai) Automobile Glass Co., Ltd. from March 2010 to April 2016, the vice president (person in charge) of Fujian Wanda Automobile Glass Industry Co., Ltd. from September 2007 to March 2010, the vice president and factory manager of No. 5 Factory of Fujian Wanda Automobile Glass Industry Co., Ltd. from April 2007 to August 2007, and the vice president of Fuyao Group (Shanghai) Automobile Glass Co., Ltd. from June 2005 to March 2007. Mr. Lin Yong worked in different positions in the process department, workshop and other departments, and successively served as a workshop director, the chief of the process department, the director of the laminated glass factory and other positions in the Company and its subsidiaries from February 1993 to May 2005. Mr. Lin Yong joined the Company in February 1993. Mr. Lin Yong graduated with a bachelor's degree in silicate engineering from Fuzhou University in July 1991.</p>

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Name	Major working experience
Li Xiaoxi	Ms. Li Xiaoxi has served as the secretary to the Board of Directors of the Company since March 2016. Ms. Li Xiaoxi joined the Company in August 2015. Ms. Li Xiaoxi graduated with a bachelor degree in marketing from the University of Ottawa in Canada in May 2006 and a M.A. degree in journalism from Sichuan University in June 2010 and a master's degree in business administration for senior executives from Peking University's School of Management in January 2022. Ms. Li Xiaoxi has a qualification certificate for board secretaries of listed companies issued by the SSE.
Liu Jing (retired)	Mr. Liu Jing served as an independent non-executive director of the Company from October 2019 to September 2025. Mr. Liu Jing served as the dean of the Faculty of Social Works of the Open University of China from July 2014 to May 2023. Mr. Liu Jing served as the head of China Philanthropy Times from June 2001 to July 2022 and the vice president and general secretary of China Federation of Social Workers from March 2007 to December 2021. Mr. Liu Jing graduated from Beijing Open University majoring in Chinese in July 1985, from the Graduate School of Chinese Academy of Social Sciences majoring in management with a master's degree in management in July 2000, and from the National School of Development of Peking University majoring in international business management with an executive master of business management degree in July 2002.

### (II) POSITIONS OF CURRENT DIRECTORS AND SENIOR MANAGEMENT AND THOSE RESIGNED DURING THE REPORTING PERIOD

#### 1. Positions in shareholder entities

Name	Name of shareholder entities	Position held in shareholder entities	Commencement date of term	Cessation date of term
Cho Tak Wong	Heren Charitable Foundation	First Chairman	April 28, 2021	Present
Cho Tak Wong	Sanyi Development Limited	Director	April 4, 1991	Present
Tso Fai	Homekiu Overseas Holdings Limited	Director	May 15, 2018	Present
Tso Fai	Fujian Yaohua Industrial Village Development Co., Ltd.	Director	September 1, 2016	Present
Wu Shinong	Heren Charitable Foundation	Council member	December 9, 2010	Present
Zhu Dezhen	Heren Charitable Foundation	Council member	December 9, 2010	Present

Details of positions in shareholder entities As of the end of the Reporting Period, the positions and concurrent positions of the directors and senior management of the Company are in compliance with the relevant laws and regulations without dual position forbidden by laws.

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### 2. Positions in other entities

Name	Name of other entities	Position held in other entities	Commencement date of term	Cessation date of term
Cho Tak Wong	Trade Commerce Limited	Director	December 28, 1995	Present
Cho Tak Wong	Global Cosmos German Limited	Director	December 10, 2015	Present
Tso Fai	Chopline Limited	Director	May 25, 1993	Present
Tso Fai	Trade Commerce Limited	Director	December 28, 1995	Present
Tso Fai	Triplex Holdings Limited	Director	May 13, 2015	Present
Tso Fai	Fujian Triplex Investment Group Co., Ltd.	Director and President	May 15, 2018	Present
Tso Fai	Fujian Yidao Daka Commercial Management Co., Ltd.	Director	May 14, 2019	Present
Tso Fai	Fujian Triplex Auto Parts Development Co., Ltd.	Director and President	November 15, 2021	Present
Wu Shinong	Shanghai Huiruida Finance Consulting Service Centre (上海慧瑞達財務諮詢服務中心)	Investor	November 26, 2018	Present
Wu Shinong	Xin Zhongyuan Toyota Automotive Energy System Co., Ltd. (新中源豐田汽車能源系統有限公司)	Director	December 14, 2013	Present
Wu Shinong	Xiamen ITG Holding Group Co., Ltd. (廈門國貿控股集團有限公司)	Director	April 10, 2024	Present
Wu Shinong	Guangdong Baolihua New Energy Stock Co., Ltd.	Independent Non-executive Director	April 23, 2021	Present
Zhu Dezhen	Xiamen Deyi Equity Investment Management Limited	Chairman of the Board of Directors and President	July 1, 2016	Present
Zhu Dezhen	China Yongda Automobiles Service Holdings Limited	Independent Non-executive Director	May 8, 2015	Present
Liu Jing (retired)	Daai Yucai Investment Management Co., Ltd. (大愛育才投資管理有限公司)	Director	August 19, 2017	Present
Liu Jing (retired)	Xianyang Minfu Real Estate Development Co., Ltd. (咸陽民福房地產開發有限公司)	Chairman	January 26, 2016	Present
Liu Jing (retired)	Jinma Advertising Co., Ltd. (金馬廣告有限公司)	Vice chairman	April 5, 2016	Present
Liu Jing (retired)	Shenzhen Nanshan District Dachonglida Fur Factory (深圳南山區大沖利達皮革來料加工廠)	Chairman	May 30, 1991	Present
Liu Jing (retired)	Mingfeng Handbag Factory of Shenzhen Nantou District Xili Union Enterprise Company (深圳市南頭區西麗聯合企業公司明豐手袋來料加工廠)	Chairman	April 20, 1988	Present
Xue Zuyun	Joeone Co., Ltd.	Independent Non-executive Director	May 17, 2022	Present
Xue Zuyun	Xiamen Xiangyu Joint Stock Company Limited (廈門象嶼股份有限公司)	Independent Non-executive Director	November 4, 2022	Present
Dat Dzung Hao Daniel	Asia Carbon Search Limited	Managing Director	April 1, 2019	Present
LIU Xiaozhi	ASL Automobile Science & Technology (Shanghai) Co., Ltd.	General Manager	June 1, 2009	Present
LIU Xiaozhi	Autoliv, Inc.	Independent Non-executive Director	November 1, 2011	Present
LIU Xiaozhi	Johnson Matthey Plc	Independent Non-executive Director	April 1, 2019	Present
CHENG Yan	Grand Horizon Investment Management (HK) Company Limited	Executive Director and Chairman	January 2, 2018	Present
CHENG Yan	Add New Energy Investment Holdings Group Limited	Non-executive Director	January 8, 2026	Present

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## (III) REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Decision-making process of remuneration of directors and senior management	The implementation is subject to the approval of the Board of Directors and the general meeting of the Company.
Whether a director recuses himself/herself when the Board discusses his/her remuneration	The Company implemented the remuneration proposal considered and approved by the general meeting.
Specific information on the recommendations made by the remuneration and assessment committee or the special meeting of independent directors on the remuneration of directors and senior management	After careful evaluation, the remuneration and assessment committee was of the view that in the year 2025, all directors and senior management of the Company have fulfilled their duties with diligence and dedication, demonstrating a high level of professionalism and commitment. The remuneration paid by the Company to directors and senior management strictly adhered to the Company's remuneration management system and assessment standards, complied with relevant regulatory requirements, and was aligned with their performance, reflecting the principles of fairness and reasonableness. Upon verification, no instances of remuneration violating the Company's remuneration system were found for the current year. The remuneration paid for this year are in compliance with the terms stipulated in the Service Contracts or Labor Contracts signed between the Company and relevant personnel. The performance appraisal process was conducted with standardized procedures, rigorous implementation, and objective and fair results, accurately reflecting the annual performance of the relevant personnel.
Basis for determination of remuneration of directors and senior management	<ol style="list-style-type: none"> <li>1. The annual remuneration of the Company's non-independent directors (executive directors) shall be determined based on their specific management position in the Company, their working experience and duties. The above remuneration shall include all current income and deferred payments of annual basic salaries, annual performance bonuses and allowances.</li> <li>2. The annual remuneration (tax inclusive) for non-independent directors (non-executive directors) of the Company shall not exceed RMB90,000 (inclusive) or its equivalent in foreign currency per person.</li> <li>3. The annual remuneration (i.e. allowance of independent director (tax inclusive)) for independent directors (non-executive directors) of the Company shall not exceed RMB300,000 (inclusive) or its equivalent in foreign currency per person.</li> <li>4. The annual remuneration of the Company's senior management shall be determined comprehensively based on factors, such as their specific management position, working experience and duties, and the results of their annual performance appraisal.</li> </ol>

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Actual amount of remuneration paid to directors and senior management	The total remuneration payable to directors and senior management of the Company for the year amounted to RMB36,997,700 (before tax). Please refer to "Changes in shareholding of current directors and senior management and those resigned during the Reporting Period and their remuneration" in this section for details.
Total remuneration actually received by all directors and senior management at the end of the Reporting Period	The total remuneration payable to directors and senior management of the Company for the year amounted to RMB36,997,700 (before tax). Please refer to "Changes in shareholding of current directors and senior management and those resigned during the Reporting Period and their remuneration" in this section for details.
Assessment basis and completion of the remuneration actually received by all directors and senior management at the end of the Reporting Period	In accordance with relevant laws, regulations, rules, normative documents such as the Corporate Governance Code for Listed Companies and the Guidelines No.1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation, as well as the Company's internal rules and regulations including the Articles of Association of Fuyao Glass Industry Group Co., Ltd. and the Working Rules of the Remuneration and Assessment Committee of the Board of Directors of Fuyao Glass Industry Group Co., Ltd., and in conjunction with the remuneration plan for the eleventh session of the Board of Directors approved at the Company's 2024 first extraordinary general meeting, the remuneration and assessment committee conducted an annual performance evaluation of the Company's directors and senior management based on the business objectives and individual performance for the year 2025. Such assessment was strictly adhered to established procedures and was carried out across multiple dimensions including strategic contribution, compliance with duties, competency in performing duties, diligence, and management capabilities. For specific evaluation details, please refer to (III) "The Evaluation of the Performance of Duties by the Directors" under "VII The Performance of Duties of the Directors" in this section.
Deferred payment arrangements for remuneration actually received by all directors and senior management at the end of the Reporting Period	None
Suspension of payment and right of recourse of remuneration actually received by all directors and senior management at the end of the Reporting Period	None

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### (IV) CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position held in the Company	Changes	Reason for the changes
Cho Tak Wong	Chairman of the Board of Directors	Resignation	The resignation is to facilitate the strategic optimization and sustainable development of the Company's governance structure
Cho Tak Wong	Honorary Chairman for Life of the Board of Directors	Appointment	He was appointed at the tenth meeting of the eleventh session of the Board of Directors
Tso Fai	Vice Chairman of the Board of Directors	Resignation	Election of the chairman of the Board of Directors
Tso Fai	Chairman of the Board of Directors	Election	The election was approved at the tenth meeting of the eleventh session of the Board of Directors
Liu Xiaozhi	Independent Non-executive Director	Election	The election was approved at the 2025 first extraordinary general meeting
Cheng Yan	Independent Non-executive Director	Election	The election was approved at the 2025 first extraordinary general meeting
Zhang Haiyan	Employee Director	Election	The election was approved at the employee representative meeting
Liu Jing	Independent Non-executive Director	Retirement	The consecutive term of office is about to reach six years

- Notes:*
- To facilitate the strategic optimization and sustainable development of the Company's governance structure, Mr. Cho Tak Wong has tendered his resignation as the chairman, and was appointed as the honorary chairman for life of the Board of Directors upon consideration and approval at the tenth meeting of the eleventh session of the Board of Directors;
  - Upon consideration and approval at the tenth meeting of the eleventh session of the Board of Directors, Mr. Tso Fai was elected as the chairman of the Board of Directors, and resigned as the vice chairman;

## Section VI Corporate Governance, Environment and Society

3. Given the imminent expiry of Mr. Liu Jing's six-year term as an independent director of the Company, the Company convened the 2025 first extraordinary general meeting on September 16, 2025, at which Ms. Liu Xiaozhi was elected as an independent director of the eleventh session of the Board of the Company. Mr. Liu Jing retired upon the election of the new independent director. Concurrently, Ms. Cheng Yan was elected as an independent director of the eleventh session of the Board at the 2025 first extraordinary general meeting. For details, please refer to the announcements dated September 17, 2025 and September 16, 2025 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times and the websites of the SSE (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).
4. The Company convened an employee representative meeting on September 29, 2025, at which Ms. Zhang Haiyan was elected as an employee representative director of the eleventh session of the Board of Directors. For details, please refer to the announcements dated September 30, 2025 and September 29, 2025 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times and the websites of the SSE (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

### (V) CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules, the changes in information of directors of the Company are as follows:

Ms. Cheng Yan, an independent non-executive director, was appointed as a non-executive director of Add New Energy Investment Holdings Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2623) on January 8, 2026.

Save as disclosed above, as at the disclosure date of this report, the Company is not aware of any changes in information of directors which need to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

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### V. CORE TECHNICAL TEAM OR KEY TECHNICAL STAFF OF THE COMPANY

During the Reporting Period, there was no significant change in the core technical team or key technical staff of the Company.

### VI. THE BOARD OF DIRECTORS AND THE MANAGEMENT

#### (I) The Board of Directors

The Board of Directors is the permanent organization for the operation and decision-making of the Company, and shall report to the general meeting. The Board of Directors shall consist of eleven directors, among whom four are independent non-executive directors. The Board of Directors shall have one chairman. Mr. Tso Fai is the chairman of the Board of Directors. The Board of Directors and the management have respective responsibilities and liabilities, and the division of power and duty is in strict compliance with the Articles of Association, the Rules of Procedure for the Board of Directors, the Code on Work for the President, and relevant laws and regulations.

The Board of Directors shall exercise the following powers: convening general meetings and presenting reports thereto; implementing the resolutions made at the general meetings; determining the Company's business and investment plans; working out the Company's profit distribution plans and loss recovery plans; working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of bonds or other securities and listing plans; formulating proposals for material acquisitions, purchase of shares of the Company, merger, split-up, dissolution and change of the Company form; deciding on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc. of the Company within the scope authorized by the general meeting; making decisions on the establishment of the Company's internal management departments; appointing or dismissing the Company's president and the secretary to the Board of Directors and determining their remuneration, rewards and punishments; appointing or dismissing the Company's vice president, chief financial officer and other senior executives and determining their remuneration, rewards and punishments according to the suggestions of the president; working out the Company's basic management system; formulating the proposals for any amendment to the Articles of Association; managing the information disclosure of the Company; proposing to the general meeting the employment or replacement of the accounting firm which audits the Company's accounts; hearing the work report of the president of the Company and examining the president's work; exercising other powers conferred by laws, administrative regulations, departmental rules or the Articles of Association. At the same time, the Board of Directors shall timely formulate and review all types of corporate governance policies; encourage and supervise the training and continuing professional development of directors and senior management; review and monitor the compliance of the Company with applicable laws, regulations and all kinds of rules; formulate, review and examine the employees and directors of the Company in their compliance with all kinds of rules and regulations and employee manuals; supervise the Company's compliance with the Corporate Governance Code; and ensure full disclosure of corporate governance in accordance with relevant regulatory requirements in the annual report.

Each of the directors also acknowledged their responsibilities for the preparation of financial statements of the Company for the year ended December 31, 2025.

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The Board of Directors has established the nomination committee, the strategy and development committee, the remuneration and assessment committee and the audit committee. The committees have respective terms of reference, report to the Board of Directors, and provide suggestions and consultations to the Board of Directors relating to its decision-making under the leadership of the Board of Directors. The committees may hire intermediaries for independent and professional opinions, and the expenses incurred shall be borne by the Company.

During the Reporting Period, in order to further enhance the scientificity of the decision-making procedure followed by the Board of Directors and to enhance the regulated and efficient operation of the Board of Directors, the Board of Directors actively developed channels of information communication, strengthened the communication with the management, and timely addressed critical issues.

During the Reporting Period, all members of the Board of Directors worked in an earnest and diligent manner in strict compliance with the Articles of Association, the Rules of Procedure for the Board of Directors, and the terms of reference of respective committees.

As at the disclosure date of this report, the eleventh session of the Board of Directors of the Company consists of eleven members: Mr. Cho Tak Wong, Mr. Tso Fai, Mr. Ye Shu, Mr. Chen Xiangming and Ms. Zhang Haiyan as executive directors, Mr. Wu Shinong and Ms. Zhu Dezhen as non-executive directors, and Ms. Liu Xiaozhi, Ms. Cheng Yan, Mr. Xue Zuyun and Mr. Dat Dzung Hao Daniel as independent non-executive directors. The term of office of each director is three years. Mr. Tso Fai is the chairman of the Board of Directors, and the term of his office is the same as that of the eleventh session of the Board of Directors.

Except for the working relationship in the Company and (1) the relationship between Mr. Cho Tak Wong, the honorary chairman for life, and Mr. Tso Fai, the chairman of the Board of Directors, as father and son; (2) Mr. Ye Shu, an executive director and the president of the Company, being the son-in-law of Mr. Cho Tak Wong and the brother-in-law of Mr. Tso Fai; (3) Mr. He Shimeng, the vice president of the Company, being the brother-in-law of Mr. Cho Tak Wong and the uncle-in-law of Mr. Tso Fai, the members of the Board of Directors are not related in terms of finance, business and family. They also have no other material relationships.

During the Reporting Period, the Board of Directors held four meetings, at which all resolutions were considered and approved, and no directors voted against or abstained from voting on the resolutions considered and approved thereat.

### (II) The Management

The president of the Company is responsible for the production, operation and management of the Company and the implementation of resolutions of the Board of Directors, and shall report his work to the Board of Directors. The Company shall have one president, several vice presidents and one chief financial officer. The president shall be appointed or dismissed by the Board of Directors, while the vice presidents, chief financial officer and other senior managers shall be appointed or dismissed by the Board of Directors upon the proposals submitted by the president.

The president exercises the following powers: managing the production, operation and management of the Company, implementing resolutions of the Board of Directors, and reporting his work to the Board of Directors; executing the Company's annual business plans and investment plans; preparing the plan for the establishment of internal management organizations of the Company; deciding on the basic management system of the Company; formulating the Company's specific rules; proposing to the Board of Directors to appoint or dismiss any vice president and chief financial officer of the Company; deciding to appoint or dismiss executives other than those appointed or dismissed by the Board of Directors and exercising other powers conferred by the Articles of Association or the Board of Directors.

In accordance with the requirements of the Board of Directors, the president shall timely provide the Board of Directors with important information including information of the Company relevant to the operating results, important transactions and contracts, financial position and the prospect of operations, regularly report to the Board of Directors on his work, and guarantee the reports are true, objective and complete.

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## VII. THE PERFORMANCE OF DUTIES OF THE DIRECTORS

### (I) Directors' Attendance at the Meetings of the Board of Directors and General Meetings

Names of directors	Whether he/she is an independent director	Number of meetings of the Board of Directors required to attend this year	Attendance at meetings of the Board of Directors					Attendance at the general meetings		
			Number of times of attendance in person	Number of times of attendance through communications	Attendance Rate (%)	Number of times of attendance by proxy	Number of absences	Absent for two consecutive meetings without attending in person	Number of general meetings attended	Attendance Rate (%)
Cho Tak Wong	No	4	4	1	100	0	0	No	2	100
Tso Fai	No	4	4	1	100	0	0	No	2	100
Ye Shu	No	4	4	1	100	0	0	No	1	50
Chen Xiangming	No	4	4	0	100	0	0	No	2	100
Zhang Haiyan <sup>2</sup>	No	1	1	0	100	0	0	No	1	100
Wu Shinong	No	4	4	1	100	0	0	No	2	100
Zhu Dezhen	No	4	4	1	100	0	0	No	2	100
Liu Xiaozhi <sup>1</sup>	Yes	1	1	0	100	0	0	No	1	100
Cheng Yan <sup>1</sup>	Yes	1	1	0	100	0	0	No	1	100
Xue Zuyun	Yes	4	4	0	100	0	0	No	1	50
Dat Dzeng Hao Daniel	Yes	4	4	1	100	0	0	No	1	50
Liu Jing (retired) <sup>1</sup>	Yes	3	3	1	100	0	0	No	1	50

- Notes:*
- Given the imminent expiry of Mr. Liu Jing's six-year term as an independent director of the Company, the Company convened the 2025 first extraordinary general meeting on September 16, 2025, at which Ms. Liu Xiaozhi was elected as an independent director of the eleventh session of the Board of the Company. Mr. Liu Jing retired upon the election of the new independent director. Concurrently, Ms. Cheng Yan was elected as an independent director of the eleventh session of the Board at the 2025 first extraordinary general meeting.
  - The Company convened an employee representative meeting on September 29, 2025, at which Ms. Zhang Haiyan was elected as an employee representative director of the eleventh session of the Board of Directors.

Number of meetings of the Board of Directors held during the year	4
Among them: Physical meetings held	0
Meetings held through communications	0
Meetings held through a combination of physical meetings and meetings through communications	4

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## (II) Training of the Directors

During the Reporting Period, all directors have participated in the continuous professional development programs to update their knowledge and skills, hence ensuring they could make relevant contributions to the Board of Directors with precise grasp of information, and to make sure they could fully understand their responsibilities, duties and obligations as a director of a company listed on two stock exchanges.

As at December 31, 2025, all directors have attended trainings in accordance with the code provisions of the Corporate Governance Code with respect to continuous professional development. Their records of training for the year ended December 31, 2025 are as follows:

Director	Duties of the Board of Directors and directors	Laws and regulations	Corporate governance and ESG	Risk management and internal controls	Latest developments in the industry and business	Total hours
<b>Executive directors</b>						
Cho Tak Wong	10	10	5	6	4	35
Tso Fai	10	10	5	6	4	35
Ye Shu	10	10	5	6	4	35
Chen Xiangming	10	25	5	6	4	50
Zhang Haiyan <sup>1</sup>	2	17			4	23
<b>Non-executive directors</b>						
Wu Shinong	10	10	5	6	4	35
Zhu Dezhen	10	10	5	6	4	35
<b>Independent non-executive directors</b>						
Liu Xiaozhi <sup>1</sup>	2	17	3		4	26
Cheng Yan <sup>1</sup>	2	2	3		4	11
Xue Zuyun	10	10	5	6	4	35
Dat Dzeng Hao Daniel	10	10	5	6	4	35

*Note:*

- Ms. Liu Xiaozhi and Ms. Cheng Yan, the new independent non-executive directors whose appointment became effective as from September 16, 2025, and Ms. Zhang Haiyan, the new employee director whose appointment became effective as from September 29, 2025, have studied in detail the Director's Responsibility Memorandum and other relevant materials provided by Latham & Watkins LLP, the Hong Kong legal advisor of the Company, in accordance with Rule 3.09D of the Hong Kong Listing Rules prior to assuming office, and have received directors' training on August 28, 2025 and exchanged views with the Hong Kong legal advisor in respect of relevant directors' responsibilities. Each of the three directors has confirmed that they have understood all the requirements of the Hong Kong Listing Rules applicable to them as directors of listed issuers and the possible consequences of making a false statement or providing false information to the Hong Kong Stock Exchange. Each of the three first-time directors has acknowledged the minimum training hours requirement under Rule 3.09H of the Hong Kong Listing Rules, and will complete the required training hours within the prescribed time limit.

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### (III) The Evaluation of the Performance of Duties by the Directors

In accordance with relevant laws, regulations, rules, normative documents such as the Corporate Governance Code for Listed Companies and the Guidelines No.1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation, as well as the Company's internal rules and regulations including the Articles of Association of Fuyao Glass Industry Group Co., Ltd. and the Working Rules of the Remuneration and Assessment Committee of the Board of Directors of Fuyao Glass Industry Group Co., Ltd., and in conjunction with the remuneration plan for the eleventh session of the Board of Directors approved at the Company's 2024 first extraordinary general meeting, the remuneration and assessment committee conducted an annual performance evaluation of the Company's directors based on the business objectives and individual performance for the year 2025. Such assessment was strictly adhered to established procedures and was carried out across multiple dimensions including strategic contribution, compliance with duties, competency in performing duties, diligence, and management capabilities. The evaluation of the performance of duties by the Company's directors is as follows:

Name	Position	Evaluation results
Cho Tak Wong	Executive Director, Honorary Chairman for Life	A
Tso Fai	Executive Director, Chairman	A
Ye Shu	Executive Director, President	A
Chen Xiangming	Executive Director, Chief Financial Officer, Joint Company Secretary	A
Zhang Haiyan	Executive Director, Employee Director	B
Wu Shinong	Non-executive Director	A
Zhu Dezhen	Non-executive Director	A
Liu Xiaozhi	Independent Non-executive Director	A
Cheng Yan	Independent Non-executive Director	A
Xue Zuyun	Independent Non-executive Director	A
Dat Dzeng Hao Daniel	Independent Non-executive Director	A

*Note:* Rating standards: A (outstanding): ≥90 points; B (excellent): 80-89 points; C (good): 70-79 points; D (satisfactory): 60-69 points; E (improvement needed): <60 points.

After careful evaluation, the remuneration and assessment committee was of the view that in the year 2025, all directors of the Company have fulfilled their duties with diligence and dedication, demonstrating a high level of professionalism and commitment. The remuneration paid by the Company to directors strictly adhered to the Company's remuneration management system and assessment standards, complied with relevant regulatory requirements, and was aligned with their performance, reflecting the principles of fairness and reasonableness. Upon verification, no instances of remuneration violating the Company's remuneration system were found for the current year. The remuneration paid this year are in compliance with the terms stipulated in the Service Contracts or Labor Contracts signed between the Company and relevant personnel.

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### (IV) The Performance of the Duty of Corporate Governance by the Board of Directors

According to the regulatory requirements of the places where shares of the Company are listed, the Board of Directors stringently discharged its duties of corporate governance specified in the Rules of Procedure for the Board of Directors. The relevant duties include but are not limited to:

- To develop and review the Company's policies and practices on corporate governance and make recommendations.
- To review and monitor the training and continuous professional development of directors and senior management. During the Reporting Period, the Board of Directors timely informed directors and senior management of the relevant regulatory regulations so as to enable them to continuously develop their professional skills and capabilities to discharge their duties.
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements. The Board of Directors constantly paid attention to the compliance of the operation of the Company. The Company established the legal department and hired legal counsels to reduce legal and regulatory risks.
- To review the Company's compliance with the Corporate Governance Code and its disclosure in the Corporate Governance Report. The Board of Directors required the Company to stringently follow the requirements relevant to corporate governance in the listing rules of the stock exchanges where the shares of the Company are listed, and to timely disclose information relevant to corporate governance.

### VIII. THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE PRESIDENT

To ensure a balanced distribution of power and to enhance independence and accountability, the role of the chairman of the Board of Directors and the president (equivalent to the chief executive mentioned in the Corporate Governance Code) are undertaken by Mr. Tso Fai and Mr. Ye Shu, respectively.

The chairman of the Board of Directors is the legal representative of the Company, and shall exercise the following powers: presiding over and convening general meetings and presiding over meetings of the Board of Directors; supervising and reviewing the implementation of resolutions passed at the meetings of the Board of Directors; executing the securities issued by the Company; executing important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company; exercising the powers of legal representative, etc. The chairman of the Board of Directors shall be accountable to and report to the Board of Directors.

The president shall exercise the following powers: managing the production, operation and management of the Company, implementing the resolutions of the Board of Directors, and reporting his work to the Board of Directors; executing the Company's annual business plans and investment plans, etc. In accordance with the requirements of the Board of Directors, the president shall timely provide the Board of Directors with important information including the operating results, important transactions and contracts, financial position and the prospect of operations of the Company, regularly report to the Board of Directors on his work, and guarantee the reports are true, objective and complete.

The respective duties of the chairman of the Board of Directors and the president are clearly outlined and set forth in the Articles of Association.

# Section VI Corporate Governance, Environment and Society

## IX. INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the Rules of Procedure for the Board of Directors of the Company, the term of office of the directors shall be three years and they may be reappointed upon re-election, but the consecutive terms of office of the independent non-executive directors shall not exceed six years. As at the date of the disclosure of this report, the Board of Directors consisted of eleven members, among which four were independent non-executive directors, including Mr. Xue Zuyun, who possesses the qualifications of accounting and financial management. The composition of the Board of Directors was in compliance with the requirements of Rule 3.10(1) "The Board of Directors must consist of at least three independent non-executive directors", Rule 3.10A "independent non-executive directors must take up at least a proportion of one-third of the members of the Board of Directors", and Rule 3.10(2) "one of the independent non-executive directors must possess appropriate professional qualifications, or possess appropriate accounting and relevant financial management specialties" of the Hong Kong Listing Rules.

The Company received the letter of confirmation relating to their independence in accordance with Rule 3.13 of the Hong Kong Listing Rules from all the independent non-executive directors, and considered and confirmed their independent status. All independent non-executive directors were able to express opinions objectively and independently, which ensured the independence and fairness of the Board of Directors' decisions. During the Reporting Period, the Company also held the 2025 first meeting of the chairman and independent non-executive directors.

## X. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Four special committees established by the Board of Directors of the Company, namely the strategy and development committee, the audit committee, the nomination committee and the remuneration and assessment committee, worked stringently in accordance with laws, regulations, the Articles of Association and the relevant requirements of their respective terms of reference. The committees fulfilled their duties, concretely exercised the duties and powers granted by the Board of Directors, positively affected the optimization of the corporate governance structure and the enhancement of the Company's development. During the Reporting Period, the Board of Directors has not raised any objections to the resolutions of the Board of Directors and other resolutions not made by the Board of Directors for the year.

1. The Company has established the strategy and development committee in accordance with the requirements of the Code of Corporate Governance for Listed Companies. The strategy and development committee is mainly responsible for conducting feasibility research and making recommendations on the Company's long-term development and strategy as well as major investment decisions, and shall report its work and be accountable to the Board of Directors. The terms of reference of the strategy and development committee were published on the websites of the Company and the SSE.
2. The Company has established an audit committee in accordance with Rules 3.21 and 3.22 of the Hong Kong Listing Rules, as well as the requirements of the CSRC and the SSE. The primary responsibilities of the audit committee include: supervising and evaluating external audit work, proposing the appointment or replacement of external audit firms; supervising and evaluating internal audit work, and coordinating between internal and external audits; reviewing the Company's financial information and its disclosure; supervising and evaluating the Company's internal controls; exercising the powers of the Board of Supervisors as stipulated in the Company Law; and dealing with other matters authorized by Board of Directors of the Company, as well as other items specified in relevant laws, regulations, and the Articles of Association. The terms of reference of the audit committee were published on the websites of the Company and the SSE.

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During the Reporting Period, the audit committee convened meetings to jointly consider the financial position, accounting policy, internal control system and relevant financial issues; expressed opinions on issues relevant to the appointment of external audit institutions, listened to the audit and inspection reports on the financial reports from the external audit institution, and conducted analysis and review of the financial reports of the Company in accordance with the requirements of various laws, regulations and rules, and other relevant information of the Company in order to ensure the completeness, fairness and accuracy of the financial statements, reports and other relevant information of the Company; guided the internal audit work; supervised the optimization of the Company's risk management and internal control system, evaluated the effectiveness of risk management and internal control, reviewed continuing connected transactions and implemented the management of conflict of interest, etc. The audit committee further established a comprehensive, sound and effective internal control system.

During the Reporting Period, in accordance with the relevant requirements of the Company Law, the Securities Law, the Accounting Law, the Basic Norms for Enterprise Internal Controls and its supporting guidelines, the Internal Control Guidelines for Listed Companies on the SSE and other internal control regulatory rules, the audit committee sorted out, assessed and identified the risks faced by the Company, determined a list of important risks, and oversaw and improved the measures on risk management and control, so as to ensure that the rules would be followed during the activities of management and control at each important risk point of the Company, the resources would be allocated in place and the standardized operation would be achieved. The Company managed to prevent and control the risks appropriately. The audit committee considers that the actual operations of the risk management system and internal control of the Company are in compliance with the requirements of the relevant corporate governance regulations on listed companies issued by the CSRC.

During the Reporting Period, the audit committee held two meetings with the auditors engaged by the Company.

3. The Company has established a nomination committee in accordance with Rule 3.27A of the Hong Kong Listing Rules, as well as the requirements of the CSRC and the SSE. The primary responsibilities of the nomination committee include: researching, formulating and making recommendations on selection criteria and procedures for directors and senior management; providing opinions or suggestions to the Board of Directors of the Company regarding the replacement or recommendation of candidates for new directors and senior management; selecting qualified candidates for directors and senior management; reviewing and making recommendations on candidates for directors and senior management and their qualifications; evaluating the performance of directors and senior management, and providing opinions or suggestions regarding the replacement of directors or senior management based on the evaluation results, etc. The terms of reference of the nomination committee were published on the websites of the Company, the SSE and Hong Kong Stock Exchange.

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The Company has formulated the Board Diversity Policy and reviewed its effectiveness annually, which covers: (1) Policy statement: In designing the composition of the Board of Directors, the Company will consider the diversity of the Board members from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, expertise, skills, know-how and term of service. All appointments will be made in accordance with the principle of meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity in the Board of Directors; and (2) Measurable objectives: Selection of candidates by the Company will be based on a range of diversified criteria, including but not limited to gender, age, cultural and educational background, ethnicity, expertise, skills, know-how and term of service. In this regard, when selecting members for the Board of Directors, the Company will make decisions based on the merits of the selected candidates and their possible contributions to the Board of Directors. In 2025, upon consideration and approval at the general meeting, the Board of Directors appointed two female members, Ms. Liu Xiaozhi and Ms. Cheng Yan, as independent non-executive directors. In addition, upon consideration and approval at the employee representative meeting, one more female member, Ms. Zhang Haiyan, was appointed as an employee representative director/executive director. Ms. Liu Xiaozhi has also served as a member of the nomination committee subsequent to her election, which will help the Company build a more diversified talent pool. The appointment of the new female directors during the Reporting Period has substantially enhanced the gender diversity of the Board of Directors.

The Board of Directors considers that the Company has achieved its objectives in terms of the Board diversity during the Reporting Period, which include (i) ensuring at least one female director on the Board; (ii) at least one third of the Board being independent non-executive directors; and (iii) at least one director possessing accounting or other professional qualifications. The specific analysis on the Board diversity is as follows:

Item	Category	Number	Percentage in the members of the Board of Directors
Gender	Male	7	64%
	Female	4	36%
Age	Aged 40–50	2	18%
	Aged 51–60	3	27%
	Aged 61–70	5	45%
	Aged 71–80	1	9%
	Independent non-executive director	4	36%
Post	Non-executive director	2	18%
	Executive director	5	45%
	3 years or less	5	45%
Length of service as Board members	4–6 years	0	0
	7–9 years	1	9%
	10 years or more	5	45%
Accounting professionals		3	27%
Directorships in other listed companies (number of companies)	3 or less	5	45%
	3 or more	0	0

In 2025, the nomination committee of the Company conducted a comprehensive assessment from multiple dimensions including gender, educational background and professional experience, and screened potential director candidates through various channels such as director recommendations and shareholder proposals. Following a rigorous review of the candidates' qualifications, the eligible candidates were submitted to the Board of Directors and the general meeting for consideration. The Company confirmed that the composition of the Board of Directors, the background of members and the selection procedures of new directors were in compliance with the requirements of the Hong Kong Listing Rules with respect to the diversity of directors and the Board Diversity Policy formulated by the Company.

## Section VI Corporate Governance, Environment and Society

The Company has formulated the Rules of Procedure for the Board of Directors, the Independent Directorship System and other systems in accordance with Code Provision B.1.3 under the Corporate Governance Code to ensure that independent views and input are available to the Board, and reviews the effectiveness of such systems annually.

4. The Company has established a remuneration and assessment committee in accordance with Rules 3.25 and 3.26 of the Hong Kong Listing Rules, as well as the requirements of the CSRC and the SSE. The primary responsibilities of the remuneration and assessment committee include: establishing assessment criteria for directors and senior management of the Company (including but not limited to job responsibilities, performance appraisal systems, performance metrics, and reward/penalty mechanisms) and conducting evaluations; formulating and reviewing remuneration policies and schemes for directors and senior management of the Company, including decision-making mechanisms, approval processes, arrangements for payment, suspension of payment and right of recourse; formulating the remuneration system and standards for directors and senior management of the Company; formulating the share-based incentive schemes of the Company; reviewing the performance of the Company's directors and senior management in fulfilling their duties and conducting annual performance appraisals; making recommendations to the Board of Directors regarding the remuneration packages for directors and senior management; and recommending that the Company pay allowances to independent directors in accordance with laws, regulations, normative documents, and the relevant requirements of the securities regulatory authorities where the Company's shares are listed. The terms of reference of the remuneration and assessment committee was published on the websites of the Company, the SSE and Hong Kong Stock Exchange.

In accordance with relevant laws, regulations, rules, normative documents such as the Corporate Governance Code for Listed Companies and the Guidelines No.1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation, as well as the Company's internal rules and regulations including the Articles of Association of Fuyao Glass Industry Group Co., Ltd. and the Working Rules of the Remuneration and Assessment Committee of the Board of Directors of Fuyao Glass Industry Group Co., Ltd., and in conjunction with the remuneration plan for the eleventh session of the Board of Directors approved at the Company's 2024 first extraordinary general meeting, the remuneration and assessment committee conducted an annual performance evaluation of the Company's directors and senior management based on the business objectives and individual performance for the year 2025. Such assessment was strictly adhered to established procedures and was carried out across multiple dimensions including strategic contribution, compliance with duties, competency in performing duties, diligence, and management capabilities.

After careful evaluation, the remuneration and assessment committee was of the view that in the year 2025, all directors and senior management of the Company have fulfilled their duties with diligence and dedication, demonstrating a high level of professionalism and commitment. The remuneration paid by the Company to directors and senior management strictly adhered to the Company's remuneration management system and assessment standards, complied with relevant regulatory requirements, and was aligned with their performance, reflecting the principles of fairness and reasonableness. Upon verification, no instances of remuneration violating the Company's remuneration system were found for the current year. The remuneration paid for this year are in compliance with the terms stipulated in the Service Contracts or Labor Contracts signed between the Company and relevant personnel. The performance appraisal process was conducted with standardized procedures, rigorous implementation, and objective and fair results, accurately reflecting the annual performance of the relevant personnel.

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5. Members of the special committees established by the Board of Directors during the Reporting Period and as at the Latest Practicable Date and meetings held by the special committees established by the Board of Directors during the Reporting Period are as follows:

### (1) Members of the special committees established by the Board of Directors

Type of the special committees	Names of members
Audit Committee	Chairman: Mr. Xue Zuyun, an independent non-executive director; members: Mr. Dat Dzung Hao Daniel, an independent non-executive director, and Ms. Zhu Dezhen, a non-executive director.
Nomination Committee	Chairman: Mr. Dat Dzung Hao Daniel, an independent non-executive director; members: Mr. Tso Fai, an executive director and the chairman of the Board of Directors, and Ms. Liu Xiaozhi, an independent non-executive director (assumed office on September 16, 2025).
Remuneration and Assessment Committee	Chairperson: Ms. Liu Xiaozhi, an independent non-executive director (assumed office on September 16, 2025); members: Mr. Cho Tak Wong, an executive director and the honorary chairman for life, and Mr. Xue Zuyun, an independent non-executive director.
Strategy and Development Committee	Chairman: Mr. Tso Fai, an executive director and the chairman of the Board of Directors; members: Mr. Cho Tak Wong, an executive director and the honorary chairman for life, and Mr. Dat Dzung Hao Daniel, an independent non-executive director.

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### (2) The audit committee held 4 meetings during the Reporting Period

Date	Topic	Key opinions and proposals	Other performance of duties
March 18, 2025	The sixth meeting of the audit committee under the eleventh session of the Board of Directors was held by way of physical meeting, at which the Final Financial Report for the Year 2024; the 2024 Annual Report and Summary of the Annual Report; the 2024 Annual Audit Work Summary Report of Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young; the Report of the Audit Committee of the Board of Directors on the Discharge of Supervisory Duties with respect to the Auditing Firm; the Resolution on the Reappointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the Domestic Audit Institution and Internal Control Audit Institution of the Company for the Year 2025; the Resolution on the Reappointment of Ernst & Young as the Overseas Audit Institution of the Company for the Year 2025; the Annual Internal Control Evaluation Report of Fuyao Glass Industry Group Co., Ltd. for 2024; the Duty Report of the Audit Committee under the Board of Directors of Fuyao Glass Industry Group Co., Ltd. for 2024; and the Work Summary of the Audit Department for 2024 were considered.	All resolutions were considered and approved by all members of the audit committee	Mr. Xue Zuyun, chairman of the audit committee, and Ms. Zhu Dezhen and Mr. Dat Dzung Hao Daniel, members of the audit committee, attended the meeting
April 17, 2025	The seventh meeting of the audit committee under the eleventh session of the Board of Directors was held by way of physical meeting, at which the Resolution in Relation to the 2025 First Quarterly Report was considered.	All resolutions were considered and approved by all members of the audit committee	Mr. Xue Zuyun, chairman of the audit committee, and Ms. Zhu Dezhen and Mr. Dat Dzung Hao Daniel, members of the audit committee, attended the meeting
August 19, 2025	The eighth meeting of the audit committee under the eleventh session of the Board of Directors was held by way of physical meeting, at which the Resolution in Relation to the 2025 Interim Report of the Company and its Summary and the Resolution in Relation to the Change of the Director of the Audit Department of the Company were considered.	All resolutions were considered and approved by all members of the audit committee	Mr. Xue Zuyun, chairman of the audit committee, and Ms. Zhu Dezhen and Mr. Dat Dzung Hao Daniel, members of the audit committee, attended the meeting
October 16, 2025	The ninth meeting of the audit committee under the eleventh session of the Board of Directors was held through telecommunication methods, at which the Resolution in Relation to the 2025 third Quarterly Report was considered.	All resolutions were considered and approved by all members of the audit committee	Mr. Xue Zuyun, chairman of the audit committee, and Ms. Zhu Dezhen and Mr. Dat Dzung Hao Daniel, members of the audit committee, attended the meeting

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### (3) The nomination committee held 3 meetings during the Reporting Period

Date	Topic	Key opinions and proposals	Other performance of duties
March 18, 2025	The third meeting of the nomination committee under the eleventh session of the Board of Directors was held in combination of physical meeting and telecommunication methods, at which the effectiveness of the Board Diversity Policy was considered.	All resolutions were considered and approved by all members of the nomination committee	Mr. Dat Dzung Hao Daniel, chairman of the nomination committee, and Mr. Tso Fai and Mr. Liu Jing, members of the nomination committee, attended the meeting
August 19, 2025	The fourth meeting of the nomination committee under the eleventh session of the Board of Directors was held through telecommunication methods, at which the Resolution in Relation to the Nomination of Two Independent Directors and the Resolution in Relation to the Nomination of an Employee Director were considered.	All resolutions were considered and approved by all members of the nomination committee	Mr. Dat Dzung Hao Daniel, chairman of the nomination committee, and Mr. Tso Fai and Mr. Liu Jing, members of the nomination committee, attended the meeting
October 16, 2025	The fifth meeting of the nomination committee under the eleventh session of the Board of Directors was held in combination of physical meeting and telecommunication methods, at which the Resolution in Relation to the Nomination of the Honorary Chairman for Life and the Resolution in Relation to the Nomination of the Chairman of the Company were considered.	All resolutions were considered and approved by all members of the nomination committee	Mr. Dat Dzung Hao Daniel, chairman of the nomination committee, and Mr. Tso Fai and Ms. Liu Xiaozhi, members of the nomination committee, attended the meeting

### (4) The remuneration and assessment committee held 2 meetings during the Reporting Period

Date	Topic	Key opinions and proposals	Other performance of duties
March 18, 2025	The third meeting of the remuneration and assessment committee under the eleventh session of the Board of Directors was held through telecommunication methods, at which the Summary Report of Duty Performance of the Remuneration and Assessment Committee of the Board of Directors for the Year of 2024 was considered.	All resolutions were considered and approved by all members of the remuneration and assessment committee	Mr. Liu Jing, chairman of the remuneration and assessment committee, and Mr. Cho Tak Wong and Mr. Xue Zuyun, members of the remuneration and assessment committee, attended the meeting
August 19, 2025	The fourth meeting of the remuneration and assessment committee under the eleventh session of the Board of Directors was held in combination of physical meeting and telecommunication methods, at which the Resolution in Relation to the Election of the Chairman of the Remuneration and Assessment Committee under the Eleventh Session of the Board of Directors was considered.	All resolutions were considered and approved by all members of the remuneration and assessment committee	Mr. Liu Jing, chairman of the remuneration and assessment committee, and Mr. Cho Tak Wong and Mr. Xue Zuyun, members of the remuneration and assessment committee, attended the meeting

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### (5) The strategy and development committee held one meeting during the Reporting Period

Date	Topic	Key opinions and proposals	Other performance of duties
March 18, 2025	The fifth meeting of the strategy and development committee under the eleventh session of the Board of Directors was held in combination of physical meeting and telecommunication methods, at which the Resolution in Relation to the Company's Development Strategy, the Resolution in Relation to the Company's 2025 Development Plan, the 2024 Environmental, Social and Governance Report of Fuyao Glass Industry Group Co., Ltd., and the Resolution in Relation to the Additional Investment in Wholly-owned Subsidiary Fuyao Glass Illinois Inc. (福耀玻璃伊利諾伊有限公司) were considered.	All resolutions were considered and approved by all members of the strategy and development committee	Mr. Cho Tak Wong, chairman of the strategy and development committee, and Mr. Tso Fai and Mr. Dat Dzung Hao Daniel, members of the strategy and development committee, attended the meeting

### XI. EXPLANATION ON RISKS OF THE COMPANY DETECTED BY THE AUDIT COMMITTEE

The audit committee has no objection to the supervision matters during the Reporting Period.

### XII. INTEREST IN COMPETING BUSINESS

No director or controlling shareholder of the Company holds any interest in any business in competition with or which may compete with any business of the Company and its subsidiaries.

### XIII. INTEREST OF DIRECTORS, FORMER SUPERVISORS (AND CONNECTED ENTITIES) IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period and as at the end of the Reporting Period, except those already disclosed in relevant announcements or this report, no directors or former supervisors (and connected entities) possess, directly or indirectly, substantial interest in the transactions, arrangements or contracts which are deemed by the Company important and were entered into by the Company, its subsidiaries or the subsidiaries of its holding companies.

### XIV. CONTRACT OF SERVICE OF DIRECTORS

None of the existing directors of the Board of Directors entered into any contracts of services that could not be terminated until the payment of compensation (except legal compensation) within one year with the Company or any of its subsidiaries.

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### XV. INFORMATION DISCLOSURE AND INVESTOR RELATIONSHIP

The Company regards information disclosure and investor relationship as very important work, has formulated the Investor Relations Management Policy, the Shareholder Communication Policy and other related systems. In 2025, in accordance with the relevant regulations of the regulatory authorities such as the CSRC, the SSE and the Hong Kong Stock Exchange, the Company diligently organized the information disclosure work and disclosed relevant information in a true, accurate, complete, timely and fair manner. Meanwhile, the Company further strengthened communications with investors, analysts and financial media, and effectively protected the legitimate rights and interests of investors, especially small and medium investors. The Company communicated and exchanged ideas with investors through channels such as non-deal roadshows, performance description, conference calls, visits reception, investor relations hotline, dedicated mailbox, and the “Shanghai interactive e-platform”. The Company also set up its website at <http://www.fuyaogroup.com>, for public inspection of the Company’s business development and operation, financial information, corporate governance practices, and information and updates about other information. During the Reporting Period, the Company effectively implemented the above system. In addition, pursuant to the requirements of the expansion of the paperless listing regime by the Hong Kong Stock Exchange, with effect from January 16, 2024, the Company will disseminate its corporate communications in English and Chinese on the websites of HKEXnews of the Hong Kong Stock Exchange and the Company in lieu of printed form, and if the shareholders need to receive printed copies, please refer to the announcement of Fuyao dated January 16, 2024 in the Investor Relations section of the Company’s website under the heading “Issuance of Corporate Communications” for the requesting procedure.

### XVI. SIGNIFICANT CHANGE IN THE ARTICLES OF ASSOCIATION DURING THE REPORTING PERIOD

The Board of Directors has passed a resolution on August 19, 2025 to propose to amend certain articles of the Articles of Association in accordance with the Guidelines on the Articles of Association of Listed Companies (CSRC Announcement [2025] No. 6) and the Rules for General Meetings of Listed Companies (CSRC Announcement [2025] No. 7) published by the CSRC on March 28, 2025, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in April 2025) and the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation (Revised in May 2025) published by the SSE during the period from April to May 2025, and other relevant laws, regulations, rules and normative documents, as well as by taking into account the Company’s actual operation needs. The above-mentioned amendments to the Articles of Association have been reviewed and approved by the Company at the 2025 first extraordinary general meeting convened on September 16, 2025 and became effective on the same date. For details, please refer to the relevant announcements of the Company dated August 19, 2025 and September 16, 2025 published on the Hong Kong Stock Exchange and August 20, 2025 and September 17, 2025 published on the SSE, respectively.

### XVII. REMUNERATION OF THE ACCOUNTANTS

The Company convened a meeting of the Board of Directors on August 6, 2024. In view of recent issues related to the Company’s auditors, combined with market information, based on principle of prudence, and taking into account the Company’s current business situation and the future needs of audit services, the Board of Directors of the Company agreed the change of the auditors from PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) to Ernst & Young Hua Ming LLP (Special General Partnership), and from PricewaterhouseCoopers to Ernst & Young. Please refer to “III. The Appointment and Dismissal of Accounting Firms” of “Section VII Significant Events” of this report for details of the remuneration of the accountants.

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### XVIII. JOINT COMPANY SECRETARY

Mr. Chen Xiangming, an executive director, a joint company secretary and the chief financial officer of the Company, is responsible for providing opinions concerning corporate governance to the Board of Directors. In addition, in order to maintain good corporate governance and ensure compliance with the Hong Kong Listing Rules, the Company has engaged Ms. Kwan Sau In (a senior manager of Company Secretarial Services of Tricor Services Limited) as a joint company secretary, to assist Mr. Chen Xiangming to fulfill his obligations and responsibilities. Ms. Kwan Sau In's primary contact person in the Company is Mr. Chen Xiangming (an executive director, a joint company secretary and the chief financial officer).

In 2025, Mr. Chen Xiangming and Ms. Kwan Sau In were in compliance with the training requirements as stipulated in Rule 3.29 of the Hong Kong Listing Rules.

### IX. EMPLOYEES OF THE COMPANY AND ITS MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

#### (I) Employees

Number of in-service employees of the Company	2,046
Number of in-service employees of the major subsidiaries	40,495
Total number of in-service employees	42,541
The number of retired employees whose expenses are borne by the Company and its major subsidiaries <sup>(Note)</sup>	89

#### Composition of Genders

Type of profession	Number of persons
Male	33,268
Female	9,273
Total	42,541

#### Composition of professions

Type of profession	Number of staff
Production staff	30,970
Sales staff	640
Technical staff	6,481
Finance staff	417
Administrative staff	1,454
Other staff	2,579
Total	42,541

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### Education level

Type of education level	Number of persons
University or above	8,908
Junior college	7,265
Specialised secondary school and high school	15,185
Below high school	11,183
	<hr/>
Total	42,541
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*Note:* “The number of retired employees whose expenses are borne by the Company and its major subsidiaries” mainly refers to retired personnel re-employed.

### (II) Labor standards and gender diversity of employees

The Company strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations, and internally formulates and improves the Regulations on Recruitment Management, the Administrative Provisions on the Protection of Personal Information of Human Resources, the Code of Conduct for Social Responsibility of Fuyao Group, the Administrative Measures on Anti-Discrimination and Harassment, the Administrative Measures on Protection of Employees' Personal Rights among other relevant policies and documents. With the business philosophy of “respecting the heaven and loving people to the end of perfect kindness”, the Company always pays attention to and protects the basic rights and interests of its employees, emphasizes on the creation of equal and diversified employment policies and working environment, attracts excellent talents from all over the world based on the principles of equality and diversification, and provides its employees with competitive salaries and flexible and smooth channels to jointly create a fair, harmonious and proactive working environment.

The Company has been upholding principles of openness, fairness and equality in employment, recruiting employees in compliance with laws and regulations, effectively safeguarding and protecting employees' right to the free choice of jobs, resolutely opposing discrimination, preventing differential treatment, precluding child labor or forced labor, and been committed to creating an equal and diversified working environment and harmonious labor relations for win-win results. At the same time, the Company imposes stringent requirements on employee diversity and equality through various means, and specifically prohibits the use of discriminatory selection criteria unrelated to the job in employee management, including recruiting, training, promotion, demotion or termination of labor management.

As at the end of the Reporting Period, the Board of Directors of the Company consisted of a total of 11 members, including 4 female directors, accounting for 36.36%; the total number of employees in the Group amounted to 42,541, including 9,273 females, accounting for 21.80% of the total number of employees of the Group, and 33,268 males, accounting for 78.20% of the total number of employees of the Group. The Company will continue to take measures to enhance gender diversity at all levels of the Company and provide equal career opportunities, such as encouraging existing members of the Board of Directors to recommend female director candidates, emphasizing the cultivation of female talents and providing long-term development opportunities, so as to maximize the achievement of the goal of employee diversity.

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### (III) Remuneration policy

The Company formulated a remuneration policy based on the principles of fairness, competitiveness, incentives and legality. Remuneration of employees is mainly composed of various items including basic salaries, merit pay, bonuses, subsidies and allowance; salaries are adjusted in a timely manner in accordance with the Company's results, employees' performance and the competence of work. In addition, the Company participated in the programme of the "five social insurances and one housing fund" as stipulated and paid social insurance contributions and housing provident fund as scheduled.

### (IV) Training plan

The Company made training plans in accordance with the Group's strategic plan and annual operating policy and plan. The Group provides orientation training and on-the-job education for the growth of the employees, of which the orientation training covers subjects such as corporate culture and policies, work ethic and quality, major products and business, production process, quality control and occupational safety. The on-the-job education covers environment, health and safety management systems and mandatory training required by the applicable laws and regulations as well as special training for personnel at various levels and all professions. In order to meet the needs of its strategic plan, the Group held various training projects for management cadres at all levels, key business and technical staff and business backbones of all functions and high potential talents, including training camp on management in the age of digitalization, in-service cadres cultivation project, reserve cadres cultivation project, key technical talents cultivation project and lean mentorship talent training projects, and simultaneously developed micro class, micro course, live class and other forms of learning resources by way of online channels to further improve the training and talents development system, to secure talents for the steady and healthy operation and transformation and upgrading of the Group, thereby promoting the high-quality development of the Group.

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### XX. PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT CAPITAL RESERVE INTO SHARE CAPITAL

#### (I) Formulation, implementation of or adjustment to cash dividend distribution policies

##### 1. Cash dividend policies of the Company:

Dividends were distributed in accordance with the cash dividend policy stipulated in the Articles of Association and the Dividend Distribution Plan of Fuyao Glass for Shareholders for the Upcoming Three Years (2024–2026): (1) intervals of profit distribution: if the Company makes a profit for the year and the accumulated undistributed profit is positive, it shall distribute profits at least once a year. The Company may distribute interim cash dividends. The Board of Directors of the Company may propose distribution of interim dividends based on the scale of profit, cash flows status, stage of development and capital requirements of the Company, (2) specific conditions for cash dividends distribution and the minimum percentage of cash dividends distribution: on the premise of ensuring the Company's sustainable operation and long-term development, if the Company does not engage in major investment plans or major cash expenditures (excluding investments with raised funds), the Company shall distribute dividends in cash. The cash dividends distributed by the Company each year shall not be less than 20% of the distributable profits achieved that year. The Board of Directors of the Company shall propose a plan for the annual dividends percentage based on the Company's earnings of the year and future budget plan; (3) specific conditions for share dividends distribution: where the Company operates and grows well and the Board of Directors of the Company believes that the Company's earnings per share, share price and net assets per share do not match the size of the Company's share capital, the Company may, on the premise of meeting the said percentage of cash dividends distribution, distribute profits by distributing share dividends. In determining the specific amount of the share-based profit distribution, the Company shall take full account of whether the total share capital after the share-based dividend distribution is suitable for the current business scale, earnings growth and dilution of net assets per share, and the impact on future debt financing cost, so as to ensure that the profit distribution plan is in the interest of all shareholders as a whole in the long run.

For details such as the specific distribution policies, please refer to the Dividend Distribution Plan of Fuyao Glass for Shareholders for the Upcoming Three Years (2024–2026) dated March 16, 2024 as published on the Shanghai Securities News, the China Securities Journal, the Securities Time and the websites of the SSE (<http://www.sse.com.cn>) and Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

2. During the Reporting Period, the Company carried out the annual profit distribution for 2024 and interim profit distribution for 2025: the former cash dividends of RMB1.80 per share (tax inclusive) were distributed based on the total issued share capital of 2,609,743,532 shares of the Company with the total dividends amounting to RMB4,697,538,357.60 (tax inclusive); and the latter cash dividends of RMB0.90 per share (tax inclusive) were distributed based on the total issued share capital of 2,609,743,532 shares of the Company with the total dividends amounting to RMB2,348,769,178.80 (tax inclusive). The former distribution date of cash dividends of A shares was May 9, 2025, and the distribution date of cash dividends of H shares was June 6, 2025; and the latter distribution date of cash dividends of A shares was October 13, 2025, and the distribution date of cash dividends of H shares was November 13, 2025.

## Section VI Corporate Governance, Environment and Society

### (II) Special explanation of cash dividend distribution policies

Whether the provisions of the Articles of Association or the requirements of the resolutions of general meetings are complied with	✓ Applicable	<input type="checkbox"/> Not applicable
Whether the standard and proportion of dividends are explicit and clear	✓ Applicable	<input type="checkbox"/> Not applicable
Whether relevant decision-making procedures and mechanisms are adequate	✓ Applicable	<input type="checkbox"/> Not applicable
Whether the independent directors have performed their duties and played their due roles	✓ Applicable	<input type="checkbox"/> Not applicable
Whether small and medium shareholders have the opportunity to fully express their opinions and appeals, and whether their legal rights and interests have been fully protected	✓ Applicable	<input type="checkbox"/> Not applicable

### (III) Proposed profit distribution and conversion of capital reserve into share capital plan during the Reporting Period (prepared in accordance with the China Accounting Standards for Business Enterprises)

Unit: Yuan Currency: RMB

Number of bonus shares to be distributed for every ten shares ( <i>shares</i> )	0
Amount of dividends to be distributed for every ten shares ( <i>Yuan</i> ) (including tax)	21
Number of shares to be transferred into share capital for every ten shares ( <i>shares</i> )	0
Amount of cash dividends (including tax)	5,480,461,417.20
Net profit attributable to shareholders of ordinary shares of the listed company as reflected in the consolidated financial statements	9,312,304,150
Percentage of amount of cash dividends in net profit attributable to shareholders of ordinary shares of the listed company as reflected in the consolidated financial statements (%)	58.85
Repurchase of shares for cash included in cash dividends	0
Total amount of cash dividends (including tax)	5,480,461,417.20
Percentage of total amount of cash dividends in net profit attributable to shareholders of ordinary shares of the listed company as reflected in the consolidated financial statements (%)	58.85

## Section VI Corporate Governance, Environment and Society

*Note:* As considered and approved at the eleventh meeting of the eleventh session of the Board of Directors of the Company, the profit distribution plan for the year of 2025 as proposed by the Company is as follows: Based on the total number of shares registered on the record date in respect of the equity distribution for the year of 2025, the Company proposes to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the equity distribution for the year of 2025, with a cash dividend of RMB1.20 (tax inclusive) per share, and the remaining undistributed profits of the Company will be carried forward to the following year. As of December 31, 2025, the total number of shares of the Company was 2,609,743,532, based on which, the total cash dividend proposed to be distributed will be RMB3,131,692,238.40 (tax inclusive). In view of the Company having implemented the 2025 interim profit distribution for its A shares and H shares on October 13, 2025 and November 13, 2025, respectively, the Company proposed to distribute cash dividends to the holders of A shares and holders of H shares whose names appear on the register of members on the record date in respect of the interim equity distribution for the year of 2025, with a cash dividend of RMB0.90 (tax inclusive) per share, totaling RMB2,348,769,178.80 (tax inclusive). After the aforesaid 2025 cash dividend estimated to be distributed and the amount of 2025 interim profit distribution implemented are calculated together, the total cash dividend of the Company for the year 2025 is RMB5,480,461,417.20 (tax inclusive), accounting for 58.85% of the net profit attributable to shareholders of ordinary shares of the listed company as reflected in the consolidated financial statements of the year prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. The Company will not carry out bonus issue and conversion of capital reserve into share capital for the year of 2025.

### (IV) Cash dividends for the latest three accounting years (prepared in accordance with the China Accounting Standards for Business Enterprises)

	<i>Unit: Yuan Currency: RMB</i>
Cumulative cash dividends for the latest three accounting years (including tax) (1)	13,570,666,366.40
Cumulative repurchases and cancellation for the latest three accounting years (2)	0
Cumulative amount of cash dividends and repurchases and cancellation for the latest three accounting years (3)=(1)+(2)	13,570,666,366.40
Average net profit for the latest three accounting years (4)	7,479,845,442.33
Percentage of cash dividends for the latest three accounting years (%) (5)=(3)/(4)	181.43
Net profit attributable to shareholders of ordinary shares of the listed company as reflected in the consolidated financial statements for the latest accounting year	9,312,304,150
Undistributed profit at the end of the year as reflected in the financial statements of the Company for the latest accounting year	7,093,827,824

*Note:* The latest three years refer to the years from 2023 to 2025, and the cumulative cash dividends for the latest three years include the 2025 cash dividends declared but not distributed.

## Section VI Corporate Governance, Environment and Society

### XXI. THE ESTABLISHMENT AND IMPLEMENTATION OF ASSESSMENT SYSTEM AND INCENTIVE SYSTEM FOR THE SENIOR MANAGEMENT DURING THE REPORTING PERIOD

The remuneration and assessment committee under the Board of Directors conducted an annual performance evaluation of the Company's directors and senior management based on the business objectives and individual performance for the year 2025. Such assessment was strictly adhered to established procedures and was carried out across multiple dimensions including strategic contribution, compliance with duties, competency in performing duties, diligence, and management capabilities, ensuring that the remuneration of the senior management was closely linked to their management standards and operating results, and thus strengthening the incentive effect on the assessment of the senior management.

### XXII. CORPORATE CULTURE

Fuyao Group has been upholding the business philosophy of “respecting the heaven and loving people to the end of perfect kindness”, adhering to the core values of “diligence, simplicity, learning and innovation”. Fuyao Group has never forgotten its original intention, adhered to its main businesses and strived for breakthroughs, and taken the quality of its products, intelligent manufacturing and industrial layout seriously. Taking the market as the guide, Fuyao Group constantly extends the boundary of “a piece of glass”, promotes the transformation of industrial development from a “product supplier” to a “supplier providing customers with automotive glass solutions”, and continues technological innovation to promote product upgrading and iteration and achieve technological leadership.

In this process, the Company has established a sense of social responsibility, built a positive corporate culture, created an environment suitable for “learning, working, living and developing”, strictly implemented various laws and regulations to protect the legitimate rights and interests of employees, established a perfect training system and incentive mechanism to enhance the cohesion and sense of belonging of the employees, and increased cross-cultural integration globally.

## Section VI Corporate Governance, Environment and Society

### XXIII. THE ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

#### **(I) Statement of the responsibilities for internal control**

The Board of Directors is responsible for the establishment, improvement and effective implementation of internal controls system, the evaluation of the effectiveness of the implementation of internal control, and the truthful disclosure of the internal control effectiveness report. In accordance with the relevant requirements of the Company Law, the Securities Law, the Accounting Law, the Guidelines of the SSE for the Internal Control of Listed Companies, the Basic Norms for Enterprise Internal Control and other internal control regulatory requirements and regulations, the Board of Directors has established and improved the risk control measures in all aspects with a risk management-oriented approach, which is known as the internal control management system for risk management. The system is intended to manage rather than eliminate the risk of failing to achieve the business objectives, and the Board of Directors can only provide reasonable rather than absolute assurance against material misstatement or loss. In 2025, the Group's internal audit monitored risk levels of the Group by implementing on-site tests of the effectiveness of the internal control management system and gave reasonable guarantee for the Company's compliance with the rules in the risks and control activities of its operation and management, standardize operation, risk prevention, assets security, and true, accurate and complete disclosure of financial reports and information, so as to facilitate the Company's achievement of its development strategy.

## Section VI Corporate Governance, Environment and Society

### (II) The establishment of risk management and internal control system of the Company

#### 1. The establishment of risk management and internal control of the Company

The Company has always been dedicated to the establishment of an internal control system in line with national and international standards and regulatory requirements. In accordance with regulatory requirements, the Company has established an internal control management system of risk management, and kept optimizing the internal control system. Thus, the organic integration of risk management and internal control has been realized, and the enterprise's risk prevention and control capability and control means have been significantly improved, which has an actual effect on enterprise management.

The Company continued to advance the delineation of responsibilities and coordination across the three lines of defense: "the business and functional departments conducting self-assessment on effectiveness of internal control, the internal audit departments performing independent evaluations, and the external accounting firm conducting internal control audit". The three lines of defense complemented and reinforced each other, which guaranteed the effective operation of the internal control system. This approach also strengthened the business departments' ability to directly assume the responsibilities of risk management and control, achieved the routine operation mechanism of risk management and internal control which can be described as "Everyone has risk management consciousness, everyone is involved in internal control with responsibilities to enforce compliance with regulations", and safeguarded the Company in achieving its ambitious strategic objectives.

#### 2. Composition of the risk management and internal control system of the Company

The Board of Directors is responsible for the establishment, improvement and effective implementation of the risk management-oriented internal control, and assesses its effectiveness at least once a year. The audit committee and audit department were set up under the Board of Directors. Under the leadership of the Board of Directors and the supervision and guidance of the audit committee, the audit department is in charge of supervising, reviewing and evaluating the implementation of internal controls on the risk management of the Company and its subsidiaries, coordinating the internal control audit and other relevant issues. The management of the Company is responsible for leading an effective operation of the risk management-oriented internal control system. During the Reporting Period, the management of the Company has reviewed the principal business and matters such as corporate governance, capital activities, information disclosure, financial reports, comprehensive budget, sales business and information systems, and no significant or material deficiency has been found; the Board of Directors has evaluated and confirmed that the internal control system of the Group is comprehensive and effective.

## Section VI Corporate Governance, Environment and Society

### 3. Procedures for identifying, evaluating and managing significant information and risks of the Company

The Company established the internal control system of material information, and the procedures and internal supervisory measures addressing and disseminating share price-sensitive information. Meanwhile, it established the Internal Reporting System on Significant Information, which explicitly defined the scope of significant information and situations with significant risks. It also established an effective communication mechanism and the obligor of information reporting shall be responsible for providing materials to the secretary to the Board of Directors in a timely, accurate, truthful and complete manner. The secretary to the Board of Directors will analyze and determine significant information after receiving the materials and report to the chairman and president of the Company. Where such information is subject to the obligation of information disclosure to the public, it shall be reported to the Board of Directors and disclosed to the public according to relevant regulations.

In terms of information disclosure, the Company established the Information Disclosure Management Policy, the Sensitive Information Verification Management Policy, the Registration and Management of Persons with Inside Information and other policies to prevent any improper use and circulation of sensitive information. Meanwhile, the Company carried out information disclosure in a true, accurate, complete, and timely manner pursuant to the laws and regulations including the Hong Kong Listing Rules, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Articles of Association, so as to ensure equal opportunities of all investors to timely access relevant information of the Company.

### 4. Measures adopted by the Company for material internal control deficiency

Based on the major work objectives for the year and areas susceptible to material business risks, in respect of the material risks assessed for the year, the Company has adopted detailed measures for controlling the material risks, tracked the effectiveness of risk control in a timely manner, and determined the body responsible for material risk control and its terms of references. As for the significant control deficiencies that have been identified during the period and the unforeseen outcomes or contingencies resulted therefrom, the management, the audit committee and the Board of Directors shall be timely informed so as to make risk management emergency plans in a timely manner. The Board of Directors and the audit committee will supervise the implementation of such emergency plans, analyze and assess again the impact of such matter on the Company, and fully assess, study and judge the feasibility of the emergency plans.

## Section VI Corporate Governance, Environment and Society

### XXIV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

During the Reporting Period, the Group strengthened the supervision and management of its subsidiaries through internal control systems and various policies, established a long-term scientific management mechanisms, and controlled risks in the organizational structure, resource allocation, asset management and investment operation of the subsidiaries; and provided guidance, supervision and service for the operation of subsidiaries by means of system and process formulation, authorization and approval, and performance assessment. Under the general policy and strategic planning of the Group, the subsidiaries conducted independent operation, independent accounting, autonomous management, and operation in compliance with laws and regulations. The Board of Directors and the audit committee were of the view that the Group's supervision of the actual operation of risk management and internal control of subsidiaries were in line with the requirements in relation to governance practices for listed companies issued by the CSRC.

### XXV. RELEVANT INFORMATION ON THE INTERNAL CONTROL AUDIT REPORT

According to the identification of significant internal control deficiencies in respect of the financial report of the Company, during the Reporting Period, the Company had no significant deficiency in internal control in respect of the financial report. The Board of Directors was of the view that the Company had maintained, in all material respects, effective internal control in respect of the financial report in accordance with the requirements of the internal control regulatory system and relevant regulations.

Ernst & Young Hua Ming LLP has audited the effectiveness of relevant internal control of the financial statements of the Company. As at the base date of the evaluation report, it found no significant deficiency in the internal control, and issued an unqualified audit report on the internal control.

Whether to disclose the internal control audit report: Yes

Type of opinion on the audit report of internal control: Standard unqualified opinion

### XXVI. ENVIRONMENTAL INFORMATION ON LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES FOR LEGAL DISCLOSURE OF ENVIRONMENTAL INFORMATION

#### Number of enterprises included in the list of enterprises for legal disclosure of environmental information

2

No.	Name of enterprises	Inquiry index of reports on legal disclosure of environmental information
1	Fuyao Glass Industry Group Co., Ltd.	System for Legal Disclosure of Enterprise Environmental Information (Fujian Beta version): <a href="http://220.160.52.213:10053/idp-province/#/home">http://220.160.52.213:10053/idp-province/#/home</a>
2	Fujian Wanda Automobile Glass Industry Co., Ltd.	System for Legal Disclosure of Enterprise Environmental Information (Fujian Beta version): <a href="http://220.160.52.213:10053/idp-province/#/home">http://220.160.52.213:10053/idp-province/#/home</a>

# Section VI Corporate Governance, Environment and Society

## XXVII. SOCIAL RESPONSIBILITY

### (I) Whether the social responsibility report, sustainable development report or ESG report is disclosed separately

The Company has prepared and disclosed the 2025 Environmental, Social and Corporate Governance Report (ESG Report) in accordance with Appendix C2 Environmental, Social and Governance Reporting Code of the Hong Kong Listing Rules and with reference to the Guidelines No. 14 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Sustainability Reporting (Trial) and the Guidelines No. 4 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Sustainability Report Preparation. The 2025 Environmental, Social and Corporate Governance Report (ESG Report), as well as the 2025 Annual Report for A shares and 2025 Annual Results Announcement for H shares will be disclosed on the same date.

### (II) Details of Social Responsibility

External donations and public welfare projects	Quantity/Content	Description
Total investment ( <i>RMB10,000</i> )	160,610.75	
Including: Funds ( <i>RMB10,000</i> )	160,610.75	
Materials converted into cash ( <i>RMB10,000</i> )		
Number of beneficiaries ( <i>person(s)</i> )	Approximately 1,400,000	

Specific description

The above data include the external donation and public welfare project investment totaling RMB1,603,644,100 by Heren Charitable Foundation, which was established with 300 million shares of Fuyao Glass donated by Mr. Cho Tak Wong. These funds were mainly used for the project of Fuyao University of Science and Technology, supporting operational and organisational development project of the China Charity Alliance, and charitable activities undertaken by the China Charity Federation. Heren Charitable Foundation is an independent charitable foundation that operates in accordance with the PRC laws and its articles of association. Mr. Cho Tak Wong and any person acting in concert with him, including Fujian Yaohua Industrial Village Development Co., Ltd., Sanyi Development Limited and Homekiu Overseas Holdings Limited, do not have any control over Heren Charitable Foundation, nor are they beneficiaries of Heren Charitable Foundation. Based on the above, Heren Charitable Foundation is independent of Mr. Cho Tak Wong and his associates.

## Section VI Corporate Governance, Environment and Society

### XXVIII. DETAILS OF CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

Poverty alleviation and rural revitalisation project	Quantity/Content	Description
Total investment ( <i>RMB10,000</i> )	708.00	
Including: Funds ( <i>RMB10,000</i> )	708.00	
Materials converted into cash ( <i>RMB10,000</i> )		
Number of beneficiaries ( <i>person(s)</i> )	Approximately 80,000	
Ways of assistance (such as poverty alleviation through development of industries, provision of employment and development of education, etc.)		Poverty alleviation through development of education and medical care

#### Specific description

The above data include RMB7 million invested in the rural revitalization project of Heren Charitable Foundation, benefiting approximately 80,000 people; and RMB80,000 invested in the rural revitalization project of the Fuyao Group.

The above data are included in the investment amount of "External donations and public welfare projects" of "XXIX. Social Responsibility" in this section.

## Section VII Significant Events

### I. PERFORMANCE OF UNDERTAKINGS

#### (I) Undertakings of the de facto controller of the Company, shareholders, related parties, acquirer and the Company during or subsisting to the Reporting Period

Nature of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time of the undertaking	Whether there is a term for the undertaking	Term of the undertaking	Whether performed timely and strictly
Other undertakings	Dividend	Fuyao Glass Industry Group Co., Ltd.	For details, please refer to the "Dividend Distribution Plan of Fuyao Glass Industry Group Co., Ltd. for the Shareholders for the Upcoming Three Years (2024-2026)" dated March 16, 2024 published on the Shanghai Securities News, the China Securities Journal and the Securities Times, as well as the websites of the SSE ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> ).	Date of announcement of the undertaking: March 16, 2024	Yes	January 1, 2024 to December 31, 2026	Yes

## Section VII Significant Events

### 1. Non-competition

In order to eliminate any future competition with the Company, each of Mr. Cho Tak Wong, Ms. Chan Fung Ying (Mr. Cho Tak Wong's spouse and the controlling shareholder of Yaohua), Sanyi Development Ltd. ("**Sanyi**"), Home Bridge Overseas Limited (which has been renamed as "Homekiu Overseas Holdings Limited", hereinafter referred to as "**Homekiu**") and Fujian Yaohua Industrial Village Development Co., Ltd. ("**Yaohua**") undertook to the Company on February 8, 2002 that, so long as they remain substantial shareholders of the Company, they will not, and will procure all companies they control not to engage in or develop any business competing or potentially competing with the main business or key products of the Company, including investment in, mergers and acquisitions of any companies, entities or economic organizations engaged in the same or similar main business or primarily manufacturing the same or similar products (the "**Non-competition Undertakings**"). In addition, they acknowledged that the Company shall have priority to develop any new business in the future, and they will not, and will procure any companies controlled by him/her/it not to develop such new business. In addition to Mr. Cho Tak Wong, Sanyi, Homekiu and their respective associates, none of the other directors of the Company or their respective associates is interested in any business which is, whether directly or indirectly, in competition with the business of the Company.

For the purpose of compliance with the Non-competition Undertakings, the Company requested the above-mentioned shareholders and their associates to present a written confirmation (the "**Written Confirmation**"), confirming that they have adhered to such Non-competition Undertakings for the year. Upon receiving such Written Confirmation, the audit committee of the Company has reviewed the same as part of the annual review process. In the annual review conducted to determine whether the above-mentioned substantial shareholders have fully complied with such Non-competition Undertakings in 2025, the audit committee of the Company noted that (1) the substantial shareholders declared that they had fully complied with the Non-competition Undertakings for the financial year ended December 31, 2025; (2) no new competing business was reported by such substantial shareholders in 2025; (3) there was no particular situation rendering the full compliance with the Non-competition Undertakings questionable.

In light of the above, the Company confirms that the above-mentioned substantial shareholders have fully complied with their Non-competition Undertakings for the year ended December 31, 2025.

## Section VII Significant Events

### II. ANALYSIS AND EXPLANATION ON THE REASONS FOR AND IMPACTS OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR CORRECTION OF MATERIAL ACCOUNTING ERRORS OF THE COMPANY

#### (I) Analysis and explanation on the reasons for and impacts of changes in accounting policies and accounting estimates of the Company

For detailed information, please refer to Note 2.2 “Changes in Accounting Policies and Disclosures” of the “Notes to the Consolidated Financial Statements” in “Section X Financial Report”.

### III. THE APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: '0,000 Currency: RMB

#### Current appointment

Name of the domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration for the domestic accounting firm	536
Years of audit of the domestic accounting firm	2
Names of certified public accountants of the domestic accounting firm	Fu Jun (符俊), Hao Xinxin (郝欣欣)
Consecutive years of auditing services by certified public accountants of the domestic accounting firm	2
Name of the overseas accounting firm	Ernst & Young
Remuneration for the overseas accounting firm	131.25
Years of audit of the overseas accounting firm	2

	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP (Special General Partnership)	75

*Note:* Save for the above, in 2025, the Company incurred expenses of RMB8.3222 million such as consulting fees and tax service fees paid to Ernst & Young’s network member firms. All of the aforesaid data is tax inclusive. The total amount of remuneration for the above-mentioned comprehensive services (exclusive of tax) was RMB14.9288 million, and the amount of tax was RMB815,900.

### IV. MATERIAL LITIGATION AND ARBITRATION

The Company was not involved in any material litigation or arbitration during the year.

## Section VII Significant Events

### V. THE CREDIT STANDING OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, there has been no refusal to implement effective judgments of a court or failure to meet debt repayment schedules of a relatively large amount by the Company, its controlling shareholder and de facto controller.

### VI. SUBSTANTIAL CONNECTED TRANSACTIONS

#### (I) Non-exempt connected transactions disclosed in accordance with the requirements of the Hong Kong Listing Rules

During the Reporting Period, the Company carried out connected transactions (as defined in the Hong Kong Listing Rules) with Global Cosmos German Limited and Fujian Yaohua Industrial Village Development Co., Ltd., or entered into agreements in respect of relevant transactions:

- 1 In order to satisfy the production needs of Fuyao Europe GmbH, a wholly-owned subsidiary of the Company, and to secure the long-term stability of the lease, Fuyao Europe GmbH entered into a lease agreement with Global Cosmos German Limited on October 25, 2017, pursuant to which Fuyao Europe GmbH shall lease the standard production plant located at OhmStrasse 1,74211 Leingarten, Germany with a total area of 57,809.95 square meters (including a road area of 29,518.30 square meters), which is owned by Global Cosmos German Limited, for a term from January 1, 2018 to December 31, 2029. The annual rent for the first year is €2.9 million (tax inclusive) and from the second year onwards, the annual rent shall increase progressively at 2.5% for each year.

The production plants leased by Fuyao Europe GmbH from Global Cosmos German Limited were constructed according to the existing production conditions of Fuyao Europe GmbH to satisfy the production needs of Fuyao Europe GmbH in virtue of its close proximity to the customers and secure the long-term stability of the lease. To obtain and use the above-mentioned leased property by way of lease rather than construction is beneficial to Fuyao Europe GmbH for expanding the production scale and improving the liquidity of its assets, thereby enabling it to invest more capital in its principal business and improve its core competitiveness. For details of the terms and conditions, please refer to the announcement titled "Continuing Connected Transaction in Relation to Leasing of Production Plant by Fuyao Europe" disclosed on October 26, 2017 by the Company on the website of the Hong Kong Stock Exchange and the announcement published on the website of the SSE.

## Section VII Significant Events

For the year ended December 31, 2025, the approved annual caps and the amount of transactions incurred in relation to non-exempt connected transactions under the lease agreement between Fuyao Europe GmbH, a wholly-owned subsidiary of the Company, and Global Cosmos German Limited and/or its associates for the above services are set out as below:

Nature of the transaction	Annual caps on transaction amount in 2025	Consolidated transaction amount in 2025
Expenses of Fuyao Europe GmbH, a wholly-owned subsidiary of the Company, arising from leasing the properties of Global Cosmos German Limited and/or its associates under the lease agreement	€3.45 million	€2.8968 million

*Note:* The rent was determined by both parties through negotiations with reference to the market price of the place where the leased properties are located; the consolidated transaction amount in 2025 was exclusive of tax of €550,400.

**The independent non-executive directors of the Company have reviewed the above non-exempt continuing connected transactions and confirmed that such connected transactions were:**

- (1) entered into in the ordinary course of business of the Company;
- (2) on normal commercial terms or, on terms no less favorable to the Group than the terms available to or from independent third parties (as the case may be); and
- (3) conducted in accordance with the terms of the agreements for relevant transactions and the terms of such transactions are fair and reasonable and in the interests of the Company's shareholders as a whole.

**The Board of Directors of the Company has received a confirmation letter in relation to the non-exempt continuing connected transactions from Ernst & Young, the auditor of the Company, confirming with respect to the continuing connected transactions as at December 31, 2025 that:**

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the transactions have not been approved by the Board of Directors of the Company;
- (2) as for the transactions that involve the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not conducted, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not conducted, in all material respects, in accordance with the relevant agreements; and
- (4) nothing has come to the auditor's attention that causes the auditor to believe that the amounts of the transactions exceeded the annual caps set by the Company.

## Section VII Significant Events

2. (1) The Company entered into a lease contract with Fujian Yaohua Industrial Village Development Co., Ltd. on October 17, 2024 to continue the lease of properties from Fujian Yaohua Industrial Village Development Co., Ltd. for four years ending December 31, 2028. (2) The Company entered into a new lease contract with Fujian Yaohua Industrial Village Development Co., Ltd. on April 27, 2023 to lease the newly constructed properties of 108,623.21 square meters from Yaohua Industrial Village for a term from October 1, 2023 to December 31, 2028. (3) The Company entered into a supplemental lease contract with Fujian Yaohua Industrial Village Development Co., Ltd. on September 28, 2023 to lease the newly constructed properties of 4,990.44 square meters from Yaohua Industrial Village for a term from October 1, 2023 to December 31, 2028. (4) The Company entered into a supplemental lease contract (II) with Fujian Yaohua Industrial Village Development Co., Ltd. on October 25, 2024 to adjust the leased area under the lease contracts entered into on April 27, 2023 and September 28, 2023, with a total reduction of 14,088.09 square meters and a total addition of 7,402.29 square meters, resulting in an adjusted leased area of 106,927.85 square meters, and the lease expenses were also adjusted.

The properties leased by the Company from Fujian Yaohua Industrial Village Development Co., Ltd. are adjacent to the principal place of business and the production base of the Company in the PRC. Entering into the lease contract and the new lease contracts between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. and carrying out the continuing connected transactions contemplated thereunder could help establish stable ancillary facilities of the Company and also facilitate the storage and transportation of the Company's products and raw materials, which would be conducive to the protection of the Company's normal production and operation activities, the enhancement of the liquidity of the Company's assets, and the reduction of the capital required to be invested by the Company for the construction of its own properties, thus enabling the Company to have more funds to develop its main businesses and enhance its core competitiveness.

Principal terms of the lease contract entered into between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. mainly include: (i) the Company will lease the ancillary facilities including staff dormitory and cafeteria, training center in Districts I and II and the standard manufacturing plant in District I of Fuyao Industrial Zone located at Honglu Town, Fuqing, Fujian Province from Fujian Yaohua Industrial Village Development Co., Ltd.; (ii) the total rent for the upcoming lease year shall be paid at any time between December of each year and January of such upcoming year. For details of the terms and conditions, please refer to the announcement titled "Connected Transaction under the 2024 Lease Contract" disclosed on October 17, 2024 by the Company on the website of the Hong Kong Stock Exchange and the announcement published on the website of the SSE.

Principal terms of the new lease contract entered into between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. mainly include: (i) the Company will lease the properties, including talent apartments and parking spaces in District II of Fuyao Industrial Zone located at Honglu Town, Fuqing, Fujian Province from Fujian Yaohua Industrial Village Development Co., Ltd.; (ii) the total rent for the lease period is payable within 60 days from the date of signing the new lease contract. For details of the terms and conditions, please refer to the announcement titled "Connected Transaction under the New Lease Contract" disclosed on April 28, 2023 by the Company on the website of the Hong Kong Stock Exchange and the announcement published on the website of the SSE.

## Section VII Significant Events

Principal terms of the supplemental lease contract entered into between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. mainly include: (i) the Company will lease the 2/F and 3/F of the talent apartments S1# in District II of Fuyao Industrial Zone located at Honglu Town, Fuqing, Fujian Province from Fujian Yaohua Industrial Village Development Co., Ltd.; (ii) the total rent for the lease period is payable within 60 days from the date of signing the new lease contract. This property lease was fully exempted as the applicable percentage ratio of the estimated value of the right-of-use asset to be recognized by the Company under the supplemental lease contract was less than 0.1%.

Principal terms of the supplemental lease contract (II) entered into between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. mainly include: (i) the parties adjusted the leased area under the lease contracts entered into on April 27, 2023 and September 28, 2023 based on the actual surveyed area and the demand for suites by both parties, with a total reduction of 14,088.09 square meters and a total addition of 7,402.29 square meters, together with an adjustment to the lease expenses; (ii) matters not agreed upon shall be executed in accordance with the original contracts.

The right-of-use assets acquired under the aforesaid lease contracts will be recognized by the Group in its consolidated statement of financial position in accordance with IFRS 16, and the relevant transactions constitute a one-off connected transaction under Chapter 14A of the Hong Kong Listing Rules. At the same time, the transactions also constitute connected transactions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. For the year ended December 31, 2025, the approved annual caps (as set in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange) and the actual transaction amount of the connected transactions contemplated under the lease contracts between the Company and Fujian Yaohua Industrial Village Development Co., Ltd. and/or its associates for the above services are set out as below:

<b>Nature of the transaction</b>	<b>Annual caps on transaction amount in 2025</b>	<b>Consolidated transaction amount in 2025</b>
Expenses of the Company arising from leasing the properties of Fujian Yaohua Industrial Village Development Co., Ltd. and/or its associates under the lease contracts	Approximately RMB62.88 million	RMB61.3609 million

*Note:*

- The relevant annual caps were determined after taking into account the following factors: (i) the actual property usage needs for the Company's production and operation and the employees' lives; (ii) the market price of comparable properties in the place where the leased properties are located.
- The amount of the above transactions represents the sum of the rental amounts for the lease contract entered into on October 17, 2024, the new lease contract entered into on April 27, 2023, the supplemental lease contract entered into on September 28, 2023 and the supplemental lease contract (II) entered into on October 25, 2024, where the supplemental lease contract (II) entered into on October 25, 2024 was an adjustment to the leased area and amount of the new lease contract entered into on April 27, 2023 and the fully exempted supplemental lease contract entered into on September 28, 2023.

## Section VII Significant Events

### (II) Connected transactions related to daily operations

1. Matters disclosed in provisional announcements but without developments or changes in subsequent implementation

#### Description of the matter

The Resolution in Relation to the Lease of Properties by Fuyao Europe GmbH, a Wholly-owned Subsidiary, from Global Cosmos German Limited was considered and approved at the sixteenth meeting of the eighth session of the Board of Directors of the Company convened on October 25, 2017. Fuyao Europe GmbH, a wholly-owned subsidiary of the Company, shall lease all its standard plants with a total area of 57,809.95 square meters (including a road area of 29,518.30 square meters), which is owned by Global Cosmos German Limited, for a term from January 1, 2018 to December 31, 2029. The annual rent for the first year is €2.9 million (tax inclusive) and from the second year onwards, the annual rent shall increase progressively at 2.5% for each year.

The Resolution in Relation to the Lease of Properties from Fujian Yaohua Industrial Village Development Co., Ltd. by the Company was considered and approved at the sixth meeting of the eleventh session of the Board of Directors of the Company convened on October 17, 2024. The Company leased the ancillary facilities including staff dormitory and cafeteria, training center in Districts I and II and the standard manufacturing plant in District I of Fuyao Industrial Zone located at Honglu Town, Fuqing, Fujian Province with a total area of 158,322.97 square meters from Fujian Yaohua Industrial Village Development Co., Ltd. at a monthly rent of RMB2,984,387.98, amounting to an annual rent of RMB35,812,655.81. The term of the lease was four years from January 1, 2025 to December 31, 2028.

#### Inquiry index

For details, please refer to the Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in Relation to the Lease of Properties by a Wholly-owned Subsidiary dated October 26, 2017 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times, and on the website of the SSE (<http://www.sse.com.cn>) and the Announcement on Continuing Connected Transaction in Relation to Leasing of Production Plant by Fuyao Europe dated October 26, 2017 as published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

For details, please refer to the Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in Relation to Leasing of Property by the Company dated October 18, 2024 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times and on the website of the SSE (<http://www.sse.com.cn>), and the Announcement on the Connected Transaction under the 2024 Lease Contract dated October 17, 2024 as published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

## Section VII Significant Events

### Description of the matter

The Resolution in Relation to the Projected Daily Connected Transactions between the Company and Tri-Wall Packaging (Fuzhou) Co., Ltd. for the Year 2025 and the Resolution in Relation to the Lease of Properties from Fujian Yaohua Industrial Village Development Co., Ltd. by the Company were considered and approved at the sixth meeting of the eleventh session of the Board of Directors of the Company convened on October 17, 2024.

The Resolution in Relation to the Projected Daily Connected Transactions between the Company and Tri-Wall Packaging (Fuzhou) Co., Ltd. for the Year 2026 was considered and approved at the tenth meeting of the eleventh session of the Board of Directors of the Company convened on October 16, 2025.

### Inquiry index

For details, please refer to the Announcement on the Daily Connected Transactions of Fuyao Glass Industry Group Co., Ltd. and the Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in Relation to Leasing of Property by the Company dated October 18, 2024 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times and the website of the SSE (<http://www.sse.com.cn>), and the Announcement on the Connected Transaction under the 2024 Lease Contract dated October 17, 2024 as published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

For details, please refer to the Announcement on the Daily Connected Transactions of Fuyao Glass Industry Group Co., Ltd. dated October 17, 2025 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times and the website of the SSE (<http://www.sse.com.cn>).

## 2. Matters disclosed in provisional announcements but with subsequent development or changes in subsequent implementation

On April 27, 2023, the thirteenth meeting of the tenth session of the Board of Directors of the Company was convened to consider and approve the Resolution in Relation to the Lease of Properties from Fujian Yaohua Industrial Village Development Co., Ltd. by the Company. The Company has leased the newly-built talent apartments of 83,370.29 square meters and the parking space of 25,252.92 square meters in Districts II of Fuyao Industrial Zone located at Honglu Town, Fuqing, Fujian Province, with a total leased property area of 108,623.21 square meters, from Fujian Yaohua Industrial Village Development Co., Ltd.. The monthly unit rent is RMB20.00 per square meter (tax inclusive), the monthly rent is RMB2,172,464.20 (tax inclusive), and the annual rent is RMB26,069,570.40 (tax inclusive). The term of the lease is from October 1, 2023 to December 31, 2028. For details, please refer to the Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in Relation to Leasing of Property dated April 28, 2023 as published on the Shanghai Securities News, the China Securities Journal, the Securities Times, the Securities Daily and on the website of the SSE (<http://www.sse.com.cn>), and the Announcement on the Connected Transaction under the New Lease Contract dated April 28, 2023 as published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

On September 28, 2023, the Company entered into a supplemental lease contract with Fujian Yaohua Industrial Village Development Co., Ltd. to increase the lease of the 2/F and 3/F of the talent apartments S1# in District II of Fuyao Industrial Zone, with a lease area of 4,990.44 square meters, at a monthly unit rent of RMB20.00 per square meter (tax inclusive), and a monthly rent of RMB99,808.80 (tax inclusive). The annual rent is RMB1,197,705.60 (inclusive of tax), and the term of the lease is from October 1, 2023 to December 31, 2028. As the transaction amount of the supplemental lease contract is relatively small, the transaction is not required to be submitted to the Board of Directors of the Company for consideration according to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association.

## Section VII Significant Events

On October 25, 2024, the Company entered into a supplemental lease contract (II) with Fujian Yaohua Industrial Village Development Co., Ltd. to adjust the leased area under the lease contracts entered into on April 27, 2023 and September 28, 2023, with a total reduction of 14,088.09 square meters and a total addition of 7,402.29 square meters, resulting in an adjusted leased area of 106,927.85 square meters. The transaction is not required to be submitted to the Board of Directors of the Company for consideration according to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association.

The connected transactions disclosed in the 2025 provisional announcements are as follows:

Unit: '0,000 Currency: RMB

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Estimated amounts in 2025	Actual amounts in 2025	Percentage of amount of the same type of transactions (%)	Settlement method of connected transaction
Tri-Wall Packaging (Fuzhou) Co., Ltd. <small>(Note 1)</small>	Joint venture	Purchase of goods	Procurement of raw and auxiliary materials	Market price	14,000.00	16,114.47	100	30 days from the invoice date
Tri-Wall Packaging (Fuzhou) Co., Ltd.	Joint venture	Sales of goods	Sale of raw and auxiliary materials	Market price	20.00	0	0	
Tri-Wall Packaging (Fuzhou) Co., Ltd. <small>(Note 1)</small>	Joint venture	Water, electricity, gas and other utility expenses (sale)	Sale of water and electricity	Market price	170.00	146.24	71.49	30 days from the invoice date
Tri-Wall Packaging (Fuzhou) Co., Ltd. <small>(Note 1)</small>	Joint venture	Provision of labor services	Provision of labor services	Agreed price	400.00	377.59	100	30 days from the invoice date
Fujian Yaohua Industrial Village Development Co., Ltd. <small>(Note 2)</small>	Other	Other outflows	Leasehold property	Market price	6,188.22	6,016.32	61.68	See Note 2
Global Cosmos German Limited	Other	Other outflows	Leasehold property	Market price	2,791.77	2,344.12	24.03	Payment before June 30
Total					23,569.99	24,998.74		

## Section VII Significant Events

### Notes:

- The actual amounts for the procurement of raw and auxiliary materials from Tri-Wall Packaging (Fuzhou) Co., Ltd. by the Company in 2025 exceeded the estimated amount of the whole year, but since the exceeded amounts are relatively small, they are not required to be submitted to the Board of Directors of the Company for consideration according to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association.
- The Company and Fujian Yaohua Industrial Village Development Co., Ltd. entered into the Property Lease Contract on October 17, 2024, with a leased area of 158,322.97 square meters at an annual rent of RMB35,812,700, for a term of four years from January 1, 2025 to December 31, 2028, with the total rent for the next lease year payable from December of each year to January of the following year. The Company and Fujian Yaohua Industrial Village Development Co., Ltd. entered into the Property Lease Contract on April 27, 2023, with a leased area of 108,623.21 square meters and an annual rent of RMB26,069,600, for a term commencing from October 1, 2023 to December 31, 2028, and the total rent for the lease period is payable within 60 days from the date of signing the contract. On October 25, 2024, the Company entered into the Property Lease Contract – Supplementary Contract (II) with Fujian Yaohua Industrial Village Development Co., Ltd. to adjust the leased area under the lease contracts entered into on April 27, 2023 and September 28, 2023, with a total reduction of 14,088.09 square meters and a total addition of 7,402.29 square meters, and the adjusted leased area was 106,927.85 square meters, and the lease charges were also adjusted.

### 3. Events not disclosed in provisional announcements

Unit: '0,000 Yuan Currency: RMB

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Amounts of the connected transaction	Percentage of amount of the same type of transactions (%)	Settlement method of connected transaction
Fujian Triplex Auto Parts Development Co., Ltd.	Other	Other outflows	Leasehold property	Market price	1,273.46	13.06	See Note 1
Fujian Triplex Auto Parts Development Co., Ltd.	Other	Water, electricity, gas and other utility expenses (purchase)	Purchase of water and electricity	Market price	74.47	20.65	30 days from the invoice date
Fujian Triplex Auto Parts Development Co., Ltd.	Other	Acceptance of labor services	Acceptance of labor services	Agreed price	13.71	4.25	30 days from the invoice date
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	Joint venture	Acceptance of labor services	Product accessories installation service	Costs plus reasonable profits	289.79	89.90	30 days from the invoice date
China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd.	Other	Acceptance of labor services	Acceptance of labor services	Agreed price	18.87	5.85	30 days from the invoice date
Fujian Yaohua Industrial Village Development Co., Ltd.	Other	Other outflows	Leasehold property	Market price	119.77	1.23	Payment of the full rent for the lease period within 60 days from the date of signing the contract

## Section VII Significant Events

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Amounts of the connected transaction	Percentage of amount of the same type of transactions (%)	Settlement method of connected transaction
Fujian Yaohua Industrial Village Development Co., Ltd.	Other	Water, electricity, gas and other utility expenses (purchase)	Purchase of water and electricity	Market price	286.14	79.35	30 days from the invoice date
Fujian Yaohua Industrial Village Development Co., Ltd.	Other	Water, electricity, gas and other utility expenses (purchase)	Sale of water and electricity	Market price	58.33	28.51	30 days from the invoice date
Fuyao University of Science and Technology in Fujian	Other	Other outflows	Commissioned development and technical services	Agreed price	110.06	100	Payment based on project progress
Total				/	<u>2,244.60</u>		/

Note to the connected transaction

As the amounts of the transactions conducted between the Company, Fuyao Group Beijing Futong Safety Glass Co., Ltd., China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd., Fujian Triplex Auto Parts Development Co., Ltd. and Fujian Yaohua Industrial Village Development Co., Ltd. are relatively small, such transactions are not required to be submitted to the Board of Directors of the Company for consideration according to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association; these transactions constitute de minimis transactions under Rule 14A. 76 of the Hong Kong Listing Rules and are fully exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Hong Kong Listing Rules.

## Section VII Significant Events

### Notes:

1. The Group leased part of its factory buildings, the office building and dormitory located in Yinxi Street, Fuqing City, Fujian Province from Fujian Triplex Auto Parts Development Co., Ltd. controlled by Mr. Tso Fai, the chairman of the Company. The total leased area of the factory building 1 is 20,000 square meters with five-year lease term from July 1, 2021 to June 30, 2026, with a two-month rent-free period. The monthly rent excluding VAT in the first three years was RMB500,000, and the monthly rent increased by 4% from the fourth year. The property management fee (including sanitation management fee) was RMB1.50/month per square meter, and the rent of the current month shall be paid in full on the 1st day of each month; the leased area of factory building 2 was 8,000 square meters with a lease term from May 1, 2024 to June 30, 2026. The monthly rent (including tax) and the property management fee amounted to RMB200,000, which shall be paid in full on the 1st day of each month; the leased areas of factory building 3 were 3,828 square meters, 3,721 square meters and 520.80 square meters, with a lease term from August 1, 2024 to March 31, 2025, from August 1, 2024 to June 30, 2025 and from November 1, 2024 to June 30, 2025, respectively. The monthly tax-inclusive rent (including the property management fee) amounted to RMB95,700, RMB93,000 and RMB13,000, respectively, which shall be paid in full on the 5th day of each month; the leased area of the office building was 638.44 square meters with the lease term from August 7, 2024 to August 6, 2027. The quarterly rent (including tax) was RMB86,200, which shall be paid within 15 working days upon receipt of the invoice; the leased areas of factory building 4 were 1,368.75 square meters and 4,531.45 square meters, with a lease term from March 1, 2025 to May 25, 2025 and from March 1, 2025 to June 30, 2025, respectively. The monthly tax-inclusive rent (including the property management fee) amounted to RMB34,200 and RMB113,300, respectively, which shall be paid in full on the 5th day of each month; the leased area of the dormitory is approximately 33,993.08 square meters, governed by multiple contracts. The earliest lease term commenced from July 1, 2024, while the latest lease term expires on October 14, 2026. The monthly rent (including tax) is RMB445,200, and the rent for the next quarter shall be paid on or before the 15th day of each quarter upon receipt of the invoice.
2. China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd. held its general meeting on March 29, 2024 to re-elect a new session of directors, and Mr. Chen Xiangming, a director and chief financial officer of the Company, would no longer concurrently serve as a director of China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd., and pursuant to Rule 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, within the past 12 months, since Mr. Chen Xiangming, a director and chief financial officer of the Company, had concurrently held the position of director of China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd., which was still regarded as a connected legal person of the Company by March 29, 2025.
3. The Company and Fujian Yaohua Industrial Village Development Co., Ltd. entered into the Supplemental Contract to the Property Lease Contract on September 28, 2023, with a leased area of 4,990.44 square meters and an annual rent of RMB1,197,700, for a term commencing from October 1, 2023 to December 31, 2028, and the total rent for the lease period is payable within 60 days from the date of signing the contract. On October 25, 2024, the Company entered into the Supplemental Contract (II) to the Property Lease Contract with Fujian Yaohua Industrial Village Development Co., Ltd. to adjust the leased area under the lease contracts entered into on April 27, 2023 and September 28, 2023, with a total reduction of 14,088.09 square meters and a total addition of 7,402.29 square meters, resulting in an adjusted leased area of 106,927.85 square meters, and the lease expenses were also adjusted.
4. On December 31, 2025, the Company entered into a trademark license agreement, granting Fujian Yidao Daka Commercial Management Co., Ltd. a royalty-free license to use the “Fuyao”, “Sunless”, “Anti-ray” and other trademarks for the operation of online stores on mainstream e-commerce platforms. Fujian Yidao Daka Commercial Management Co., Ltd. is responsible for bearing the operational costs associated with these online stores. The agreement aims to comprehensively and systematically showcase and promote the Company’s automotive glass products, enhance the online exposure and market influence of the “Fuyao” brand, effectively expand sales channels, thereby driving traffic and adding value to the overall aftermarket auto glass business, and improving market share and operating performance in the aftermarket auto glass segment.

## Section VIII Changes in Shares and Information of Shareholders

### I. CHANGES IN SHARE CAPITAL

#### (I) Changes in shares

##### 1. Changes in shares

During the Reporting Period, there were no changes in the total number of shares and share capital structure of the Company.

### II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

#### (I) Total number of shareholders

As at December 31, 2025, the total number of shareholders of the Company was 97,211, of which, 97,167 were holders of A shares and 44 were holders of H shares.

Total number of shareholders of ordinary shares as at the end of the Reporting Period	97,211
Total number of shareholders of ordinary shares as at the end of the month preceding the day when the annual report was disclosed	117,923
Total number of shareholders of preference shares with voting rights restored as at the end of the Reporting Period	0
Total number of shareholders of preference shares with voting rights restored as at the end of the month preceding the day when the annual report was disclosed	0

## Section VIII Changes in Shares and Information of Shareholders

### (II) Particulars of shareholdings of the top ten shareholders and the top ten shareholders with tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: Share

Name of shareholder (Full name)	Particulars of top 10 shareholders (excluding lending of shares through securities financing)					
	Increase/ decrease during the Reporting Period	Shareholding at the end of the Reporting Period	Percentage (%)	Number of shares held with selling restrictions	Pledged, tagged or moratorium Status of shares	Nature of shareholders
HKSCC NOMINEES LIMITED <i>(Note)</i>	-50	595,825,494	22.83		Unknown	Unknown
Sanyi Development Limited	0	390,578,816	14.97		Nil	Overseas legal person
Hong Kong Securities Clearing Company Limited	-22,907,511	382,530,252	14.66		Unknown	Unknown
Heren Charitable Foundation	0	169,512,888	6.50		Nil	Domestic non-state-owned legal person
Bai Yongli	2,063,800	39,499,815	1.51		Unknown	Unknown
China Securities Finance Corporation Limited	0	28,095,485	1.08		Unknown	Unknown
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open- end Index Securities Investment Fund (華泰柏瑞滬深 300交易型開放式指數證券投資基金)	-1,204,940	26,423,272	1.01		Unknown	Unknown
Li Haiqing	3,587,540	25,785,862	0.99		Unknown	Unknown
Li Fuqing	6,889	24,291,709	0.93		Unknown	Unknown
Fujian Yaohua Industrial Village Development Co., Ltd.	0	24,077,800	0.92		Nil	Domestic non-state-owned legal person

## Section VIII Changes in Shares and Information of Shareholders

### Shareholding of the top ten shareholders not subject to selling restrictions (excluding lending of shares through securities financing)

Name of shareholder	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED <sup>(Note)</sup>	595,825,494	Overseas listed foreign shares	595,825,494
Sanyi Development Limited	390,578,816	Ordinary shares denominated in RMB	390,578,816
Hong Kong Securities Clearing Company Limited	382,530,252	Ordinary shares denominated in RMB	382,530,252
Heren Charitable Foundation	169,512,888	Ordinary shares denominated in RMB	169,512,888
Bai Yongli	39,499,815	Ordinary shares denominated in RMB	39,499,815
China Securities Finance Corporation Limited	28,095,485	Ordinary shares denominated in RMB	28,095,485
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-end Index Securities Investment Fund (華泰柏瑞滬深300交易型開放式指數證券投資基金)	26,423,272	Ordinary shares denominated in RMB	26,423,272
Li Haiqing	25,785,862	Ordinary shares denominated in RMB	25,785,862
Li Fuqing	24,291,709	Ordinary shares denominated in RMB	24,291,709
Fujian Yaohua Industrial Village Development Co., Ltd.	24,077,800	Ordinary shares denominated in RMB	24,077,800
Explanations on the repurchase special account among top 10 shareholders			Nil
Explanations on proxy votes casted by or on behalf of, or abstention from voting by the above shareholders			Nil
Explanations on the connected relationship or parties acting in concert among the above shareholders		Sanyi Development Limited and Fujian Yaohua Industrial Village Development Co., Ltd. are controlled by the same entity. Save for the Heren Charitable Foundation, among the remaining 7 shareholders not subject to selling restrictions, it is uncertain whether there is any connected relationship among the shareholders and whether such shareholders are parties acting in concert which fall within the meaning under the Measures Governing Acquisitions by Listed Companies.	

*Note:* HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司). Investors deposit the H shares held by themselves into the Central Clearing and Settlement System under the Hong Kong Stock Exchange and count them by the aggregate number of the H shares registered under the name of HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司), a wholly-owned subsidiary member body of the Hong Kong Stock Exchange.

## Section VIII Changes in Shares and Information of Shareholders

### (III) Interests and short positions of directors, former supervisors and chief executives in shares, underlying shares and debentures

As at December 31, 2025, the interests and short positions of directors, former supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, (a) which were required to be notified to the Company and the Hong Kong 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); or (b) which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Hong Kong Listing Rules, were as follows:

Name	Capacity/nature of interest	Number of shares interested	Percentage of total issued share capital of the relevant class of shares <sup>(3)</sup> (%)	Percentage of total issued share capital of the Company <sup>(3)</sup> (%)	Class of shares
Cho Tak Wong (an executive director and the honorary chairman for life) <sup>(1)</sup>	Beneficial owner/interest of controlled corporation	414,971,444(L)	20.72(L)	15.90(L)	A share
Tso Fai (an executive director and the chairman) <sup>(2)</sup>	Interest of controlled corporation	12,086,605(L)	0.60(L)	0.46(L)	A share

*Notes:*

- (1) Mr. Cho Tak Wong directly holds 314,828 A shares (L) and indirectly holds 414,656,616 A shares (L) through Sanyi Development Limited.
- (2) Mr. Tso Fai indirectly holds 12,086,605 A shares (L) through Homekiu Overseas Holdings Limited.
- (3) The percentage is based on the issued number of the relevant class of shares or the total issued shares of the Company as at December 31, 2025.
- (4) (L) – long position.

Save as disclosed above, as at December 31, 2025, none of directors, former supervisors and chief executives of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Hong Kong 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); or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## Section VIII Changes in Shares and Information of Shareholders

### (IV) Interests and short positions of substantial shareholders in shares and underlying shares

As at December 31, 2025, the Company was notified of the following persons, other than directors or chief executive of the Company, who had 5% or more interests or short positions in the issued shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Name	Capacity/nature of interest	Number of shares interested	Percentage of total issued share capital of the relevant class of shares <sup>(6)</sup> %	Percentage of total issued share capital of the Company <sup>(6)</sup> %	Class of shares
Chan Fung Ying <sup>(1)</sup>	Spouse interest/interest of controlled corporation	414,971,444(L)	20.72(L)	15.90(L)	A share
Sanyi Development Limited	Beneficial owner/interest of controlled corporation	390,578,816 (L)	19.50(L)	14.97(L)	A share
Heren Charitable Foundation	Beneficial owner	169,512,888(L)	8.46(L)	6.50(L)	A share
BlackRock, Inc. <sup>(2)</sup>	Interest of controlled corporation	41,378,709(L)	6.82(L)	1.59(L)	H share
		623,200(S)	0.10(S)	0.02(S)	
Citigroup Inc. <sup>(3)</sup>	Interest of controlled corporation/ approved lending agents	38,016,343(L)	6.27(L)	1.46(L)	H share
		3,276,487(S)	0.54(S)	0.13(S)	
		35,567,881(P)	5.86(P)	1.36(P)	
JPMorgan Chase & Co. <sup>(4)</sup>	Beneficial owner/investment manager/ secured equity holders/approved lending agent	82,887,481(L)	13.66(L)	3.18(L)	H share
		306,376(S)	0.05(S)	0.01(S)	
		14,909,077(P)	2.46(P)	0.57(P)	
Mitsubishi UFJ Financial Group, Inc. <sup>(5)</sup>	Interest of controlled corporation	36,414,800(L)	6.00(L)	1.40(L)	H share
		92,000(P)	0.02(P)	0.00(P)	

*Notes:*

- (1) Ms. Chan Fung Ying is Mr. Cho Tak Wong's spouse and was therefore deemed to be interested in 414,971,444 A shares (L) held by Mr. Cho Tak Wong.
- (2) BlackRock, Inc. holds 41,378,709 H shares (L) and 623,200 H shares (S) of the Company through several controlled entities, of which 2,631,600 H shares (L) and 623,200 H shares (S) were related to the unlisted derivatives – cash settled.
- (3) Citigroup Inc. holds 38,016,343 H shares (L), 3,276,487 H shares (S) and 35,567,881 H shares (P) of the Company through several controlled entities, of which, 528,800 H shares (L) and 285,200 H shares (S) were related to the unlisted derivatives – cash settled.
- (4) JPMorgan Chase & Co. holds 82,887,481 H shares (L), 306,376 H shares (S) and 14,909,077 H shares (P) of the Company through several controlled entities, of which 26,400 H shares (L) and 306,376 H shares (S) were related to the unlisted derivatives – cash settled.
- (5) Mitsubishi UFJ Financial Group, Inc. holds 36,414,800 H shares (L) and 92,000 H shares (P) of the Company through several controlled entities.

## Section VIII Changes in Shares and Information of Shareholders

(6) The percentage is based on the issued number of the relevant class of shares or the total issued shares of the Company as at December 31, 2025

(7) (L)—long position, (S)—short position, (P)—lending pool.

Save as disclosed above, as at December 31, 2025, there was no person having interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### III. PARTICULARS OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

#### (I) Controlling Shareholder

##### 1 Legal person

Name	Sanyi Development Limited
Person-in-charge or legal representative	Cho Tak Wong
Date of establishment	April 4, 1991
Principal business	Non-business operation investment shareholding
Details of controlling interests and investments in other domestic and foreign listed companies during the Reporting Period	Nil

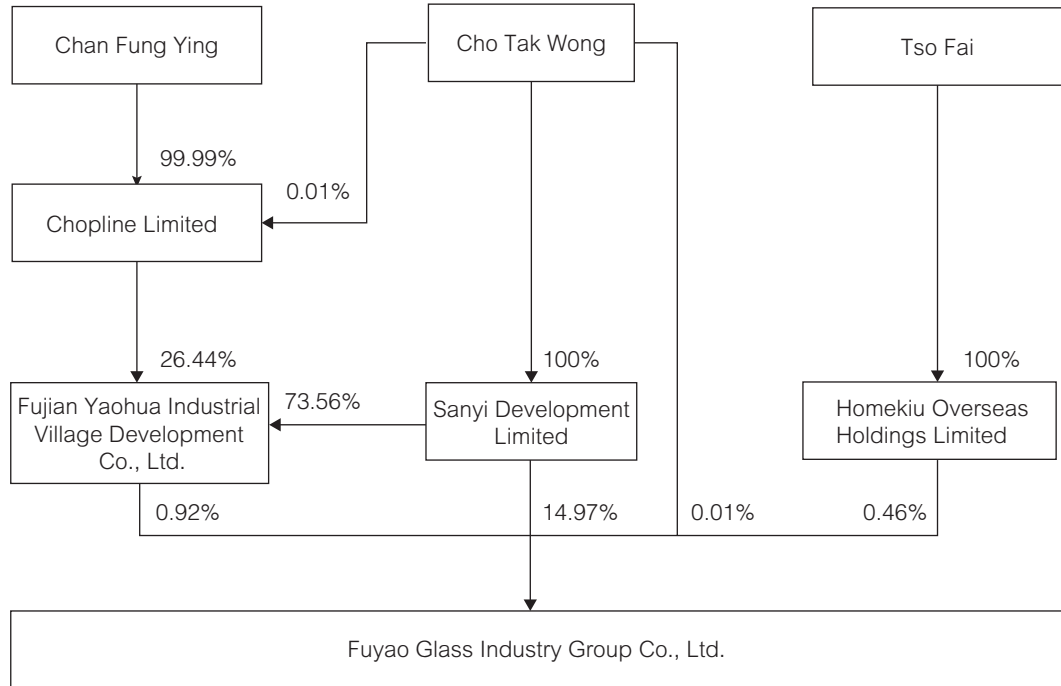
#### (II) De facto controller

##### 1 Natural person

Name	Cho Tak Wong
Nationality	Hong Kong, China
Having acquired rights of residence in other countries or areas or not	No
Principal job and position	Mr. Cho Tak Wong, a founder of Fuyao Group, has served as an executive director and the honorary chairman for life of the Board of Directors since October 2025. He served as the chairman of the Company from August 1999 to October 2025. Mr. Cho Tak Wong also serves as a director of a majority of subsidiaries of the Company and holds certain key positions in many organizations. He also serves as the first chairman of Heren Charitable Foundation and the chairman of Fujian Fuyao University of Science and Technology.
Shareholding in companies listed domestically or overseas in the past 10 years	Nil

## Section VIII Changes in Shares and Information of Shareholders

- 2 Chart setting out the share interests and controlling relationships between the Company and the de facto controller



## Section IX Relevant Information on Bonds

### I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

#### (I) Situation of fund raised from corporate bonds

None of the corporate bonds involved the use of raised funds or rectification during the Reporting Period.

#### (II) Debt financing instruments of non-financial enterprises in the interbank bond market

##### 1. Basic Information on debt financing instruments of non-financial enterprises

Unit: 0'000 Currency: RMB

Name of bonds	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Trading mechanism	Whether there is a risk of terminating the listing for trading
Second tranche of 2025 ultra short-term commercial papers of Fuyao Glass Industry Group Co., Ltd.	25 Fuyao Glass SCP002	012582203	September 11, 2025	September 12, 2025	June 9, 2026	50,000	1.75	Repayment of principal and interest in a lump sum upon maturity	Interbank Bond Market	Listing for trading	No

Payment of interest of bonds during the Reporting Period

#### Name of bonds

#### Explanations of the payment of interest

First tranche of 2025 ultra short-term commercial papers of Fuyao Glass Industry Group Co., Ltd. Completed payment of interest

## Section IX Relevant Information on Bonds

### 2. Intermediaries providing services for bond issuance and business in duration period

Name of intermediaries	Office address	Name of signing auditors (if applicable)	Contact persons	Telephone no.
ZENITH LAW FIRM	22/F, TB Office Building, Phase III China Resources MIXC, Hongshanyuan Road, Gulou District, Fuzhou, the PRC	N/A	Jiang Hao (蔣浩)	0591-88065558

### 3. Use of proceeds as at the end of the Reporting Period

Unit: 0'000 Currency: RMB

Name of bonds	Total amount of proceeds	Utilized amount	Unutilized amount	Operation of the designated account for the proceeds (if any)	Rectification of non-compliant utilization of proceeds (if any)	Whether the proceeds were used for the purposes committed to, according to the plan of use and other agreements stated in the prospectus
First tranche of 2025 ultra short-term commercial papers of Fuyao Glass Industry Group Co., Ltd.	40,000	40,000	0	Nil	Nil	Yes
Second tranche of 2025 ultra short-term commercial papers of Fuyao Glass Industry Group Co., Ltd.	50,000	50,000	0	Nil	Nil	Yes

## Section IX Relevant Information on Bonds

### (III) Accounting data and financial indicators of the Company for the last two years as at the end of the Reporting Period (prepared in accordance with the China Accounting Standards for Business Enterprises)

Unit: Yuan Currency: RMB

Main indicators	2025	2024	Increase/ decrease for the Reporting Period as compared with the corresponding period last year (%)
Annual profit attributable to owners of the Company, net of non-recurring profits or losses	<b>9,164,684,348</b>	7,445,999,659	23.08
Current ratio <sup>(1)</sup>	<b>1.54</b>	2.02	-23.76
Quick ratio <sup>(2)</sup>	<b>1.27</b>	1.69	-24.85
Gearing ratio % <sup>(3)</sup>	<b>46.40</b>	43.58	2.82
Total debt to EBITDA ratio <sup>(4)</sup>	<b>0.67</b>	0.66	1.52
Interest coverage ratio <sup>(5)</sup>	<b>31.03</b>	27.59	12.47
Cash interest coverage ratio <sup>(6)</sup>	<b>39.43</b>	31.11	26.74
EBITDA interest coverage ratio <sup>(7)</sup>	<b>39.34</b>	35.70	10.20
Loan repayment ratio <sup>(8)</sup>	<b>100.00</b>	100.00	0
Interest repayment ratio <sup>(9)</sup>	<b>100.00</b>	100.00	0

(1) Current ratio = current assets/current liabilities

(2) Quick ratio = (current assets – inventories)/current liabilities

(3) Gearing ratio = (total liabilities/total assets) × 100%

(4) Total debt to EBITDA ratio = EBITDA/total debts, in particular, total debts = long-term borrowings + bonds payable + short-term borrowings + financial liabilities at fair value through profit or loss + notes payable + short-term bonds payable (other current liabilities) + non-current liabilities due within one year + lease liabilities + long-term payables

(5) Interest coverage ratio = profit before interest and tax/(interest expenses recognized in finance costs + capitalized interest expenses)

(6) Cash interest coverage ratio = (net cash flows generated from operating activities + cash interest expenses + income tax paid in cash)/cash interest expenses

(7) EBITDA interest coverage ratio = EBITDA/(interest expenses recognized in finance costs + capitalized interest expenses)

(8) Loan repayment ratio = actual amount of loan repayment/loan amount repayable × 100%

(9) Interest repayment ratio = interests actually paid/interests payable × 100%

# Section X Financial Report



## INDEPENDENT AUDITOR'S REPORT

**To the shareholders of Fuyao Glass Industry Group Co., Ltd.**  
*(Established in the People's Republic of China with limited liability)*

### Opinion

We have audited the consolidated financial statements of Fuyao Glass Industry Group Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 125 to 228, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

# Section X Financial Report

## Key audit matters (continued)

### Key audit matter

#### Revenue recognition

Revenue of the Group mainly comprises of manufacture and sale of automotive glasses to original equipment manufacturer (“OEM”) customers and aftersales repair customers. The Group recognises revenue according to the amount of consideration that the Group has rights to receive when the customers acquire the control of related products.

During the year ended 31 December 2025, revenue from sale of automotive glasses amounted to RMB41,889,226,000, accounting for approximately 91% of the total revenue of the Group.

The focus on the revenue from sale to OEM and aftersales repair customers is due to its large transaction volume and different types of customers involved with goods distributed to diverse countries/regions. Inappropriate revenue recognition might have a material impact on the financial statements. Therefore, revenue recognition was identified as a key audit matter.

Disclosures related to revenue recognition are set out in note 2.4 MATERIAL ACCOUNTING POLICIES and note 5 REVENUE AND COST OF SALES to the consolidated financial statements.

### How our audit addressed the key audit matter

Our audit procedures included, among others, the following:

- (1) Understood, evaluated and tested the effectiveness of the design and operation of internal controls around the Group’s sales transactions from customer orders’ approval to sale recording;
- (2) Inquired management and obtained key sales contracts, validated and identified the terms and conditions in the contracts which were related to the transfer of control and revenue recognition and evaluated whether the accounting policies on revenue recognition were in compliance with the relevant accounting standards;
- (3) For each type of revenue stream, tested, on a sample basis, the timing and amount of revenue recognition are appropriate by tracing to the relevant supporting documents, including but not limited to, terms of control transfer in the sales contracts, customers’ acceptance documents, sales orders, receipts and customs declaration forms, where appropriate;
- (4) Combining with the results of background check and site visits, performed circularisation procedures by sending confirmations of the trade receivable balances of selected customers;
- (5) Conducted analytical review procedures by comparing the revenue and gross profit margin with prior year and evaluated the reasonableness of the fluctuations;
- (6) Tested sales transactions recorded before and after the balance sheet date, on a sample basis, by tracing to the relevant customers’ acceptance documents to assess whether revenue was recognised in the correct reporting periods.
- (7) Checked whether there was any significant reversal of revenue or sales return after the reporting period; and
- (8) Checked the sufficiency and completeness of the disclosures of revenue in the notes to the consolidated financial statements.

# Section X Financial Report

## Other information included in the Annual Report

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

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

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

## Responsibilities of the directors for the consolidated financial statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## Section X Financial Report

### **Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

- 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.

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 Lee Mee Kwan, Helena (practising certificate number: P04634).

*Certified Public Accountants*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong  
17 March 2026

# Section X Financial Report

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

31 December 2025

		Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
	Notes		
<b>REVENUE</b>	5	<b>45,787,436</b>	39,251,657
Cost of sales	5	<b>(28,957,205)</b>	(25,303,908)
		<b>16,830,231</b>	13,947,749
<b>Gross profit</b>			
Selling expenses		<b>(1,327,765)</b>	(1,180,261)
Administrative expenses		<b>(3,542,948)</b>	(3,021,597)
Research and development expenses		<b>(1,913,082)</b>	(1,677,751)
Reversals of impairment/(impairment) losses on financial assets	8	<b>3,035</b>	(3,563)
Other income	6	<b>313,086</b>	400,415
Other gains/(expenses) – net	7	<b>272,492</b>	(149,639)
		<b>10,635,049</b>	8,315,353
<b>Operating profit</b>			
Finance income	11	<b>868,835</b>	979,192
Finance costs	11	<b>(321,414)</b>	(288,507)
		<b>547,421</b>	690,685
<b>Finance income – net</b>	11		
Share of net losses of joint ventures and associates accounted for using the equity method		<b>(21,217)</b>	(15,802)
		<b>11,161,253</b>	8,990,236
<b>Profit before income tax</b>	8		
Income tax expense	12	<b>(1,844,887)</b>	(1,486,781)
		<b>9,316,366</b>	7,503,455
<b>PROFIT FOR THE YEAR</b>			
<b>Profit is attributable to:</b>			
Owners of the Company		<b>9,311,874</b>	7,497,392
Non-controlling interests		<b>4,492</b>	6,063
		<b>9,316,366</b>	7,503,455
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>			
– Basic and diluted earnings per share (expressed in RMB per share)	13	<b>3.57</b>	2.87

# Section X Financial Report

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31 December 2025

		Year ended 31 December	
Note	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	
	<b>9,316,366</b>	7,503,455	
<b>PROFIT FOR THE YEAR</b>			
<b>Other comprehensive income:</b>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences	31 (408,139)	169,154	
Items that will not be subsequently reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income	5,655	(8,371)	
Income tax effect	(1,413)	2,092	
	31 4,242	(6,279)	
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(403,897)</b>	162,875	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>8,912,469</b>	7,666,330	
<b>Total comprehensive income is attributable to:</b>			
Owners of the Company	8,907,977	7,660,267	
Non-controlling interests	4,492	6,063	
	<b>8,912,469</b>	7,666,330	

# Section X Financial Report

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		<b>As at 31 December</b>	
	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	<b>2024</b> <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	<b>27,237,905</b>	23,703,580
Right-of-use assets	16(a)	<b>575,777</b>	532,127
Land use rights	17	<b>1,396,553</b>	1,200,145
Intangible assets	18	<b>494,927</b>	495,370
Investments in joint ventures	19	<b>393,048</b>	421,356
Investment in an associate	19	<b>19,880</b>	20,139
Financial assets at fair value through other comprehensive income	24	<b>88,338</b>	82,683
Deferred tax assets	20	<b>488,197</b>	375,066
Long-term receivables	22	<b>31,352</b>	30,105
<b>Total non-current assets</b>		<b>30,725,977</b>	26,860,571
<b>CURRENT ASSETS</b>			
Inventories	21	<b>6,799,041</b>	5,970,614
Receivables, prepayments and other current assets	22	<b>10,338,814</b>	9,718,756
Financial assets at fair value through profit or loss	24	<b>10,916</b>	7,683
Financial assets at fair value through other comprehensive income	24	<b>2,922,909</b>	1,921,466
Restricted cash	23	<b>32,954</b>	50,790
Cash and cash equivalents	23	<b>19,240,786</b>	18,733,774
<b>Total current assets</b>		<b>39,345,420</b>	36,403,083
<b>Total assets</b>		<b>70,071,397</b>	63,263,654
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25	<b>10,692,397</b>	9,074,500
Contract liabilities	26	<b>718,192</b>	807,312
Current tax liabilities		<b>709,115</b>	527,713
Borrowings	27	<b>13,295,066</b>	7,474,519
Lease liabilities	16(a)	<b>145,729</b>	99,456
Current portion of other non-current liabilities	28	<b>5,690</b>	5,432
<b>Total current liabilities</b>		<b>25,566,189</b>	17,988,932
<b>NET CURRENT ASSETS</b>		<b>13,779,231</b>	18,414,151
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>44,505,208</b>	45,274,722
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>44,505,208</b>	45,274,722

# Section X Financial Report

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2025

		As at 31 December	
Notes	2025 RMB'000	2024 RMB'000	
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	27	3,669,045	7,212,920
Lease liabilities	16(a)	378,561	343,739
Other non-current liabilities	28	836,894	498,898
Deferred tax liabilities	20	1,094,688	704,771
Deferred income	29	964,817	819,352
<b>Total non-current liabilities</b>		<b>6,944,005</b>	9,579,680
<b>Net assets</b>		<b>37,561,203</b>	35,695,042
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	30	2,609,744	2,609,744
Share premium	31	9,680,392	9,680,392
Other reserves	31	4,976,800	4,778,234
Retained earnings	31	20,298,572	18,635,469
		<b>37,565,508</b>	35,703,839
<b>Non-controlling interests</b>		<b>(4,305)</b>	(8,797)
<b>Total equity</b>		<b>37,561,203</b>	35,695,042

**Tso Fai**  
Director

**Chen Xiangming**  
Director

# Section X Financial Report

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2025

	Notes	Attributable to owners of the Company				Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (Note 30)	Share premium RMB'000 (Note 31)	Other reserves RMB'000 (Note 31)	Retained earnings RMB'000 (Note 31)			
<b>Balance at 1 January 2024</b>		2,609,744	9,680,392	4,128,883	15,017,220	31,436,239	(14,860)	31,421,379
Profit for the year		-	-	-	7,497,392	7,497,392	6,063	7,503,455
<b>Other comprehensive income:</b>								
Currency translation differences		-	-	169,154	-	169,154	-	169,154
Changes in the fair value of equity investments at fair value through other comprehensive income		-	-	(6,279)	-	(6,279)	-	(6,279)
<b>Total comprehensive income for the year</b>		-	-	162,875	7,497,392	7,660,267	6,063	7,666,330
Dividends relating to 2023	14	-	-	-	(3,392,667)	(3,392,667)	-	(3,392,667)
Appropriation to statutory reserve	31	-	-	486,476	(486,476)	-	-	-
<b>Balance at 31 December 2024 and 1 January 2025</b>		2,609,744	9,680,392	4,778,234	18,635,469	35,703,839	(8,797)	35,695,042
Profit for the year		-	-	-	9,311,874	9,311,874	4,492	9,316,366
<b>Other comprehensive income:</b>								
Currency translation differences		-	-	(408,139)	-	(408,139)	-	(408,139)
Changes in the fair value of financial assets at fair value through other comprehensive income		-	-	4,242	-	4,242	-	4,242
<b>Total comprehensive income for the year</b>		-	-	(403,897)	9,311,874	8,907,977	4,492	8,912,469
Dividends relating to 2024 and interim of 2025	14	-	-	-	(7,046,308)	(7,046,308)	-	(7,046,308)
Appropriation to statutory reserve	31	-	-	602,463	(602,463)	-	-	-
<b>Balance at 31 December 2025</b>		<u>2,609,744</u>	<u>9,680,392</u>	<u>4,976,800</u>	<u>20,298,572</u>	<u>37,565,508</u>	<u>(4,305)</u>	<u>37,561,203</u>

# Section X Financial Report

## CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2025

		Year ended 31 December	
		2025 RMB'000	2024 RMB'000
	<i>Notes</i>		
<b>Cash flow from operating activities</b>			
Cash generated from operations	32(a)	13,398,620	9,664,122
Income tax paid		(1,343,530)	(1,101,934)
		<b>12,055,090</b>	8,562,188
<b>Net cash generated from operating activities</b>			
<b>Cash flow from investing activities</b>			
Proceeds from disposal of property, plant and equipment	32(b)	39,193	102,111
Proceeds from disposal of intangible assets and land use rights	32(b)	843	2
Purchases of property, plant and equipment		(5,863,795)	(5,104,312)
Purchases of intangible assets	18	(66,543)	(141,763)
Purchases of land use rights	17	(233,744)	(234,797)
Interest received		–	417,422
Dividends received		7,350	–
Decrease/(increase) in restricted cash	23	17,836	(14,673)
Decrease in held-to-maturity term deposits with original maturity of more than three months		–	14,698,509
Increase in held-to-maturity term deposits with original maturity of more than three months		–	(9,666,769)
		<b>(6,098,860)</b>	55,730
<b>Net cash (used in)/generated from investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	32(c)	15,082,245	13,032,972
Repayments of borrowings	32(c)	(12,768,763)	(12,490,915)
Dividends paid	31	(6,966,084)	(3,392,667)
Interest paid	32(c)	(348,690)	(320,949)
Payment of lease liabilities and long-term payables	32(c)	(169,097)	(186,616)
		<b>(5,170,389)</b>	(3,358,175)
<b>Net cash used in financing activities</b>			
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		18,733,774	13,351,250
Exchange differences on cash and cash equivalents		(278,829)	122,781
		<b>19,240,786</b>	18,733,774
<b>Cash and cash equivalents at end of the year</b>			
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash at bank and on hand	23	19,240,786	18,733,774
<b>Cash and cash equivalents as stated in the consolidated statement of financial position and in the consolidated statement of cash flows</b>			
	23	<b>19,240,786</b>	18,733,774

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 1. CORPORATE INFORMATION

Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司) (the “Company”) was restructured in 1991 and established in June 1992 in Fuzhou City, Fujian Province, the People’s Republic of China (the “PRC”). The company’s headquarters is in Fuqing City, Fujian Province.

The Company’s shares have been listed on both the Shanghai Stock Exchange (“A shares”) and the Stock Exchange of Hong Kong Limited (“H shares”). On 10 May 2021, the Company successfully placed 101,126,000 H shares with a par value of Renminbi (“RMB”) 1 each. As at 31 December 2025, the Company had 2,002,986,332 A shares and 606,757,200 H shares in total, among which, Mr. Cho Tak Wong (曹德旺) and his spouse held 15.90% equity interests in the Company.

The address of the Company’s registered office is Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province, the PRC. The Company and its subsidiaries (together, the “Group”) are principally engaged in the manufacture and sale of glass products and float glass for automotive purpose.

#### Information about subsidiaries

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below:

Company name	Details of incorporation	Issued and paid-up capital/ registered capital (’000)	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao (Hong Kong) Limited (福耀(香港)有限公司)	Hong Kong, December 1994	Hong Kong dollars (“HKD”) 2,194,666	100	–	Investment holding
Fuyao Group (Hong Kong) Limited (福耀集團(香港)有限公司)	Hong Kong, January 2010	United States dollar (“USD”) 1,000	100	–	Sale of automobile glasses
Yung Tak Investment Limited (融德投資有限公司)	Hong Kong, May 1993	HKD100	–	100	Property lease
Meadland Limited (Meadland Limited)	Hong Kong, December 1998	USD8,200	–	100	Investment holding
Fuyao North America Incorporated (福耀北美玻璃工業有限公司)	United States, August 2001	USD8,000	100	–	Sale of automobile glasses
Fuyao Automotive North America, INC. (福耀玻璃配套北美有限公司)	United States, June 2008	USD60	100	–	Sale and installation of automotive glass accessories
Fuyao Group Korea Co., Ltd. (福耀集團韓國株式會社)	Korea, September 2007	Korean Won (“KRW”) 500,000	100	–	Sale of automobile glasses

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital (‘000)	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao Japan Co., Ltd. (福耀日本株式会社)	Japan, July 2008	Japanese Yen (“JPY”) 300,100	100	–	Sale of automobile glasses
Fuyao Europe GmbH(福耀歐洲玻璃工業有限公司)	Germany, June 2007	Euro (“EUR”) 25	–	100	Sale and installation of automotive glass accessories
Fuyao Group (Fujian) Machinery Manufacturing Co., Ltd. (福耀集團(福建)機械製造有限公司)	PRC, March 1994	RMB34,000	75	25	Manufacture of machinery
Fujian Wanda Automobile Glass Industry Co., Ltd. (福建省萬達汽車玻璃工業有限公司)	PRC, July 1994	RMB745,150	75	25	Production and sale of automobile glasses
Fuyao Group Changchun Co., Ltd. (福耀集團長春有限公司)	PRC, September 2000	RMB600,000	75	25	Production and sale of automobile glasses
Chongqing Wansheng Fuyao Glass Co., Ltd (重慶萬盛福耀玻璃有限公司)	PRC, July 2002	RMB80,000	75	25	Production and sale of automobile glasses
Fuyao Group Shanghai Automobile Glass Co., Ltd. (福耀集團(上海)汽車玻璃有限公司)	PRC, April 2002	USD68,049	75	25	Production and sale of automobile glasses
FYSAM Auto Decorative GmbH (FYSAM汽車飾件有限公司)	Germany, November 2018	EUR25	–	100	Production and sale of trim parts
Fuyao Group Automotive Decoration (Shanghai) Co., Ltd. (福耀集團上海汽車飾件有限公司)	PRC, November 2007	RMB406,282	38	62	Production and sale of automotive decorations and automotive parts
Fuyao Group Tongliao Co., Ltd. (福耀集團通遼有限公司)	PRC, October 2003	RMB500,000	75	25	Production and sale of float glasses
Fuyao Glass (Chongqing) Co., Ltd. (福耀玻璃(重慶)有限公司)	PRC, March 2004	USD35,000	75	25	Production and sale of automobile glasses

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital (‘000)	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao Glass (Hubei) Co., Ltd. (福耀玻璃(湖北)有限公司)	PRC, November 2007	USD43,000	75	25	Production and sale of automobile glasses
Guangzhou Fuyao Glass Co., Ltd. (廣州福耀玻璃有限公司)	PRC, June 2006	USD75,000	–	100	Production and sale of automobile glasses
Hainan Wenchang Fuyao Silica Sand Co., Ltd. (海南文昌福耀硅砂有限公司)	PRC, July 2006	RMB40,000	75	25	Exploitation and sale of mineral
Fuyao Guangzhou Nansha Automotive Glass Co., Ltd. (廣州南沙福耀汽車玻璃有限公司)	PRC, November 2005	USD700	–	100	Provision of warehousing services
Fuyao (Changchun) Bus Glass Co., Ltd. (福耀(長春)巴士玻璃有限公司)	PRC, January 2004	RMB39,951	–	100	Production and sale of automobile glasses
Chongqing Wansheng Float Glass Co., Ltd. (重慶萬盛浮法玻璃有限公司)	PRC, April 2009	RMB300,000	75	25	Production and sale of float glasses
Zhengzhou Fuyao Glass Co., Ltd. (鄭州福耀玻璃有限公司)	PRC, April 2011	RMB300,000	75	25	Production and sale of automobile glasses
Fuzhou Fuyao Mould Technology Co., Ltd. (福州福耀模具科技有限公司)(a)	PRC, May 2013	RMB300,000	–	100	Production and sale of mold, automotive parts, fibre products and plastic products
Fujian Triplex Group Holdings Co., Ltd. (福建三鋒控股集團有限公司)(b)	PRC, November 2015	RMB100,000	–	100	Research, development, production and sale of glass and mold
Fujian Fuyao Automotive Trim System Co., Ltd. (福建福耀汽車飾件有限公司)	PRC, July 2015	RMB300,000	–	100	Production and sale of automotive decorations and automotive parts
Fujian Fuyao Automotive Glass Distribution Co., Ltd. (福建福耀汽車玻璃銷售有限公司)	PRC, February 2016	RMB100,000	–	100	Sale of automobile glasses and provider of car service

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital ( <i>'000</i> )	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao (Xiamen) Precision Corp. (福耀(廈門)精密製造有限公司)	PRC, June 2003	USD15,000	–	78	Production and sale of mold, automotive parts and plastic products
Foshan Fuyao Glass Co., Ltd. (佛山福耀玻璃有限公司)	PRC, March 2012	RMB10,000	–	100	Installation of automotive glass accessories
Xupu Fuyao Silica Sand Co., Ltd. (溱浦福耀硅砂有限公司)	PRC, July 2012	RMB15,000	–	51	Exploitation and sale of mineral
Fuyao Group (Shenyang) Automotive Glass Co., Ltd. (福耀集團(瀋陽)汽車玻璃有限公司)	PRC, June 2012	RMB150,000	75	25	Production and sale of automobile glasses
Fuyao Glass Rus Co., Ltd. (福耀玻璃俄羅斯有限公司)	Russia, April 2010	Russian Rouble ("RUB") 5,332,574	100	–	Production and sale of automobile glasses
Fuyao Glass (Suzhou) Co., Ltd. (福耀玻璃(蘇州)有限公司)	PRC, March 2017	RMB400,000	100	–	Production and sale of automobile glasses
Chengdu Lvrong Automotive Glass Co., Ltd. (成都綠榕汽車玻璃有限公司)	PRC, December 2012	RMB25,000	–	100	Installation of automotive glass accessories
Yantai Fuyao Glass Co., Ltd. (煙台福耀玻璃有限公司)	PRC, June 2013	RMB60,000	–	100	Installation of automotive
Wuhan Fuyao Glass Co., Ltd. (武漢福耀玻璃有限公司)	PRC, July 2013	RMB30,000	–	100	Installation of automotive
Liuzhou Fuyao Glass Co., Ltd. (柳州福耀玻璃有限公司)	PRC, September 2013	RMB20,000	–	100	Installation of automotive glass accessories
Benxi Fuyao Silica Sand Co., Ltd. (本溪福耀硅砂有限公司)	PRC, May 2014	RMB60,000	–	100	Exploitation and sale of mineral
Fuyao Glass America Inc. (福耀玻璃美國有限公司)	United States, March 2014	USD1.5	100	–	Production and sale of automobile glasses

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital (‘000)	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao Asset Management A, LLC (福耀美國A資產公司)	United States, November 2013	USD0.8	–	100	Property lease
Fuyao Glass Illinois, Inc. (福耀玻璃伊利諾伊有限公司)	United States, August 2014	USD1	–	100	Production and sale of float glasses
Fuyao Asset Management C, LLC (福耀美國C資產公司)	United States, August 2014	USD0.8	–	100	Property lease
Fuyao Michigan Holding Company, LLC (福耀密歇根控股有限責任公司)	United States, June 2023	–	–	100	Investment holding
FYSAM Auto Decorative Slovakia s.r.o. (FYSAM汽車飾件(斯洛伐克)有限公司)	Slovakia, March 2018	EUR5	–	100	Production and sale of automotive decorations and automotive parts
FYSAM Auto Decorative de Mexico S. de R. L. de C. V. (FYSAM汽車飾件(墨西哥)有限公司)	Mexico, December 2010	Mexican Peso (“MXN”) <sup>3</sup>	–	100	Production and sale of automotive decorations and automotive parts
Tianjin Hongde Auto Glass Co., Ltd. (天津泓德汽車玻璃有限公司)	PRC, May 2015	RMB400,000	100	–	Production and sale of automobile glasses
Benxi Fuyao Float Glass Co., Ltd. (本溪福耀浮法玻璃有限公司)	PRC, December 2016	RMB500,000	100	–	Production and sale of float glasses
Fuyao (Tongliao) Refined Aluminium Co., Ltd. (福耀(通遼)精鋁有限責任公司)	PRC, November 2018	RMB10,000	100	–	Production and sale of refined aluminium
Fujian Fuyao Automotive Aluminium system Co., Ltd. (福耀汽車鋁件(福建)有限公司)	PRC, February 2019	RMB150,000	100	–	Production and sale of automotive decorations and automotive parts

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital ( <i>'000</i> )	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao Technology Development (Suzhou) Co., Ltd. (福耀科技發展(蘇州)有限公司)	PRC, August 2019	RMB50,000	100	–	Intelligent research and development, technology transfer, technical services and technology promotion
Fuyao Tongliao Silica Sand Co., Ltd. (福耀通遼矽業有限公司) <sup>(c)</sup>	PRC, March 2021	RMB100,000	100	–	Exploitation and sale of mineral
Fuyao High Performance Glass Technology (Fujian) Co., Ltd. (福耀高性能玻璃科技(福建)有限公司)	PRC, August 2021	RMB10,000	100	–	Research and development of new material technologies, production and sales of automotive glass and automotive parts
Fuyao Aluminum Parts (Changchun) Co., Ltd. (福耀鋁件(長春)有限公司)	PRC, February 2023	RMB100,000	100	–	Production and sale of automotive decorations and automotive parts
Fuyao Glass (Fujian) Co., Ltd. (福耀玻璃(福建)有限公司)	PRC, January 2024	RMB1,000,000	100	–	Production and sale of automobile glasses
Fuyao Glass (Anhui) Co., Ltd. (福耀玻璃(安徽)有限公司)	PRC, March 2024	RMB500,000	100	–	Production and sale of automobile glasses
Fuyao Glass (Anhui) Auto parts Co., Ltd. (福耀玻璃(安徽)汽車配件有限公司)	PRC, March 2024	RMB150,000	100	–	Production of auto parts and accessories, glasses
Fuyao Float Glass (Anhui) Co., Ltd. (福耀浮法玻璃(安徽)有限公司)	PRC, March 2024	RMB350,000	100	–	Production and sale of float glasses
Fuyao Glass Eastern Europe Kft. (福耀(東歐)有限責任公司)	Hungary, May 2024	EUR8	–	100	Provision of automotive glass logistics services
Chongqing Aluminium system Co., Ltd. (福耀鋁件(重慶)有限公司)	PRC, July 2025	RMB85,000	100	–	Production and sale of automotive decorations and automotive parts

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the subsidiaries of the Group as at 31 December 2025 are set out below: (continued)

Company name	Details of incorporation	Issued and paid-up capital/ registered capital ( <i>'000</i> )	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Fuyao Glass South Carolina, Inc. (福耀玻璃南卡罗莱纳有限公司)	United States, September 2025	–	–	100	Production and sale of automobile glasses
PT Fuyao Glass Indonesia (福耀玻璃(印尼)有限公司)(d)	Indonesia, October 2025	Indonesian Rupiah ("IDR") 12,000,000	–	100	Sale of automobile glasses

Notes:

- (a) In 2018, the Group acquired Fuzhou Fuyao Mould Technology Co., Ltd. with registered capital of RMB300,000,000. As of 31 December 2025, the registered capital had not been fully paid.
- (b) In 2018, the Group acquired Fujian Triplex Group Holdings Co., Ltd. with registered capital of RMB100,000,000. As of 31 December 2025, the registered capital had not been fully paid.
- (c) In 2021, the Group established Fuyao Tongliao Silica Sand Co., Ltd. with registered capital of RMB100,000,000. As of 31 December 2025, the registered capital had not been fully paid.
- (d) On 13 October 2025, the Group established PT Fuyao Glass Indonesia with registered capital of IDR12,000,000,000. As of 31 December 2025, the registered capital had not been fully paid.
- (e) The PRC entities above are registered as limited liability companies under PRC law.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which include International Accounting Standards (“IASs”) and Interpretations as issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and fair value through other comprehensive income, which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

##### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date, on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and no material impact on the Group's financial statements.

#### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate Joint Venture</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyper inflationary Presentation Currency</i> <sup>2</sup>
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

#### 2.4 MATERIAL ACCOUNTING POLICIES

##### Associates

An associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of 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, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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 statement of profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the 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 under “other gains/(losses) – net” in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

The carrying amount of associates investments is tested for impairment in accordance with the policy described in “Impairment of non-financial assets”.

##### Joint ventures

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method in the Group’s consolidated financial statements.

Under the equity method of accounting, investments in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s investments in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investments in the joint venture are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and their carrying value and recognises the amount under “other gains/(losses) -net” in the consolidated statement of profit or loss.

Investments in joint ventures are accounted for at cost less impairment in the Company’s separate financial statements.

The carrying amount of joint arrangement investments is tested for impairment in accordance with the policy described in “Impairment of non-financial assets”

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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.

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 the statement of 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 recognized in profit or loss.

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 recognized in profit or loss.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other gains/(losses) – net".

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income 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
- 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 net investment, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the subsidiaries exchange differences are reclassified to consolidated statement of 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. Currency translation differences arising are recognised in other comprehensive income.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Foreign currency translation (continued)

##### (c) Group companies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

##### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less depreciation and provision for impairment loss, if any. 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives.

The estimated useful life, estimated residual rate and annual depreciation rate of property, plant and equipment, are listed as follows:

	Estimated useful lives	Estimated residual rate	Annual depreciation rate
Buildings	10 to 20 years	10%	4.5% to 9%
Machinery and equipment	10 to 12 years	10%	7.5% to 9%
Electronic and office equipment	5 years	10%	18%
Vehicles and others	3 to 5 years	0% to 10%	18% to 33.3%

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less provision for impairment loss, if any. Cost includes the costs of construction and acquisition. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

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

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.

Gains and losses on disposal are determined as the difference between the proceeds and the carrying amount and are recognised under "other gains/(losses) -net" in the consolidated statement of profit or loss.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Land use rights

Land use rights represent upfront payments made for the land use rights. It is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of land use rights over the remaining period.

##### Intangible assets

###### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

###### (b) Patents

Acquired patents are shown at historical cost. Patents have a finite life and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives.

###### (c) Licenses fee

Acquired licenses fee is shown at historical cost. Licenses fee has a finite life and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Intangible assets (continued)

(d) Computer software

Acquired computer software license are capitalised on the basis of the costs incurred to acquire the specific software. Computer software is carried at cost less accumulated amortisation and impairment, if any. These costs are amortised over their estimated useful lives.

(e) Mining rights

Acquired mining rights are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated on the basis of the proportion of the actual mining volume during the year to the expected total output of the mine.

(f) Other intangible assets

Other intangible assets acquired are initially recognised at cost and amortised on a straight-line method over their estimated useful lives.

##### Research and development costs

All research costs are charged to the consolidated statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

##### Impairment of non-financial assets

Goodwill or 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 carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed 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 flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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 OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity'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 statement of profit or loss or OCI. 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 fair value through other comprehensive income (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 fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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 statement of profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **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 OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/(losses). 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) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of profit or loss and presented net within other gains/(losses) in the period in which it arises.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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 OCI, there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss 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.

##### (d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its trade receivables and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's main criteria for determining a significant increase in credit risk are significant changes in one or more of the following indicators: the business environment in which the debtor operates, internal and external credit ratings, significant changes in actual or expected results of operations, and significant decreases in the value of collaterals or in the credit ratings of the guarantors that would affect the probability of default.

The Group's main criteria for determining that credit impairment has occurred are the fulfillment of one or more of the following conditions: significant financial difficulty of the debtor, other debt restructuring or probable bankruptcy.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 39.1(b) for further details.

Other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a deposit or receivable has occurred since initial recognition, the impairment is measured as lifetime expected credit losses.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Investments and other financial assets (continued)

(e) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### 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). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal.

##### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

##### Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and 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.

##### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from statement of financial position 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.

Where 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 the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

##### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

##### **Current and deferred 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.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Current and deferred tax (continued)

##### (a) Current tax

The current 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 tax

Deferred 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, except that deferred tax is not recognised for the Pillar Two income taxes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where 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.

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.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits provided in various forms of consideration in exchange for service rendered by employees or compensations for the termination of employment relationship.

##### (a) Short-term obligations

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, short-term paid absences, labour union running costs and employee education costs, etc. The short-term employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the statement of profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

##### (b) Pension obligations

The Group has participated in various pension plans and other post-retirement benefits in various countries where its subsidiaries operate. The Group contributes on a monthly basis to these pension plans and has no obligation for post-retirement benefits beyond the contributions made.

##### Chinese Mainland

The employees of companies in Chinese Mainland participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the statement of profit or loss for the current period or the cost of relevant assets.

##### United States of America

The Group pays fixed contributions into a local separate fund, which is responsible for paying pensions and other post-retirement benefits to the retired employees. The amounts based on the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the statement of profit or loss for the current period or the cost of relevant assets.

##### Germany

The Group pays fixed contributions into a local separate fund, which is responsible for paying pensions and other post-retirement benefits to the retired employees. The amounts based on the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the statement of profit or loss for the current period or the cost of relevant assets.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Employee benefits

##### (c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to the statement of profit or loss at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; and 2) when the Group recognises costs or expenses related to the restructuring that involves the payment of termination benefits.

##### Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### Sales of products

Revenue will be recognised at the point in time when the products are shipped to the agreed delivery locations in accordance with the contracts, and customers confirm the acceptance.

Volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. The most likely amount method is used to estimate the variable consideration for the expected rebates.

The Group grants assurance-type warranties to the automobile manufacturer (OEM) customers for general repairs of defects occurring during the warranty period. The Group assesses the amount of the warranty provision to be insignificant for the reporting period based on past experience of the level of repairs and returns.

##### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

##### 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.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms 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.

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 payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. 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, e.g. 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.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of 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.

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 as follows. 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.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 2. ACCOUNTING POLICIES (continued)

#### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

##### Leases (continued)

As at the end of 31 December 2025, the Group's leased assets are amortised over the following years:

Buildings	2 to 15 years
Equipment	10 years
Vehicles	3 to 6 years
Others	3 to 10 years

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

##### Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

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

Government grants relating to assets which are credited to the consolidated statement of profit or loss on a straight-line basis over the expected useful lives of the related asset are included in non-current liabilities as deferred income.

For those cash injection received from government with clear instruction as capital injection from government authorities, they have been recorded as "other reserve".

##### Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

##### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

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

#### (a) Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values of property, plant and equipment, mainly based on the historical experience of the actual useful lives of property, plant and equipment with similar nature and functions. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

#### (b) Net realisable value of inventories

Net realisable value of inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

#### (c) Current and deferred tax

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

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation charges in the period in which such estimate is changed.

#### (d) Impairment of financial assets

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 39.1(b).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### (e) Impairment of non-financial assets

The Group's management judgement is required on the balance sheet date in the area of asset impairment particularly in assessing long-term assets which include fixed asset, construction in progress, right-of-use assets and intangible assets etc. The recoverable amount is the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business. The recoverable amount is estimated based on best available information in order to reflect the payment (or the disposal cost to be deducted) of fair trade between informed voluntary parties at the balance sheet date or continuous cash generated by the use of the assets. The revalued recoverable amount may be adjusted on each impairment test.

Due to the operating loss of FYSAM Auto Decorative GmbH, a subsidiary of the Group, there are signs of impairment on the long-term assets used. The Group conducts impairment tests on the long-term assets of the subsidiary, such as property, plant and equipment and right-of-use assets, as an asset group. The Group uses present value of the estimated future cash flows to determine the recoverable amount. Due to uncertainties in future circumstances and selling volume, the growth rate, gross margin and discount rate before tax used in the calculation of the present value of projected future cash flows are subject to estimations and judgement.

The Group conducts an impairment test on goodwill every year. The recoverable amount of the asset group or combination of asset groups containing goodwill is the higher of the net amount of the fair value of the asset group or combination of asset groups minus the disposal expenses and the present value of the estimated future cash flow, and its calculation needs to adopt accounting estimates.

#### (f) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 4. SEGMENT INFORMATION

The Group operates as a single operating segment. The single operating segment is 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 segment, has been identified as the executive directors that make strategic decisions.

None of the revenue derived from any single external customer amounted for more than 10% of the Group's revenue during the years ended 2025 and 2024.

#### (a) Revenue by geographical areas

	<b>Year ended 31 December</b>	
	<b>2025</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
The PRC		
– Domestic automotive glasses	<b>22,986,319</b>	20,075,687
– Others	<b>1,843,713</b>	1,583,471
	<b>24,830,032</b>	21,659,158
Other countries		
– Overseas automotive glasses	<b>18,902,907</b>	15,636,306
– Others	<b>2,054,497</b>	1,956,193
	<b>20,957,404</b>	17,592,499
	<b>45,787,436</b>	39,251,657

The revenue information above is based on the locations of the customers.

#### (b) Non-current assets by geographical areas

	<b>As at 31 December</b>	
	<b>2025</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
The PRC	<b>21,517,980</b>	18,052,010
Other countries	<b>8,600,110</b>	8,320,707
	<b>30,118,090</b>	26,372,717

The non-current asset information above is based on the locations of the assets and excludes financial instruments, long-term receivables and deferred tax assets.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 5. REVENUE AND COST OF SALES

- (a) Revenue and cost of sales by product

	Year ended 31 December			
	2025		2024	
	Revenue RMB'000	Cost of sales RMB'000	Revenue RMB'000	Cost of sales RMB'000
Automotive glasses	41,889,226	28,960,388	35,711,993	25,070,127
Float glasses	6,479,744	3,956,279	5,960,560	3,863,262
Others	5,425,652	3,939,395	4,545,372	3,218,216
	<b>53,794,622</b>	<b>36,856,062</b>	46,217,925	32,151,605
Less: Intra-group sales	(8,007,186)	(7,898,857)	(6,966,268)	(6,847,697)
Total	<b>45,787,436</b>	<b>28,957,205</b>	39,251,657	25,303,908

- (b) Revenue included rental income under operating leases amounting to RMB20,574,000 for the year ended 31 December 2025 (2024: RMB18,975,000). Other than rental income, the Group derives revenue from the transfer of goods at a point in time.
- (c) The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<b>372,046</b>	309,526

- (d) Performance obligations

#### Sale of automotive glasses and other relevant products

The performance obligation is satisfied mainly upon delivery of automotive glasses and other relevant products and after acceptance by customers. The Group is the principal of the performance obligation on the sale transactions and payment is mainly generally due within 30 to 120 days from delivery, where a portion of contract amount is paid in advance. Some contracts provide customers volume rebates which give rise to variable consideration.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 6. OTHER INCOME

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants		
– relating to income and expense <sup>(a)</sup>	66,660	89,342
– relating to assets ( <i>note 29</i> )	113,633	95,825
Tax incentives	132,793	215,248
	<b>313,086</b>	<b>400,415</b>

- (a) Governments grants received during the year primarily comprised the financial subsidies received from various local government authorities in the PRC. There are no unfulfilled conditions or contingencies relating to these governments grants.

### 7. OTHER GAINS/(EXPENSES) – NET

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Foreign exchange gains/(losses) – net	297,523	(24,285)
Net gain on claims	26,942	25,243
Losses on disposal of property, plant and equipment, right-of-use assets and intangible assets ( <i>note 32(b)</i> )	(31,852)	(92,206)
Impairment and other losses related to investments in an associate	–	(43,641)
Discount cost of the disposals of notes receivable at fair value through other comprehensive income ( <i>note 36(b)</i> )	(16,952)	(11,293)
Donation	(2,463)	(3,276)
Changes in fair value of financial assets at fair value through profit or loss ( <i>note 24(a)</i> )	3,233	1,942
Others	(3,939)	(2,123)
	<b>272,492</b>	<b>(149,639)</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold (iii)	28,722,453	25,030,877
Depreciation of property, plant and equipment (note 15)	2,790,632	2,469,385
Depreciation of rights-of-use assets (note 16(b))	188,587	168,226
Amortisation of land use rights (note 17)	36,997	28,803
Amortisation of intangible assets (note 18)	66,320	61,672
Lease payments not included in the measurement of lease liabilities (note 16(b))	96,022	72,897
Auditor's remuneration		
– Audit services	7,016	6,472
– Non-audit services	7,913	4,823
Employee benefit expense (including directors and supervisors' remuneration (note 9)):		
Salaries, wages and bonuses	6,924,102	5,897,616
Pension, social security costs and housing benefits	1,184,767	1,005,010
Other welfare	309,418	263,652
	<b>8,418,287</b>	<b>7,166,278</b>
Research and development expenses	1,913,082	1,677,751
Foreign exchanges differences, net	(297,523)	24,285
Impairment losses on property, plant and equipment (iii) (note 15)	9,957	15,816
Write-down of inventories to the net realisable value (iii) (note 21)	3,834	88,927
Change of provision of onerous contracts (note 28(c))	(32,136)	34,487
Impairment losses on right-of-use assets (iii) (note 16(a))	–	3,346
(Reversals of impairment)/impairment losses of financial assets, net	(3,035)	3,563

#### Notes:

- (i) There is no material forfeited contribution of the Group utilised during the year and no material forfeited contribution was left available at the year-end to reduce future contributions (2024: Nil).
- (ii) Contributions totalling RMB7,138,000 (2024: RMB4,692,000) were payable to the fund at the year-end.
- (iii) The cost of inventories sold of RMB28,722,453,000 (2024: RMB25,030,877,000), taxes and surcharges of RMB220,961,000 (2024: RMB164,942,000), impairment losses on property, plant and equipment and right-of-use assets of RMB9,957,000 (2024: RMB19,162,000) and write-down of inventories to the net realisable value of RMB3,834,000 (2024: RMB88,927,000) are included in "Cost of sales" in the consolidated statement of profit or loss.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of each director and supervisor of the Company paid/payable by the Group for the year ended 31 December 2025 is set out as follows:

	Director's fee <i>RMB'000</i>	Salaries and wages <i>RMB'000</i>	Discretionary Bonuses <sup>(g)</sup> <i>RMB'000</i>	Pension, housing fund allowances, medical and other social insurance <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Executive directors</b>					
Mr. Cho Tak Wong	–	6,538	1,200	24	7,762
Mr. Tso Fai	–	1,549	–	70	1,619
Mr. Ye Shu	–	1,025	2,735	99	3,859
Mr. Chen Xiangming	–	912	2,000	92	3,004
Ms. Zhang Haiyan <sup>(a)</sup>	–	552	960	46	1,558
<b>Non-executive directors</b>					
Mr. Wu Shinong	90	–	–	–	90
Ms. Zhu Dezhen	90	–	–	–	90
<b>Independent non-executive directors</b>					
Mr. Dat Dzung Hao Daniel	275	–	–	–	275
Mr. Liu Jing <sup>(b)</sup>	107	–	–	–	107
Mr. Xue Zuyun	150	–	–	–	150
Ms. LIU XIAOZHI <sup>(c)</sup>	44	–	–	–	44
Ms. Cheng Yan <sup>(c)</sup>	44	–	–	–	44
<b>Supervisors</b>					
Mr. Bai Zhaohua <sup>(d)</sup>	–	589	1,800	–	2,389
Mr. Chen Mingsen <sup>(d)</sup>	107	–	–	–	107
Mr. Ma Weihua <sup>(d)</sup>	107	–	–	–	107
	<b>1,014</b>	<b>11,165</b>	<b>8,695</b>	<b>331</b>	<b>21,205</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 9. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

The remuneration of each director and supervisor of the Company paid/payable by the Group for the year ended 31 December 2024 are set out as follows:

	Director's fee RMB'000	Salaries, wages RMB'000	Discretionary Bonuses <sup>(9)</sup> RMB'000	Pension, housing fund allowances, medical and other social insurance RMB'000	Total RMB'000
<b>Executive directors</b>					
Mr. Cho Tak Wong	–	6,530	960	23	7,513
Mr. Tso Fai	–	1,449	8	66	1,523
Mr. Ye Shu	–	1,088	2,198	132	3,418
Mr. Chen Xiangming	–	853	1,500	91	2,444
<b>Non-executive directors</b>					
Mr. Wu Shinong	90	–	–	–	90
Ms. Zhu Dezhen	90	–	–	–	90
<b>Independent non-executive directors</b>					
Mr. Dat Dzung Hao Daniel <sup>(e)</sup>	263	–	–	–	263
Mr. Liu Jing	150	–	–	–	150
Mr. Xue Zuyun <sup>(e)</sup>	144	–	–	–	144
Ms. Cheung Kit Man Alison <sup>(f)</sup>	12	–	–	–	12
Mr. Qu Wenzhou <sup>(f)</sup>	6	–	–	–	6
<b>Supervisors</b>					
Mr. Bai Zhaohua	–	832	1,500	–	2,332
Mr. Chen Mingsen	150	–	–	–	150
Mr. Ma Weihua	150	–	–	–	150
	<u>1,055</u>	<u>10,752</u>	<u>6,166</u>	<u>312</u>	<u>18,285</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Notes:

- (a) Ms. Zhang Haiyan was appointed as executive director on 29 September 2025.
- (b) Mr. Liu Jing retired as independent non-executive director on 16 September 2025.
- (c) Ms. LIU XIAOZHI and Ms. Cheng Yan were appointed as independent non-executive directors on 16 September 2025.
- (d) The Company had dissolved the supervisory committee from 16 September 2025. Therefore, the supervisors' remuneration for the nine months ended 30 September 2025 presented above only include remuneration from January 2025 to September 2025.
- (e) Mr. Dat Dzung Hao Daniel and Mr. Xuezeyun were appointed as independent non-executive directors on 16 January 2024.
- (f) Ms. Cheung Kit Man Alison and Mr. Qu Wenzhou retired as independent non-executive directors on 16 January 2024.
- (g) Discretionary bonuses are determined based on the duties and responsibilities of directors and supervisors, and the operating performance of the Group.
- (h) No director's termination benefit subsisted at the end of the year or at any time during the year (2024: Nil).
- (i) No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time during the year (2024: Nil).
- (j) No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year (2024: Nil).
- (k) 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 had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 10. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group for the year include three directors (2024: two directors) whose emoluments are reflected in the analysis shown in note 9. The emoluments payable to the remaining two (2024: three) individuals during the year are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries and allowances	2,762	3,566
Bonuses	6,765	7,497
Contribution to pension scheme	240	238
Others	63	64
	<b>9,830</b>	<b>11,365</b>

The emoluments fell within the following bands:

Emoluments bands (in HK dollar)	Year ended 31 December	
	2025	2024
HKD2,000,001 to HKD2,500,000	–	–
HKD2,500,001 to HKD3,000,000	–	2
HKD3,000,001 to HKD3,500,000	–	–
HKD3,500,001 to HKD4,000,000	1	–
HKD4,000,001 to HKD4,500,000	–	–
HKD4,500,001 to HKD5,000,000	–	–
HKD5,000,001 to HKD5,500,000	–	–
HKD5,500,001 to HKD6,000,000	–	–
HKD6,000,001 to HKD6,500,000	–	–
HKD6,500,001 to HKD7,000,000	–	1
HKD7,000,001 to HKD7,500,000	1	–
	<b>2</b>	<b>3</b>

During the year, no director, supervisor or the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office (2024: Nil).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 11. FINANCE INCOME – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Finance income:</b>		
Interest income	868,835	979,192
<b>Finance costs:</b>		
Interest on borrowings	(353,751)	(323,603)
Interest on lease liabilities ( <i>note 16(b)</i> )	(16,356)	(12,731)
Less: borrowing costs capitalised ( <i>note 15</i> )	48,693	47,827
	(321,414)	(288,507)
<b>Finance income – net</b>	<b>547,421</b>	<b>690,685</b>

### 12. INCOME TAX EXPENSE

The amounts of income tax expense charged to the consolidated statement of profit or loss represent:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current tax		
– Current period	1,548,915	1,134,454
– Adjustments for current tax of prior periods	11,744	14,530
Deferred tax ( <i>note 20</i> )	284,228	337,797
Income tax expense	<b>1,844,887</b>	<b>1,486,781</b>

#### (a) PRC corporate income tax

The corporate income tax (“CIT”) is calculated based on the statutory profit of subsidiaries established in the PRC and the applicable tax rate in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes.

In accordance with the PRC tax laws, standard corporate income tax rate is 25%. Certain subsidiaries are qualified for new/high-tech technology enterprises status or Chinese western development enterprises status and enjoyed preferential income tax rate of 15% during the year.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 12. INCOME TAX EXPENSE (continued)

#### (b) Hong Kong profits tax

Applicable profit tax rates of the Group's subsidiaries in Hong Kong are 16.5% and 25% for different subsidiaries respectively.

- (1) Applicable profit tax rate of Fuyao Group (Hong Kong) Limited and Yung Tak Investment Limited is 16.5% (2024: 16.5%).
- (2) Fuyao (Hong Kong) Limited and Meadland Limited are resident enterprises with actual management body in Mainland China for tax purpose, and are subject to the applicable profit tax rate of 25% (2024: 25%).

#### (c) United States of America profits tax

Applicable profit tax rates of the Group's subsidiaries in the United States of America are ranging from 24.57% to 27% with details as follows:

- (1) Fuyao North America Glass Industry Co., Ltd. calculates profits tax at a rate of 26.81% on the estimated assessable profits during the year ended 31 December 2025.
- (2) Fuyao Glass America Co., Ltd., Fuyao Glass Illinois Co., Ltd., Fuyao America C Assets Co., Ltd. and Fuyao Glass South Carolina, Inc. jointly filed the federal income tax and state tax, at a federal tax rate of 21%, a consolidated state tax rate of 4.24%, and the total rate of 25.24%, in accordance with the relevant United States tax laws.
- (3) Fuyao Automotive North America, Inc. and Fuyao Asset Management A, LLC, jointly filed the federal income tax and state tax, at a federal tax rate of 21%, a consolidated state tax rate of 3.57%, and the total rate of 24.57%, in accordance with the relevant United States tax laws. The deductible losses of previous years were used in the current year, so profits tax was paid based on the taxable profits after making up the losses.

#### (d) Russia profits tax

Applicable profit tax rate of Russia is 25%. In the current year, 50% of the estimated taxable profit is used to make up the accumulated losses, and the remaining 50% is subject to profit tax at the applicable profit tax rate. (2024: 20%).

#### (e) Germany profits tax

Applicable profit tax rates of the Group's two subsidiaries in Germany is 28.43% and 28.78%, respectively. In the current year, Fuyao Europe GmbH, one of the subsidiaries located in Germany, has achieved a profit and paid profit tax at the applicable tax rate after deducting the deductible losses of previous years from the taxable income. No profit tax has been provided by another subsidiary due to accumulated losses.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 12. INCOME TAX EXPENSE (continued)

(f) Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules

The Group is within the scope of the OECD Global Anti-Base Erosion (GloBE) Model Rules (hereinafter referred to as “Pillar Two”). If the Group is not eligible for the benefit of any applicable safe harbour mechanism under Pillar Two (such as the transitional Country-by-Country Reporting (CbCR) safe harbour), The Group will be subject to top-up tax in respect of any jurisdiction affected by Pillar Two where the effective tax rate on the Group’s adjusted GloBE income in that jurisdiction is below the 15% minimum tax rate, in accordance with the top-up tax calculation set out in the Pillar Two Rules.

As at 31 December 2025, Pillar Two Rules has come into effect in certain jurisdictions in which the Group operates, including Germany, Hungary, and Hong Kong, China. Based on information currently available, the Group has assessed the potential exposure in respect of the financial performance for the year, and such assessment may not fully reflect the actual circumstances in future. According to the assessment, the implementation of Pillar Two rules has no material impact on the Group’s results of operations and financial position as of the current reporting period. The Group will continue to monitor legislative developments in the jurisdictions in which it operates and assess their potential future impact on the financial statements.

The tax on the Group’s profit before income tax differs from the theoretical amount that could arise using the applicable statutory tax rates as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the year before income tax	<b>11,161,253</b>	8,990,236
Tax calculated at the applicable statutory income tax rates	<b>2,702,292</b>	2,266,855
Preferential income tax rates	<b>(926,118)</b>	(773,870)
Expenses not deductible for tax purpose	<b>10,827</b>	3,280
Income not subject to income tax	<b>(2,183)</b>	(40,812)
Unrecognised deductible temporary differences	<b>–</b>	22,763
Unrecognised tax losses carried forward	<b>139,933</b>	57,320
Utilisation of previously unrecognised tax losses	<b>(115,964)</b>	(74,155)
Utilisation of previously unrecognised deductible temporary differences	<b>(322)</b>	(1,031)
Withholding taxation on unremitted earnings of certain subsidiaries	<b>201,111</b>	159,635
Additional deduction for research and development expenses	<b>(176,433)</b>	(147,734)
Adjustments for current tax of prior periods after tax annual filing	<b>11,744</b>	14,530
Income tax expense	<b>1,844,887</b>	1,486,781

## Section X Financial Report

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

#### 13. EARNINGS PER SHARE

- (a) Basic earnings per share is calculated by dividing the net profit attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Net profit attributable to the equity holders of the Company (RMB'000)	9,311,874	7,497,392
Weighted average number of ordinary shares in issue (thousand)	2,609,744	2,609,744
Basic earnings per share (RMB)	3.57	2.87

- (b) The diluted earnings per share are same as the basic earnings per share as there was no dilutive potential shares existed during the year (2024: Nil).

#### 14. DIVIDENDS

The dividends paid in 2025 were RMB2,348,769,000 (2025 interim dividend) and RMB4,697,539,000 (2024 annual dividend), respectively (2024: RMB3,392,667,000 (2023 annual dividend)).

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interim dividend of RMB9.0 (2024: Nil) per 10 ordinary shares (tax inclusive)	2,348,769	–
Final dividend of RMB18.0 (2024: RMB13.0) per 10 ordinary shares (tax inclusive)	4,697,539	3,392,667
	7,046,308	3,392,667

On 17 March 2026, the board of directors of the Company proposed to distribute a dividend of RMB3,131,692,000 at a retained earnings of RMB12 per 10 shares (tax inclusive) as at 31 December 2025. If the total share capital of the Company changes before the equity registration date for the implementation of the equity distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The plan still needs to be submitted to the Company's shareholders meeting for deliberation. This proposed dividend appropriation was not recognised in the financial statement as a liability.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and freehold land <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Electronic and other equipment <i>RMB'000</i>	Vehicles and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Year ended 31 December 2025</b>						
Opening net book amount	5,094,078	8,784,805	2,526,635	788,391	6,509,671	23,703,580
Currency translation difference	(1,389)	974	3,021	(3,208)	(27,701)	(28,303)
Transfer	732,568	1,943,750	807,922	8,315	(3,492,555)	–
Other additions	23,853	160,350	456,645	493,352	5,307,362	6,441,562
Disposals ( <i>note 32(b)</i> )	(6,038)	(26,812)	(24,126)	(21,369)	–	(78,345)
Depreciation ( <i>note 8</i> )	(398,122)	(1,350,735)	(654,757)	(387,018)	–	(2,790,632)
Impairment losses ( <i>note 8</i> )	–	(9,957)	–	–	–	(9,957)
Closing net book amount	<u>5,444,950</u>	<u>9,502,375</u>	<u>3,115,340</u>	<u>878,463</u>	<u>8,296,777</u>	<u>27,237,905</u>
<b>At 31 December 2025</b>						
Cost	9,433,069	19,643,874	6,898,659	3,181,756	8,329,598	47,486,956
Accumulated depreciation	(3,931,436)	(10,045,519)	(3,754,459)	(2,303,293)	–	(20,034,707)
Impairment	(56,683)	(95,980)	(28,860)	–	(32,821)	(214,344)
Net book amount	<u>5,444,950</u>	<u>9,502,375</u>	<u>3,115,340</u>	<u>878,463</u>	<u>8,296,777</u>	<u>27,237,905</u>
<b>Year ended 31 December 2024</b>						
Opening net book amount	5,127,104	7,826,520	1,981,310	641,872	4,766,145	20,342,951
Currency translation difference	(315)	4,181	(206)	1,743	22,828	28,231
Transfer	295,544	2,060,769	670,150	9,222	(3,035,685)	–
Other additions	28,398	175,298	485,825	520,622	4,760,401	5,970,544
Disposals ( <i>note 32(b)</i> )	(19,493)	(79,001)	(28,698)	(25,753)	–	(152,945)
Depreciation ( <i>note 8</i> )	(333,610)	(1,196,684)	(579,776)	(359,315)	–	(2,469,385)
Impairment losses ( <i>note 8</i> )	(3,550)	(6,278)	(1,970)	–	(4,018)	(15,816)
Closing net book amount	<u>5,094,078</u>	<u>8,784,805</u>	<u>2,526,635</u>	<u>788,391</u>	<u>6,509,671</u>	<u>23,703,580</u>
<b>At 31 December 2024</b>						
Cost	8,685,867	17,976,236	5,736,082	2,908,144	6,539,663	41,845,992
Accumulated depreciation	(3,539,623)	(9,087,728)	(3,182,784)	(2,119,753)	–	(17,929,888)
Impairment	(52,166)	(103,703)	(26,663)	–	(29,992)	(212,524)
Net book amount	<u>5,094,078</u>	<u>8,784,805</u>	<u>2,526,635</u>	<u>788,391</u>	<u>6,509,671</u>	<u>23,703,580</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

- (a) As at 31 December 2025, the carrying amount of the Group's property, plant and equipment for which ownership certificates were still in the process of being applied for was RMB95,200,000 (31 December 2024: Nil).
- (b) During the year, the Group has capitalised borrowing costs of RMB48,693,000 (2024: RMB47,827,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of 1.92% (2024: 2.09%).
- (c) As at 31 December 2025, the Group's land use rights and buildings with the carrying amount RMB14,677,000 (31 December 2024: RMB18,351,000) were pledged as security for bank credit of HKD30,000,000 (31 December 2024: HKD30,000,000).
- (d) In 2025, after determining the recoverable amount of property, plant and equipment by adopting the amount of the value-in-use calculated based on the present value of expected future cash flows, a subsidiary of the Group, FYSAM Auto Decorative GmbH, no further impairment related to property, plant and equipment was recognised during the year (2024: RMB15,816,000).

The Group determines the revenue growth rate and gross profit margin based on historical experience and forecasts of market development. The growth rate during the forecast period is based on the approved five-year budget. The revenue growth rate in the stable period is not applicable. The discount rate is a pre-tax discount rate that reflects the specific risks of the relevant assets. The key assumptions adopted by the Group are as follows:

Forecast period	5 years
Revenue growth rate	-8%~22%
Gross profit margin	19%~23%
Pre-tax discount rates	15%

Additionally, due to the upgrade of production technology and the construction needs of new production line, a piece of machinery and equipment at another subsidiary of the Group, Tianjin Hongde Auto Glass Co., Ltd., was out of use and idle during the year. After assessment, the Group has fully recognised an impairment loss of RMB9,957,000 based on its carrying amount.

- (e) As at 31 December 2025, the original value and accumulated depreciation of the buildings held for lease under operating leases were RMB58,325,000 and RMB22,127,000, respectively (31 December 2024: RMB65,147,000 and RMB22,580,000, respectively).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 16. LEASES

- (a) Amounts recognised in the consolidated statement of financial position

The balance sheet shows the following amounts relating to leases:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Right-of-use assets</b>		
Buildings	499,194	421,339
Equipment	14,434	16,027
Vehicles	21,233	30,250
Others	40,916	64,511
	575,777	532,127
<b>Lease liabilities</b>		
Current	145,729	99,456
Non-current	378,561	343,739
	524,290	443,195

Notes:

- (i) Additions to the right-of-use assets during the year ended 31 December 2025 were RMB232,726,000 (2024: RMB94,257,000).
- (ii) Termination of right-of-use assets during the year ended 31 December 2025 were RMB18,034,000 (2024: RMB10,770,000).
- (iii) No impairment loss was recognised related to the right-of-use assets for the year 2025 (2024: RMB3,346,000).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 16. LEASES (continued)

- (b) Amounts recognised in the consolidated statement of profit or loss

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

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>Depreciation charge of right-of-use assets</b>	8		
Buildings		147,507	129,804
Equipment		2,052	1,986
Vehicles		12,957	18,607
Others		26,071	17,829
		<b>188,587</b>	<b>168,226</b>
Gain on termination of right-of-use assets		(11,909)	–
Interest expense (included in finance cost)	11	16,356	12,731
Expense relating to short-term leases (included in cost of sales, selling expenses and administrative expenses)	8	93,165	70,424
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales, selling expenses and administrative expenses)	8	2,857	2,473

The total cash outflows for leases during the year ended 31 December 2025 was RMB257,093,000 (2024: RMB251,487,000).

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

The Group leases various buildings, equipment and vehicles. Rental contracts are typically made for fixed periods of 2 years to 15 years, but may have extension options as described in (d) below.

Lease terms 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.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 16. LEASES (continued)

(d) Extension and termination options

Extension and termination options are included in part of buildings and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable both by the Group and the respective lessor.

(e) In addition to the right-of-use assets listed above, the land use arrangements with Chinese Mainland government are set out in note 17.

### 17. LAND USE RIGHTS

The Group obtain land use rights mainly through arrangement with Chinese Mainland government.

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2025 RMB'000</b>	2024 RMB'000
Opening net book value		<b>1,200,145</b>	993,827
Currency translation difference		<b>(339)</b>	324
Additions		<b>233,744</b>	234,797
Amortisation charges	8	<b>(36,997)</b>	(28,803)
Closing net book value		<b>1,396,553</b>	1,200,145
Amortisation of land use rights (included in cost of sales, selling expenses and administrative expenses)	8	<b>36,997</b>	28,803
Cash outflow for addition of land use rights		<b>233,744</b>	234,797

(a) As at 31 December 2025, the Group's land use rights and buildings with the carrying amount RMB14,677,000 (31 December 2024: RMB18,351,000) were pledged as security for bank credit of HKD30,000,000 (31 December 2024: HKD30,000,000).

(b) As at 31 December 2025, there were no land use rights lacking ownership certificates (31 December 2024: Nil).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 18. INTANGIBLE ASSETS

	Goodwill RMB'000	Patents RMB'000	License fee RMB'000	Computer software RMB'000	Mining rights RMB'000	Others RMB'000	Total RMB'000
<b>Year ended 31 December 2025</b>							
Opening net book amount	153,708	7,713	10,374	65,686	91,336	166,553	495,370
Currency translation difference	-	(146)	(174)	143	-	-	(177)
Additions	-	-	-	63,759	1,824	960	66,543
Disposals	-	-	-	(489)	-	-	(489)
Amortisation (note 8)	-	(1,098)	(3,585)	(36,012)	(9,294)	(16,331)	(66,320)
Closing net book amount	<u>153,708</u>	<u>6,469</u>	<u>6,615</u>	<u>93,087</u>	<u>83,866</u>	<u>151,182</u>	<u>494,927</u>
<b>At 31 December 2025</b>							
Cost	153,708	39,777	71,681	387,827	149,807	195,522	998,322
Accumulated amortisation	-	(33,308)	(65,066)	(294,740)	(65,941)	(44,340)	(503,395)
Net book amount	<u>153,708</u>	<u>6,469</u>	<u>6,615</u>	<u>93,087</u>	<u>83,866</u>	<u>151,182</u>	<u>494,927</u>
<b>Year ended 31 December 2024</b>							
Opening net book amount	154,941	735	13,783	58,366	100,439	88,080	416,344
Currency translation difference	-	71	167	(68)	-	-	170
Additions	-	7,221	-	47,027	-	87,515	141,763
Disposals	(1,233)	-	-	-	-	(2)	(1,235)
Amortisation (note 8)	-	(314)	(3,576)	(39,639)	(9,103)	(9,040)	(61,672)
Closing net book amount	<u>153,708</u>	<u>7,713</u>	<u>10,374</u>	<u>65,686</u>	<u>91,336</u>	<u>166,553</u>	<u>495,370</u>
<b>At 31 December 2024</b>							
Cost	153,708	41,463	72,639	324,835	147,983	203,425	944,053
Accumulated amortisation	-	(33,750)	(62,265)	(259,149)	(56,647)	(36,872)	(448,683)
Net book amount	<u>153,708</u>	<u>7,713</u>	<u>10,374</u>	<u>65,686</u>	<u>91,336</u>	<u>166,553</u>	<u>495,370</u>

During the year, the Group had research and development cost amounting to RMB1,913,082,000 which was all expensed (2024: RMB1,677,751,000).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 18. INTANGIBLE ASSETS (continued)

#### (a) Impairment tests for goodwill

The goodwill is monitored by the management at cash generating units (“CGU”) level. The following is a summary of goodwill allocation for each CGU:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Fuyao (Xiamen) Precision Corp. (厦门精密) (i)	74,942	74,942
Fujian Wanda Automobile Glass Industry Co., Ltd. (福清汽车玻璃) (ii)	62,744	62,744
Hainan Wenchang Fuyao Silica Sand Co., Ltd. (海南文昌福耀硅砂有限公司) (iii)	11,935	11,935
Fujian Triplex Group Holdings Co., Ltd. (福建三锋控股集团有限公司)	4,087	4,087
	<b>153,708</b>	<b>153,708</b>

For the purpose of impairment test, goodwill has been allocated to the smallest individual of CGU identified. The recoverable amount of a CGU is determined based on value-in-use (“VIU”) calculations. The calculation uses cash flow projections based on the financial budget made by managements, with reference to the prevailing market condition, covering a period of five years and assuming the cash flow beyond the five years period would be stable. The key assumptions used for VIU of the Group’s certain key CGUSs are as follows:

#### (i) Fuyao (Xiamen) Precision Corp.

	Year ended 31 December	
	2025	2024
Gross profit margin	18%~19%	18%~20%
Discount rate	15%	15%
Budgeted growth rate	-8%~1%	2%~10%
Long-term growth rate	2%	2%

#### (ii) Fujian Wanda Automobile Glass Industry Co., Ltd.

	Year ended 31 December	
	2025	2024
Gross profit margin	36%	37%
Discount rate	15%	15%
Budgeted growth rate	3%	3%
Long-term growth rate	2%	2%

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 18. INTANGIBLE ASSETS (continued)

(a) Impairment tests for goodwill (continued)

(iii) Hainan Wenchang Fuyao Silica Sand Co., Ltd.

	Year ended 31 December	
	2025	2024
Gross profit margin	19%~25%	27%
Discount rate	17%	17%
Budgeted growth rate	5%	5%
Long-term growth rate	2%	2%

As at 31 December 2025 and 2024, management performed the value-to-use calculation and no impairment is identified.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Gross profit margin	Based on historical experience and market development expectations.
Discount rate	Reflects the specific risk of the relevant asset group.
Budgeted growth rate	Based on historical experience and market development expectations.
Long-term growth rate	The basis used to determine the value assigned to the long-term growth rate is the forecast price indices over the budget year from where the main business are located.

As at 31 December 2025, the recoverable amount of each CGUs, including Fuyao (Xiamen) Precision Corp., Fujian Wanda Automobile Glass Industry Co., Ltd. and Hainan Wenchang Fuyao Silica Sand Co., Ltd., were RMB261,697,000 (2024: RMB290,239,000), RMB5,482,927,000 (2024: RMB7,480,776,000) and RMB266,302,000 (2024: RMB354,849,000), respectively.

According to the sensitivity analysis of the key assumptions on which the management of the Group has based to undertake impairment testing of goodwill, the management of the Group believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of any CGU to exceed its recoverable amount.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share of net assets, unlisted		
Joint ventures	393,048	421,356
Associate	15,575	15,834
Embedded goodwill	4,305	4,305
	<b>412,928</b>	<b>441,495</b>
Joint ventures and associates		
Beginning of the year	441,495	181,538
– Additions	–	275,759
– Dividend received	(7,350)	–
– Share of results	(21,217)	(15,802)
End of the year	<b>412,928</b>	<b>441,495</b>

(a) Joint ventures

- (i) The Group's investments in joint ventures during the year, which is unlisted, is set out as follows:

Company name	Country/place and date of incorporation	% of ownership interest	Equity interests attributable to the Group as at 31 December		Principle activities
			2025 RMB'000	2024 RMB'000	
Tri-Wall Packaging (Fuzhou) Co., Ltd. (特耐王包装(福州)有限公司)	Fuzhou, the PRC, 2005	49.00%	59,911	58,529	Production and processing of paper articles and printed matter, especially corrugated paper
Fuyao Group Beijing Futong Safety Glass Co., Ltd. (福耀集團北京福通安全玻璃有限公司)	Beijing, the PRC, 2003	49.00%	333,137	362,827	Holding of the land and plant
			<b>393,048</b>	<b>421,356</b>	

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Joint ventures (continued)

- (ii) The following table illustrates the summarised financial information in respect of the Group's joint ventures adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	Assets RMB'000	Liabilities RMB'000	Revenues RMB'000	Profit/ (loss) RMB'000	Net assets RMB'000	Proportion of the Group's ownership %	Carrying amount of the investment RMB'000
<b>Year ended 31 December 2025</b>							
Tri-Wall Packaging (Fuzhou) Co., Ltd.	155,284	33,011	255,567	17,819	122,273	49%	59,911
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	680,450	579	8,768	(60,592)	679,871	49%	333,137
	<u>835,734</u>	<u>33,590</u>	<u>264,335</u>	<u>(42,773)</u>	<u>802,144</u>		<u>393,048</u>
<b>Year ended 31 December 2024</b>							
Tri-Wall Packaging (Fuzhou) Co., Ltd.	157,559	38,106	246,231	17,650	119,453	49%	58,529
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	751,478	11,015	5,669	(52,545)	740,463	49%	362,827
	<u>909,037</u>	<u>49,121</u>	<u>251,900</u>	<u>(34,895)</u>	<u>859,916</u>		<u>421,356</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Associates

(i) The Group's investment in an associate during the year, which is unlisted, is set out as follows:

Company name	Country/place and date of incorporation	% of ownership interest	Attributable equity interests to the Group as at 31 December		Principle activities
			2025 RMB'000	2024 RMB'000	
Advanced Glass Materials Innovation Center (Anhui) Co., Ltd. ("Innovation Center") (玻璃新材料创新中心(安徽)有限公司)*	Hefei, the PRC, 2020	11.24%	19,880	20,139	Research and development, Production and sales of automotive glass and automotive parts

\* It is an associate of the Group because the Group can exercise significant influence by appointing a director in the board of the entity.

(ii) The following table illustrates the summarised financial information in respect of the Group's associates adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	Assets RMB'000	Liabilities RMB'000	Revenues RMB'000	Profit/ (loss) RMB'000	Net assets RMB'000	Proportion of the Group's ownership %	Group's share of net assets of the associates, excluding goodwill RMB'000	Embedded goodwill RMB'000	Carrying amount of the investment RMB'000
<b>Year ended 31 December 2025</b>									
Innovation Center	394,083	255,513	30,179	(2,305)	138,570	11.24%	15,575	4,305	19,880
<b>Year ended 31 December 2024</b>									
Innovation Center	424,192	283,317	25,464	684	140,875	11.24%	15,834	4,305	20,139

The Group performed an impairment assessment on the investment in associates and joint ventures and concluded that no impairment was require.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 20. DEFERRED TAX ASSETS AND LIABILITIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deferred tax assets	1,166,469	1,126,633
Offset against deferred tax liabilities	(678,272)	(751,567)
Net deferred tax assets	488,197	375,066
Deferred tax liabilities	1,772,960	1,456,338
Offset against deferred tax assets	(678,272)	(751,567)
Net deferred tax liabilities	1,094,688	704,771

Movement in deferred tax assets during the year, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

Deferred tax assets	Tax losses carried forward <sup>(a)</sup> RMB'000	Impairment provision <sup>(b)</sup> RMB'000	Accruals RMB'000	Unrealised profit <sup>(c)</sup> RMB'000	Government grants <sup>(b)</sup> RMB'000	Others <sup>(b)</sup> RMB'000	Total RMB'000
<b>At 1 January 2024</b>	72,893	11,926	117,789	398,744	114,439	351,739	1,067,530
Recognised in the consolidated statement of profit or loss	(45,101)	4,584	(285)	99,762	14,591	(20,332)	53,219
Impact on exchange rate change	564	8	1,365	389	16	3,542	5,884
<b>At 31 December 2024 and 1 January 2025</b>	28,356	16,518	118,869	498,895	129,046	334,949	1,126,633
Recognised in the consolidated statement of profit or loss	47,769	477	(30,349)	110,475	1,004	(84,206)	45,170
Impact on exchange rate change	99	(5)	(1,563)	(684)	(6)	(3,175)	(5,334)
<b>At 31 December 2025</b>	<b>76,224</b>	<b>16,990</b>	<b>86,957</b>	<b>608,686</b>	<b>130,044</b>	<b>247,568</b>	<b>1,166,469</b>

Notes:

Deferred tax assets are recognised for tax losses carried forward and temporary differences to the extent that realisation of related tax benefits through future taxable profits is probable.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 20. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

- (a) As at 31 December 2025, the Group did not recognise deferred tax assets of RMB651,738,000 (2024: RMB642,169,000) in respect of the accumulated losses of RMB2,386,635,000 (2024: RMB2,439,483,000). Tax losses amounting to RMB633,852,000 will be expired from the year of 2026 to year 2030 (2024: RMB271,725,000 will be expired from the year of 2025 to year 2029), loss amounting to RMB1,752,783,000 will be continued to be deducted after the year of 2030 (2024: RMB2,167,758,000 will be continued to be deducted after the year of 2029).
- (b) As at 31 December 2025, the Group did not recognise deferred tax assets of RMB155,389,000 (2024: RMB119,220,000) in respect of the temporary differences from impairment losses, government grants and provision for onerous contracts of RMB579,867,000 (2024: RMB420,564,000).
- (c) Unrealised profit mainly attributed to the unrealised profit from intra-Group sales, and unrealised revenue from tooling sales and overseas transit warehouse. Deferred tax assets for the unrealised profit from intra-Group sales amounted to RMB305,781,000 (2024: RMB270,710,000), and deferred tax assets for the unrealised revenue from tooling sales and overseas transit warehouse amounted to RMB302,905,000 (2024: RMB228,185,000).

Movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Withholding taxation on unremitted earnings of certain subsidiaries <i>RMB'000</i>	Depreciation of property, plant and equipment <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 1 January 2024</b>	270,887	633,562	153,688	1,058,137
Recognised in the consolidated statement of profit or loss	159,635	281,617	(50,236)	391,016
Recognised in the consolidated comprehensive income	–	–	(2,092)	(2,092)
Impact on exchange rate change	–	8,788	489	9,277
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024 and 1 January 2025</b>	430,522	923,967	101,849	1,456,338
Recognised in the consolidated statement of profit or loss	201,111	108,172	20,115	329,398
Recognised in the consolidated comprehensive income	–	–	1,413	1,413
Impact on exchange rate change	–	(13,546)	(643)	(14,189)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>631,633</b>	<b>1,018,593</b>	<b>122,734</b>	<b>1,772,960</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 21. INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Raw materials	2,224,142	1,941,359
Work in process	485,356	443,001
Finished goods	3,930,188	3,582,146
Low value consumables	32,794	25,702
Costs of fulfilling contracts	232,699	143,665
	<b>6,905,179</b>	6,135,873
Less: write-down to net realisable value	<b>(106,138)</b>	(165,259)
	<b>6,799,041</b>	5,970,614

Inventories are valued at the lower of cost and estimated net realisable value. Write-down of inventories to net realisable value recognised in the consolidated statement of profit or loss during the year are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>At beginning of the year</b>	165,259	96,034
Write-down to net realisable value (note 8)	3,834	88,927
Impact on exchange rate change	8,868	(3,780)
Write-off of inventory provision	<b>(71,823)</b>	(15,922)
	<b>106,138</b>	165,259

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 22. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade receivables due from third parties(a):</b>		
Notes receivables <sup>(e)</sup>	433,990	813,565
Accounts receivables	8,509,309	8,190,670
Less: loss allowance	(31,923)	(34,771)
Trade receivables – net	<b>8,911,376</b>	8,969,464
<b>Other receivables due from third parties(b):</b>		
Other receivables	194,367	143,259
Less: loss allowance	–	–
Other receivables – net	<b>194,367</b>	143,259
<b>Amounts due from related parties:</b>		
Other receivables ( <i>note 35(c) (i)</i> )	1,905	2,009
Prepayments ( <i>note 35(c) (ii)</i> )	184	–
	<b>2,089</b>	2,009
<b>Others:</b>		
Prepayments to suppliers	343,870	305,455
Prepaid income tax and value-added tax recoverable and refundable	918,464	328,674
	<b>1,262,334</b>	634,129
<b>Receivables, prepayments and other current assets</b>	<b>10,370,166</b>	9,748,861
Less: non-current portion of amount due from the third parties ( <i>note</i> )	(31,352)	(30,105)
<b>Receivables, prepayments and other current assets – net</b>	<b>10,338,814</b>	9,718,756

*Note:* Fuyao (Hong Kong) Limited, a wholly-owned subsidiary of the Company, disposed of its equity interest in an associate, Jinken Glass Industry Shuangliao Co., Ltd., in. According to the equity transfer agreement, the first instalment of the equity transfer payment was collected in 2023 with the remaining consideration of RMB35,000,000 (present value of RMB31,352,000 as at 31 December 2025) will be recovered during the following three years.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 22. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS (Continued)

As at 31 December 2025 and 2024, the carrying amounts of trade receivables, notes receivables and other receivables are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	6,409,906	6,157,009
USD	2,024,887	1,967,097
EUR	597,669	954,643
Others	107,109	70,754
	<b>9,139,571</b>	<b>9,149,503</b>

(a) Trade receivables due from third parties

Trade receivables, including notes receivables and account receivables, are arising from sales of products. The credit period granted to customers is ranging from 1 month to 4 months. No interest is charged on the overdue trade receivables. The ageing analysis of trade receivables based on invoice date, before provision for impairment, as at 31 December 2025 and 2024 was as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables – gross		
Within 3 months	8,532,125	8,407,538
3 to 6 months	317,096	530,822
6 to 12 months	69,368	41,147
Over 1 year	24,710	24,728
	<b>8,943,299</b>	<b>9,004,235</b>

## Section X Financial Report

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

#### 22. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS (Continued)

- (b) Details of other receivables are as follows:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Consideration receivable from disposal of subsidiaries or associates	31,352	30,105
Payments on behalf of others	9,746	12,594
Receivables from disposal of assets	8,628	13,716
Deposits and guarantees	41,252	22,528
Insurance claims receivables	37,898	7,016
Others	65,491	57,300
	<b>194,367</b>	143,259

- (c) As at 31 December 2025 and 2024, the fair value of trade and other receivables of the Group, except for the prepayments to suppliers, prepaid current tax and value-added tax recoverable and refundable, which are not financial assets, approximated to their carrying amounts, due to the short-term nature of the current receivables.
- (d) **Impairment and risk**
- The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.
- Other receivables are subject to the expected credit loss model and have been grouped based on shared credit risk characteristics.
- Details of the calculation of the allowance are set out in note 39.1.
- (e) As at 31 December 2025, certain of the Group's notes receivable with a net carrying amount of approximately RMB20,950,000 (2024: RMB43,568,000) were pledged to secure notes payable issued by the Group.

## Section X Financial Report

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

#### 23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND HELD-TO-MATURITY TERM DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	19,273,740	18,784,564
Less: restricted cash <sup>(b)</sup>	(32,954)	(50,790)
Cash and cash equivalents <sup>(a)</sup>	<b>19,240,786</b>	<b>18,733,774</b>

Notes:

(a) Cash and cash equivalents are denominated in:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	2,983,016	3,861,688
USD	15,303,457	13,763,421
EUR	761,258	1,019,978
HKD	1,603	897
JPY	81,497	52,738
KRW	11,108	11,452
RUB	54,550	22,834
Others	44,297	766
	<b>19,240,786</b>	<b>18,733,774</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND HELD-TO-MATURITY TERM DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS (Continued)

Notes: (Continued)

(b) Details of restricted cash are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deposits held for:		
Guarantee to letter of credit	28,812	48,724
Civil air defense projects etc.	4,142	2,066
	<hr/> 32,954	<hr/> 50,790

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Restricted cash is denominated in:		
EUR	28,812	47,823
RMB	4,077	1,978
USD	–	927
RUB	65	62
	<hr/> 32,954	<hr/> 50,790

## Section X Financial Report

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

#### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Financial assets at fair value through profit or loss</b>		
<b>Current assets</b>		
– listed equity instrument investment – held for trading <sup>(a)</sup>	<b>10,916</b>	7,683
<b>Financial assets at fair value through other comprehensive income</b>		
<b>Non-current assets</b>		
– Unlisted equity securities <sup>(b)</sup>	<b>88,338</b>	82,683
<b>Current assets</b>		
– Note receivables <sup>(c)</sup>	<b>2,922,909</b>	1,921,466

*Notes:*

- (a) The held-for-trading equity instrument investment was acquired through the distribution of debt restructuring from a customer. As at 31 December 2025 and 2024, the fair value of the held-for-trading equity instrument investment was determined based on the closing price of Shanghai or Shenzhen Stock Exchange on the last trading day of the year.

During the year ended 31 December 2025, the fair value gains on equity investments at FVPL recognised in “other gains/(expenses) – net” was RMB3,233,000 (2024: RMB1,942,000).

- (b) The unlisted equity securities is the Group's subscription of 4.55% of the equity of China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd.. The Group has no significant influence on the investee. The investment is a non-trading equity instrument and held for strategic in nature, and is designated and accounted as “financial assets at fair value through other comprehensive income”.

In 2025, fair value gains on equity investments at FVOCI recognised in other comprehensive income was RMB5,655,000 (2024: losses RMB8,371,000).

- (c) In 2025 and 2024, the Group discounted and endorsed part of its bank acceptance notes and derecognised such note receivables according to its daily fund management needs. Therefore, the Group classified and presented these derecognised bank acceptance notes as financial asset at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling.

As at 31 December 2025, the amount of pledged bank acceptance notes receivable of financial asset at fair value through other comprehensive income presented by the Group was RMB989,700,000 (2024: RMB795,546,000)

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 25. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Notes payables	4,145,608	2,993,752
Trade payables to third parties	3,046,241	2,778,394
Staff salaries and welfare payables	1,183,629	972,229
Payables for purchasing of property, plant and equipment	323,814	651,907
Payables for freight fee	347,473	286,858
Amount due to related parties ( <i>note 35(c)</i> )	102,501	71,539
Accrued taxes other than income tax	171,676	73,041
Payables for volume rebates	529,422	431,776
Other payables and accruals	842,033	815,004
	<b>10,692,397</b>	<b>9,074,500</b>

Notes:

- (a) As at 31 December 2025 and 2024, all trade and other payables of the Group were non-interest bearing and normally settled on terms of 30 to 90 days, and their fair value, except for staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximate to their carrying amounts due to short maturities.
- (b) The Group's trade payables, notes payables and other payables, except for staff salaries and welfare payables, and accrued taxes other than income tax, are denominated in the following currencies:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	8,077,219	6,748,997
USD	1,025,022	996,970
EUR	155,788	212,491
KRW	44,023	51,726
RUB	22,049	7,624
Others	12,991	11,422
	<b>9,337,092</b>	<b>8,029,230</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 25. TRADE AND OTHER PAYABLES (Continued)

- (c) Ageing analysis of the notes payables and trade payables to third parties based on the invoice date at the respective balances sheet dates are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 3 months	5,107,627	4,544,558
3 to 6 months	2,032,244	1,204,147
6 to 12 months	40,645	9,304
Over 1 year	11,333	14,137
	<b>7,191,849</b>	<b>5,772,146</b>

### 26. CONTRACT LIABILITIES

The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract liabilities	<b>718,192</b>	<b>807,312</b>

Contract liabilities mainly represent payments received in advance during the reporting period with obligations that are expected to be fulfilled within one year in accordance with automotive glasses sales contracts. The non-current portion of these contract liabilities is disclosed in note 28.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 27. BORROWINGS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-current:</b>		
Bank borrowings – unsecured	8,750,078	9,958,086
Less: current portion of non-current borrowings	(5,081,033)	(2,745,166)
	<b>3,669,045</b>	7,212,920
<b>Current:</b>		
Bank borrowings – unsecured	7,512,639	4,578,584
Endorsed or discounted unmatured notes (note 36(a))	198,546	150,769
Other borrowings – unsecured (a)	502,848	–
Add: current portion of non-current borrowings	5,081,033	2,745,166
	<b>13,295,066</b>	7,474,519
<b>Total borrowings</b>	<b>16,964,111</b>	14,687,439

Notes:

- (a) In 2025, the Company issued two super short-term commercial papers through the National Association of Financial Market Institutional Investors in the PRC (中國銀行間市場交易商協會), the details of which are as follows. Note-25 Fuyao Glass SCP001 was fully repaid during the year.

	Issuance date	Maturity	Interest rate	Principal amount (RMB'000)
Note-25 Fuyao Glass SCP001	17 June 2025	177 days	1.75%	400,000
Note-25 Fuyao Glass SCP002	11 September 2025	270 days	1.75%	500,000
				<b>900,000</b>

- (b) The borrowings are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	<b>16,964,111</b>	14,687,439

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 27. BORROWINGS (Continued)

Notes: (Continued)

(c) The maturity of borrowings is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	13,295,066	7,474,519
Between 1 and 2 years	2,890,064	5,888,100
Between 2 and 5 years	778,981	1,324,820
	<b>16,964,111</b>	<b>14,687,439</b>

(d) The weighted average effective interest rates per annum for the year ended 31 December 2025 were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Borrowings: RMB	<b>1.95%</b>	2.09%

Interest rates of bank borrowings are reset periodically according to the benchmark rates announced by the People's Bank of China and are denominated in RMB.

(e) The fair values of current borrowings approximate their carrying amounts as the impact of discounting and market price is not significant. The carrying amount and fair value of non-current borrowings as at each balance sheet date are set out as follows:

	As at 31 December			
	2025 RMB'000		2024 RMB'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings	<b>3,669,045</b>	<b>3,634,517</b>	7,212,920	7,135,841

The fair values of non-current bank loans are estimated based on discounted cash flow using the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics at the respective balance sheet dates and are within level 2 of the fair value hierarchy.

(f) The Group has complied with the financial covenants of its borrowings during the years ended 31 December 2025 and 2024.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 28. OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract liabilities (a)	783,696	410,556
Long-term payables (b)	48,165	53,855
Provision (c)	5,033	34,487
Total	<b>836,894</b>	498,898

Notes:

- (a) Contract liabilities represent payments received in advance during the reporting period with obligations that are expected to be fulfilled after one year.
- (b) Details of long-term payables are as follows

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Payables for proceeds from transfer of mining rights	53,855	59,287
Less: Current portion of long-term payables	<b>(5,690)</b>	(5,432)
	<b>48,165</b>	53,855

According to the Interim Measures for the Administration of the Collection of Mining Right Transfer Profits, the Group's quartz sand mine mining rights in Wenchang City, Hainan Province are required to levy transfer proceeds on annual instalments until 2034. The Group received the payment notice and paid RMB8,026,000 in 2025 (2024: RMB8,026,000).

- (c) Details of provision are as follows

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	34,487	–
Additional provision for onerous contracts	2,960	34,487
Reversal of provision for onerous contracts	<b>(35,096)</b>	–
Exchange realignment	2,682	–
At end of the year	<b>5,033</b>	34,487

FYSAM Auto Decorative GmbH, a subsidiary of the Group, evaluated its certain contracts with customers with the unavoidable costs of meeting the obligation under those contracts exceeding the relevant economic benefits to be received therefrom. As at 31 December 2025, the provision of those onerous contracts was RMB5,033,000 (2024:RMB34,487,000).

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 29. DEFERRED INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>At beginning of the year</b>	<b>819,352</b>	725,122
Government grants received during the year	<b>259,159</b>	189,991
Credited to the consolidated profit or loss (note 6)	<b>(113,633)</b>	(95,825)
Currency translation difference	<b>(61)</b>	64
<b>At end of the year</b>	<b>964,817</b>	819,352

Government grants received during the year mainly from certain municipal governments of the PRC as an incentive related to purchase of property, plant equipment and land use rights.

### 30. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	As at 31 December				Total share capital RMB'000
	Number of A shares Thousands	Number of H shares Thousands	A shares of RMB1 each RMB'000	H shares of RMB1 each RMB'000	
At 1 January 2025 and 31 December 2025	<u>2,002,986</u>	<u>606,758</u>	<u>2,002,986</u>	<u>606,758</u>	<u>2,609,744</u>
At 1 January 2024 and 31 December 2024	<u>2,002,986</u>	<u>606,758</u>	<u>2,002,986</u>	<u>606,758</u>	<u>2,609,744</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 31. SHARE PREMIUM, RETAINED EARNINGS AND OTHER RESERVES

	Share premium RMB'000	Retained earnings RMB'000	Statutory reserves RMB'000	Other reserves		Total RMB'000	
				Currency translation differences RMB'000	Financial assets at FVOCI RMB'000		
<b>Balance at 1 January 2025</b>	<b>9,680,392</b>	<b>18,635,469</b>	<b>4,418,068</b>	<b>329,786</b>	<b>10,021</b>	<b>20,359</b>	<b>4,778,234</b>
Appropriate to statutory reserves (note)	-	(602,463)	602,463	-	-	-	602,463
Profit for the year	-	9,311,874	-	-	-	-	-
Dividends	-	(7,046,308)	-	-	-	-	-
Currency translation differences	-	-	-	(408,139)	-	-	(408,139)
Changes in fair value	-	-	-	-	4,242	-	4,242
<b>At 31 December 2025</b>	<b>9,680,392</b>	<b>20,298,572</b>	<b>5,020,531</b>	<b>(78,353)</b>	<b>14,263</b>	<b>20,359</b>	<b>4,976,800</b>
<b>Balance at 1 January 2024</b>	<b>9,680,392</b>	<b>15,017,220</b>	<b>3,931,592</b>	<b>160,632</b>	<b>16,300</b>	<b>20,359</b>	<b>4,128,883</b>
Appropriate to statutory reserves (note)	-	(486,476)	486,476	-	-	-	486,476
Profit for the year	-	7,497,392	-	-	-	-	-
Dividends	-	(3,392,667)	-	-	-	-	-
Currency translation differences	-	-	-	169,154	-	-	169,154
Changes in fair value	-	-	-	-	(6,279)	-	(6,279)
<b>At 31 December 2024</b>	<b>9,680,392</b>	<b>18,635,469</b>	<b>4,418,068</b>	<b>329,786</b>	<b>10,021</b>	<b>20,359</b>	<b>4,778,234</b>

Note:

In accordance with the PRC Company Law and the articles of association of the PRC companies of the Group (the "PRC Companies"), the PRC Companies are required to allocate 10% of their profits attributable to the respective owners of the PRC Companies as set out in their statutory financial statements, to the statutory reserve. The appropriation to the reserve must be made before any distribution of dividends to the respective owners of the PRC Companies. The statutory surplus reserve can be used to offset previous year's losses, if any, and part of the statutory surplus reserve can be capitalised as the share capital of the respective PRC Companies provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the respective PRC Companies.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 32. CASH GENERATED FROM OPERATIONS

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Profit for the year before income tax</b>	<b>11,161,253</b>	8,990,236
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment ( <i>note 15</i> )	<b>2,790,632</b>	2,469,385
Depreciation of right-of-use assets ( <i>note 16 (b)</i> )	<b>188,587</b>	168,226
Amortisation of land use rights ( <i>note 17</i> )	<b>36,997</b>	28,803
Amortisation of intangible assets ( <i>note 18</i> )	<b>66,320</b>	61,672
Losses on disposals of property, plant and equipment, right-of-use assets and intangible assets ( <i>note 7</i> )	<b>31,852</b>	92,206
Impairment and other losses related to investments in associates ( <i>note 7</i> )	–	43,641
Amortisation of deferred income on government grants ( <i>notes 6 and 29</i> )	<b>(113,633)</b>	(95,825)
Interest income	–	(293,726)
Interest expenses ( <i>note 11</i> )	<b>321,414</b>	288,507
Exchange gains on cash and cash equivalents	<b>278,829</b>	(122,781)
Share of results of joint ventures and associates	<b>21,217</b>	15,802
Loss allowance for financial assets ( <i>note 39.1</i> )	<b>(3,035)</b>	3,563
Inventory write-down to net realisable value ( <i>note 21</i> )	<b>3,834</b>	88,927
Change of provision for onerous contracts ( <i>note 28(c)</i> )	<b>(32,136)</b>	34,487
Impairment losses on property, plant and equipment ( <i>note 15</i> )	<b>9,957</b>	15,816
Impairment losses on right-of-use assets ( <i>note 16(a)</i> )	–	3,346
Change in fair value of financial assets ( <i>note 7</i> )	<b>(3,233)</b>	(1,942)
	<b>14,758,855</b>	11,790,343
Increase in inventories	<b>(832,261)</b>	(915,925)
Increase in deferred income	<b>259,159</b>	189,991
Increase in receivables, prepayments and other current assets	<b>(2,852,325)</b>	(2,556,961)
Increase in trade and other payables	<b>2,065,192</b>	1,156,674
Cash generated from operations	<b>13,398,620</b>	9,664,122

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 32. CASH GENERATED FROM OPERATIONS (Continued)

- (b) In the consolidated statement of cash flows, proceeds from disposal of properties, plant and equipment, intangible assets, land-use-right and right-of-use assets comprise:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net book amount	66,800	163,717
Decrease in receivables from disposal of assets	5,088	30,602
Loss on disposal (note 7)	(31,852)	(92,206)
Proceeds from disposal	<b>40,036</b>	<b>102,113</b>

- (c) Net debt reconciliation

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	19,240,786	18,733,774
Financial assets at FVPL	10,916	7,683
Lease liabilities	(524,290)	(443,195)
Long-term payables	(53,855)	(59,287)
Borrowings – repayable within one year	(13,295,066)	(7,474,519)
Borrowings – repayable after one year	(3,669,045)	(7,212,920)
Net debt	<b>1,709,446</b>	<b>3,551,536</b>
Cash and cash equivalents	19,240,786	18,733,774
Financial assets at FVPL	10,916	7,683
Gross debt – fixed interest rates	(11,670,100)	(10,647,201)
Gross debt – variable interest rates	(5,872,156)	(4,542,720)
Net debt	<b>1,709,446</b>	<b>3,551,536</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 32. CASH GENERATED FROM OPERATIONS (Continued)

(c) Net debt reconciliation (Continued)

	Liabilities from financing activities				Total RMB'000
	Borrowings due within one year RMB'000	Borrowings due after one year RMB'000	Lease liabilities RMB'000	Long-term payables RMB'000	
<b>At 1 January 2024</b>	(5,491,699)	(8,513,100)	(525,939)	(64,473)	(14,595,211)
Cash flows	896,663	(1,438,720)	178,590	8,026	(355,441)
Non-cash changes	(140,769)	–	(94,257)	–	(235,026)
Reclassification	(2,745,166)	2,745,166	–	–	–
Other changes	6,452	(6,266)	(12,731)	(2,840)	(15,385)
– Interest expense	(102,257)	(218,506)	(12,731)	(2,840)	(336,334)
– Interest payments	108,709	212,240	–	–	320,949
Foreign exchange adjustments	–	–	11,142	–	11,142
<b>At 31 December 2024 and 1 January 2025</b>	<b>(7,474,519)</b>	<b>(7,212,920)</b>	<b>(443,195)</b>	<b>(59,287)</b>	<b>(15,189,921)</b>
Cash flows	(784,147)	(1,529,335)	161,071	8,026	(2,144,385)
Non-cash changes	39,277	–	(202,654)	–	(163,377)
Reclassification	(5,081,033)	5,081,033	–	–	–
Other changes	5,356	(7,823)	(16,356)	(2,594)	(21,417)
– Interest expense	(159,208)	(191,949)	(16,356)	(2,594)	(370,107)
– Interest payments	164,564	184,126	–	–	348,690
Foreign exchange adjustments	–	–	(23,156)	–	(23,156)
<b>At 31 December 2025</b>	<b>(13,295,066)</b>	<b>(3,669,045)</b>	<b>(524,290)</b>	<b>(53,855)</b>	<b>(17,542,256)</b>

(d) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB232,726,000 (2024: RMB94,257,000) and RMB232,726,000 (2024: RMB94,257,000), respectively, in respect of lease arrangements for buildings, vehicles and equipment.

During the year, the Group endorsed notes receivable with a total amount of RMB3,129,647,000 (2024: RMB2,376,342,000) to its suppliers in order to settle the trade and other payables due to such suppliers.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 33. CONTINGENCIES

Fuyao Glass America Inc. (“Fuyao America”), a wholly-owned subsidiary of the Company located in Moraine, Ohio, USA, received an on-site raid by the U. S. federal government agencies and local law enforcement support personnel (the “U. S. Government Agencies”). Fuyao America was primarily in cooperation with the U. S. Government Agencies’ ongoing investigation against a third-party labor service company (the “Investigation”). As informed by the U. S. Government Agencies, Fuyao America is not the target of the Investigation.

### 34. COMMITMENTS

As at 31 December 2025 and 2024, capital expenditure contracted for, but not yet incurred is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Authorised and contracted for:		
– Property, plant and equipment	<b>5,122,420</b>	4,698,566

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2025 and 2024, and balances arising from related party transactions as at 31 December 2025 and 2024.

#### (a) Name and relationship with related parties

Name of related party	Relationship
Mr. Cho Tak Wong(曹德旺)	Single largest shareholder
Fujian Yaohua Industrial Village Development Co., Ltd. (福建省耀華工業村開發有限公司)	Controlled by the single largest shareholder
Tri-Wall Packaging (Fuzhou) Co., Ltd. (特耐王包裝 (福州)有限公司)	A joint venture of the Group
Global Cosmos German Co., Ltd. (環創德國有限公司)	Controlled by the single largest shareholder
Fuyao Group Beijing Futong Safety Glass Co., Ltd. (福耀集團北京福通安全玻璃有限公司)	A joint venture of the Group
Fujian Triplex Auto Parts Development Co., Ltd. (福建 三鋒汽配開發有限公司)	Controlled by a director of the Company
China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd. (“China National Automobile (Beijing)”) * (國汽(北京)智慧網聯汽車研 究院有限公司(“國汽智聯”))	A company being invested by the Company
Jinken Glass Industry Shuangliao Co., Ltd.** (金墾玻璃 工業雙遼有限公司)	Ceased being an associate of the Group in September 2023
Fujian Yidaodaka Commercial Management Co., Ltd. (福建易道大咖商業管理有限公司)	Controlled by a director of the Company
Fuyao University of Science and Technology(福建福耀 科技大學)	A director of the Company serves as a trustee of the university

\* Pursuant to relevant regulatory requirement governing disclosure of related party transactions, China National Automobile (Beijing) was still regarded as a related party of the Group in the following twelve months up to March 2025 after one of the Group’s directors retired as China National Automobile (Beijing)’s director on 29 March 2024. Therefore, the amount of related party transactions with China National Automobile (Beijing) during the reporting period covered from January to March 2025, and the balance of transactions as of the end of the reporting period will no longer be presented.

\*\* Pursuant to relevant regulatory requirement governing disclosure of related party transactions, Jinken Glass Industry Shuangliao Co., Ltd. was still regarded as a related party of the Group in the following twelve months up to September 2024 after its cessation as an associate of the Group in September 2023. Therefore, the amount of related party transactions with Jinken Glass Industry Shuangliao Co., Ltd. during prior reporting period covered from January to September 2024, and the balance of transactions as of the end of the reporting period will no longer be presented.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS (Continued)

(b) The following transactions were carried out with related parties:

(i) Sale of goods and provision of services

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	5,239	5,319
Jinken Glass Industry Shuangliao Co., Ltd.	–	39
Fujian Yaohua Industrial Village Development Co., Ltd.*	583	–
	<b>5,822</b>	<b>5,358</b>

(ii) Purchase of goods and services

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Jinken Glass Industry Shuangliao Co., Ltd.	–	232,533
Tri-Wall Packaging (Fuzhou) Co., Ltd.	161,145	128,854
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	2,898	3,329
China National Automobile (Beijing)	189	377
Fujian Triplex Auto Parts Development Co., Ltd.*	882	330
Fujian Yaohua Industrial Village Development Co., Ltd.*	2,861	–
Fuyao University of Science and Technology	1,101	–
	<b>169,076</b>	<b>365,423</b>

(iii) Rental income

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Jinken Glass Industry Shuangliao Co., Ltd.	–	162
Fujian Yidaodaka Commercial Management Co., Ltd.*	–	43
	<b>–</b>	<b>205</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS (Continued)

(b) The following transactions were carried out with related parties (Continued):

(iv) Addition in right-of-use assets as a lessee

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fujian Yaohua Industrial Village Development Co., Ltd. *	135,070	–
Fujian Triplex Auto Parts Development Co., Ltd. *	–	5,532
	<b>135,070</b>	<b>5,532</b>

(v) Interest on lease liabilities as a lessee

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Global Cosmos German Co., Ltd. *	1,441	1,682
Fujian Yaohua Industrial Village Development Co., Ltd.*	3,092	–
Fujian Triplex Auto Parts Development Co., Ltd. *	396	684
	<b>4,929</b>	<b>2,366</b>

(vi) Key management compensation

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries, wages and short-term employee benefits	38,993	34,094
Post-employment benefits	607	476
	<b>39,600</b>	<b>34,570</b>

Note: (\*) Concurrently the connected parties under Hong Kong Listing Rules, and all related transactions are in compliance with the disclosure requirements as set out in Chapter 14A of the Hong Kong Listing Rules.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

Amount due from related parties

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Other receivables (i)	1,905	2,009
Prepayments (ii)	184	–
	<b>2,089</b>	<b>2,009</b>

(i) Other receivables:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Fujian Triplex Auto Parts Development Co., Ltd.	1,500	1,500
Tri-Wall Packaging (Fuzhou) Co., Ltd.	405	509
	<b>1,905</b>	<b>2,009</b>

(ii) Prepayments:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Fuyao University of Science and Technology	184	–

Amounts due to related parties

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade payables (i)	12,460	17,210
Notes payables (ii)	54,324	13,738
Other payables (iii)	35,717	40,591
Lease liabilities (iv)	207,164	125,108
	<b>309,665</b>	<b>196,647</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

Amounts due to related parties (Continued)

(i) Trade payables:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	12,460	17,210

Ageing analysis of trade payables due to related parties is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
– Within 3 months	12,460	17,210

(ii) Notes payables:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	54,324	13,738

(iii) Other payables to related parties:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	35,714	40,589
Fujian Triplex Auto Parts Development Co., Ltd.	3	2
	<b>35,717</b>	<b>40,591</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 35. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

Amounts due to related parties (Continued)

(iv) Lease liabilities to related parties:

Global Cosmos German Co., Ltd.

Fujian Yaohua Industrial Village Development Co., Ltd.

Fujian Triplex Auto Parts Development Co., Ltd.

As at 31 December

	2025 RMB'000	2024 RMB'000
	99,267	111,171
	102,833	–
	5,064	13,937
	<b>207,164</b>	<b>125,108</b>

### 36. TRANSFERS OF FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

At 31 December 2025, the Group endorsed or discounted certain notes receivable accepted by banks in Mainland China (the “Endorsed or Discounted Bills”) with a carrying amount of RMB198,546,000 (2024: RMB150,769,000) to certain of its suppliers or banks. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed or Discounted Bills, and accordingly, it continued to recognise the full carrying amounts. Subsequent to the endorsement or discount, the Group did not retain any rights on the use of the Endorsed or Discounted Bills, including the sale, transfer or pledge of the them to any other third parties.

(b) Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group endorsed or discounted certain notes receivable accepted by banks in Mainland China (the “Derecognised Bills”) to certain of its suppliers or banks with a carrying amount in aggregate of RMB3,613,112,000 (2024: RMB2,496,834,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks with high credit worthy. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2025, the Group has recognised losses of RMB16,952,000 (2024: RMB11,293,000) on the date of transfer of the Derecognised Bills. The endorsement has been made evenly throughout the year.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 37. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

		As at 31 December	
Financial assets	Notes	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost			
Financial assets included in trade and other receivables	22	9,076,296	9,084,627
Long-term receivables	22	31,352	30,105
Cash and cash equivalents	23	19,240,786	18,733,774
Restricted cash	23	32,954	50,790
		<b>28,381,388</b>	27,899,296
Financial assets at FVOCI			
Unlisted equity securities	24	88,338	82,683
Notes receivable	24	2,922,909	1,921,466
		<b>3,011,247</b>	2,004,149
Financial assets at FVPL			
Listed equity instrument investment – held for trading	24	10,916	7,683
		<b>31,403,551</b>	29,911,128
		As at 31 December	
Financial liabilities	Notes	2025 RMB'000	2024 RMB'000
Liabilities at amortised cost			
Financial liabilities included in trade and other payables	25	9,337,092	8,029,230
Borrowings	27	16,964,111	14,687,439
Lease liabilities	16	524,290	443,195
Long-term payables	28	53,855	59,287
		<b>26,879,348</b>	23,219,151

The Group's exposure to various risks associated with the financial instruments is discussed in note 39. 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.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(a) The table below analyses the Group's financial instruments carried at fair value as at 31 December 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>As at 31 December 2025</b>				
Financial assets				
Financial assets at FVPL				
– equity instrument investment held for trading (note 24)	10,916	–	–	10,916
Financial assets at FVOCI				
– notes receivable (note 24)	–	–	2,922,909	2,922,909
– unlisted equity securities (note 24)	–	–	88,338	88,338
	<u>10,916</u>	<u>–</u>	<u>3,011,247</u>	<u>3,022,163</u>
<b>As at 31 December 2024</b>				
Financial assets				
Financial assets at FVPL				
– equity instrument investment held for trading (note 24)	7,683	–	–	7,683
Financial assets at FVOCI				
– notes receivable (note 24)	–	–	1,921,466	1,921,466
– unlisted equity securities (note 24)	–	–	82,683	82,683
	<u>7,683</u>	<u>–</u>	<u>2,004,149</u>	<u>2,011,832</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 2024:

	Notes receivable at fair value through other comprehensive income <i>RMB'000</i>	Equity Instrument at fair value through other comprehensive income <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 1 January 2025</b>	<b>1,921,466</b>	<b>82,683</b>	<b>2,004,149</b>
Acquisitions	13,419,643	–	13,419,643
Disposals	(12,401,248)	–	(12,401,248)
Recognised in profit or loss- net	(16,952)	–	(16,952)
Recognised in other comprehensive income	–	5,655	5,655
<b>At 31 December 2025</b>	<b>2,922,909</b>	<b>88,338</b>	<b>3,011,247</b>
<b>At 1 January 2024</b>	<b>1,314,918</b>	<b>91,054</b>	<b>1,405,972</b>
Acquisitions	9,950,247	–	9,950,247
Disposals	(9,332,406)	–	(9,332,406)
Recognised in profit or loss- net	(11,293)	–	(11,293)
Recognised in other comprehensive income	–	(8,371)	(8,371)
<b>At 31 December 2024</b>	<b>1,921,466</b>	<b>82,683</b>	<b>2,004,149</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

(c) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Valuation technique	Fair value at 31/12/2025 <i>RMB'000</i>	Name	Input		
				Range/ weighted average	Relationship with fair value	Observable/ Unobservable
<b>Non-current asset</b>						
Equity Instrument at FVOCI	Market multiple method	88,338	Price to book ratio	2.6-4.8	Positively correlated	Unobservable
<b>Current asset</b>						
Notes receivable at FVOCI	Income approach	2,922,909	Discount rate	0.99%	Negatively correlated	Unobservable
		3,011,247				

(d) Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate to their carrying amounts:

- Short-term borrowings;
- Trade and other receivables (excluding prepayments to suppliers and prepaid current tax or value-added tax recoverable);
- Cash and cash equivalents (including restricted cash);
- Trade and other payables (excluding staff salaries and welfare payables and statutory liabilities); and
- Long-term receivables and payables.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

#### 39.1 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 and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The primary economic environment in which the Group operates in the PRC and their functional currency is RMB. However, the Group's certain subsidiaries operate in the United States, Europe and Russia and their functional currencies are USD, EUR and RUB, respectively. Also, the Group exports the products to overseas customers and the sales are usually carried out in USD. Moreover, certain cash and cash equivalents, trade and other receivables and trade and other payables are denominated in foreign currencies which expose the Group to foreign currency risk, primarily with respect to USD, EUR and RUB.

The Group would consider a combination of foreign currency option, foreign currency swap contracts and forward foreign exchange contracts to control its exposure to foreign currency risk when necessary. In 2024 and 2025, the Group did not use any above derivative financial instruments.

As at 31 December 2025 and 2024, if RMB had strengthened/weakened by 10% against the foreign currencies while all other variables had been held constant, net profit for the year of the companies in the Group whose functional currency is RMB would have changed as follows, mainly as a result of exchange gains/losses on translation of various financial assets and liabilities denominated in foreign currencies held by the Group:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net profit increase/(decrease)		
USD		
– Strengthened 10%	<b>(1,232,053)</b>	(1,121,980)
– Weakened 10%	<b>1,232,053</b>	1,121,980

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (a) Market risk (Continued)

##### (ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The Group does not hedge its cash flow and fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in note 27.

As at 31 December 2025 and 2024, if interest rates on bank borrowings had risen/fallen by 50 basis points with all other variables held constant, the Group's net profit for the year would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of changes are as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Net profit increase/(decrease)		
– Risen 50 basis points	<b>(11,619)</b>	(13,776)
– Fallen 50 basis points	<b>11,619</b>	13,776
	<b>_____</b>	<b>_____</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, restricted cash, financial assets measured at fair value through comprehensive income, financial assets measured at fair value through profit or loss, other receivables and other assets.

(i) Risk management

Credit risk is managed on a group basis. Cash and cash equivalents, including restricted cash, were deposited in the major financial institutions. For financial assets at fair value through profit or loss and fair value through other comprehensive income, the Group also chose to deal with these financial institutions which the directors believe are of high credit quality.

For trade receivables and other receivables, the Group made policies to control credit risk exposure. The Group assesses the credit risk of customers and sets the corresponding credit period based on their financial status, the possibility of obtaining guarantees from third parties, credit history and other factors such as current market conditions. The Group monitored customer credit records regularly. For customers with poor credit history, the Group will apply written reminders, cancel credit terms or terminate business with customers to ensure that the Group's overall credit risk is within the controllable range.

(ii) Impairment of financial assets

Trade receivables for sales of inventory and other receivables are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the ageing.

The expected loss rates are based on the payment profiles of corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Chinese and global GDP for the goods it sells and services it provides as the most important factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When considering forward-looking information, the Group takes different macroeconomic scenarios into consideration. The Group regularly monitors and reviews important macroeconomic assumptions and parameters for calculating ECL, including Chinese and global GDP. In 2025 and 2024, the Group has considered the impact of different macroeconomic scenarios and updated relevant assumptions and parameters accordingly.

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

The key macroeconomic parameters applied in various scenarios were mainly as follows:

	Economic Scenarios		
	Benchmark (Weights: 80%)	Unfavourable (Weights: 10%)	Favourable (Weights: 10%)
<b>2025:</b>			
GDP	<u>3.10%</u>	<u>1.50%</u>	<u>4.70%</u>
<b>2024:</b>			
GDP	<u>3.20%</u>	<u>1.58%</u>	<u>4.82%</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

On that basis, the loss allowance as at 31 December 2025 and 2024 was determined as follows for trade receivables:

<b>At 31 December 2025</b>	<b>Current</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Expected loss rate	0.11%	48.44%	100.00%	100.00%	0.21%
Gross carrying amount – trade receivables	8,917,067	8,102	380	4,014	8,929,563
Loss allowance – IFRS 9	10,155	3,925	380	4,014	18,474
Individually impaired receivables	1,448	5,538	–	6,463	13,449
<b>Total loss allowance</b>	<b>11,603</b>	<b>9,463</b>	<b>380</b>	<b>10,477</b>	<b>31,923</b>
<b>At 31 December 2024</b>	<b>Current</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Expected loss rate	0.14%	41.13%	100.00%	100.00%	0.26%
Gross carrying amount – trade receivables	8,932,721	13,647	584	4,035	8,950,987
Loss allowance – IFRS 9	12,817	5,613	584	4,035	23,049
Individually impaired receivables	5,259	–	6,463	–	11,722
<b>Total loss allowance</b>	<b>18,076</b>	<b>5,613</b>	<b>7,047</b>	<b>4,035</b>	<b>34,771</b>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

As at 31 December 2025 and 2024, the loss allowance for other receivables are measured as lifetime expected credit losses:

	Stage 1		Stage 2		Stage 3		Total
	12 month expected losses (Combination)		Lifetime expected losses (No credit impairment)		Lifetime expected losses (Credit impairment has occurred)		
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>At 1 January 2025</b>	<b>115,163</b>	-	-	-	-	-	-
Additions	49,757	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>164,920</b>	-	-	-	-	-	-

	Stage 1		Stage 2		Stage 3		Total
	12 month expected losses (Combination)		Lifetime expected losses (No credit impairment)		Lifetime expected losses (Credit impairment has occurred)		
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>At 1 January 2024</b>	134,030	-	-	-	321,400	(4,984)	(4,984)
Additions	-	-	-	-	-	-	-
Decrease	(18,867)	-	-	-	(321,400)	4,984	4,984
<b>At 31 December 2024</b>	<b>115,163</b>	-	-	-	-	-	-

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

As at 31 December 2025 and 2024, the loss allowance for long-term receivables are measured as lifetime expected credit losses:

	Stage 1		Stage 2		Stage 3		Total
	12 month expected losses (Combination)		Lifetime expected losses (No credit impairment)		Lifetime expected losses (Credit impairment has occurred)		
	Gross carrying amount RMB'000	loss allowance RMB'000	Gross carrying amount RMB'000	loss allowance RMB'000	Gross carrying amount RMB'000	loss allowance RMB'000	
<b>At 1 January 2025</b>	<b>30,105</b>	-	-	-	-	-	-
Additions	1,247	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>31,352</b>	-	-	-	-	-	-

	Stage 1		Stage 2		Stage 3		Total
	12 month expected losses (Combination)		Lifetime expected losses (No credit impairment)		Lifetime expected losses (Credit impairment has occurred)		
	Gross carrying amount RMB'000	Loss allowance RMB'000	Gross carrying amount RMB'000	Loss allowance RMB'000	Gross carrying amount RMB'000	Loss allowance RMB'000	
<b>At 1 January 2024</b>	28,891	-	-	-	-	-	-
Additions	1,214	-	-	-	-	-	-
<b>At 31 December 2024</b>	<b>30,105</b>	-	-	-	-	-	-

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

The closing loss allowances for trade receivables and other receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables		Long-term receivables	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>At 1 January</b>	<b>34,771</b>	32,744	-	4,984	-	-
(Decrease)/increase in loss allowance recognised in the statement of profit or loss during the year	<b>(3,035)</b>	3,563	-	-	-	-
Currency translation difference	<b>187</b>	(104)	-	-	-	-
Write-off against uncollectible receivables	-	(1,432)	-	(4,984)	-	-
<b>At 31 December</b>	<b>31,923</b>	34,771	-	-	-	-

During the year, the following losses were recognised in the statement of profit or loss in relation to impaired financial assets:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Impairment losses		
– Movement in loss allowance for trade receivables and other receivables	<b>2,212</b>	10,550
– Reversal of previous impairment losses	<b>(5,247)</b>	(6,987)
Net impairment losses on financial assets	<b>(3,035)</b>	3,563

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (b) Credit risk (Continued)

##### (iii) Financial assets at FVPL and financial assets at FVOCI

The Group is also exposed to credit risk in relation to financial assets at FVPL and FVOCI. The maximum exposure at the end of reporting period is the carrying amount of these financial assets of RMB3,022,163,000 (2024: RMB2,011,832,000).

##### (c) Liquidity risk

Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings from financial institutions and issuing debt instruments, as necessary.

The Group had access to the following undrawn borrowing facilities as at 31 December 2025 and 2024:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Bank credit	<b>41,946,463</b>	39,795,368

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.1 FINANCIAL RISK FACTORS (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 31 December 2025</b>					
Borrowings, including interest payables	13,439,794	2,940,593	799,807	–	17,180,194
Long term payables	8,026	8,026	24,078	24,078	64,208
Lease Liabilities	149,645	131,751	208,404	81,315	571,115
Financial liabilities included in trade and other payables	<u>9,337,092</u>	–	–	–	<u>9,337,092</u>
	<u>22,934,557</u>	<u>3,080,370</u>	<u>1,032,289</u>	<u>105,393</u>	<u>27,152,609</u>
<b>As at 31 December 2024</b>					
Borrowings, including interest payables	7,660,849	5,976,659	1,341,774	–	14,979,282
Long term payables	8,026	8,026	24,078	32,105	72,235
Lease Liabilities	104,105	99,506	222,221	63,509	489,341
Financial liabilities included in trade and other payables	<u>8,029,229</u>	–	–	–	<u>8,029,229</u>
	<u>15,802,209</u>	<u>6,084,191</u>	<u>1,588,073</u>	<u>95,614</u>	<u>23,570,087</u>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### 39.2 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 enhance shareholders' value in the long term.

The Group monitors capital (including share capital and capital reserves) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with industry, the Group monitors capital on basis of the net liability to equity ratio. This ratio is calculated as net liability divided by total capital. Net liability represents certain interest bearing debt items including current and non-current borrowings, lease liabilities and long-term payables as shown in the consolidated statement of financial position less cash and cash equivalents. Total capital is calculated as the "equity" as shown in the financial statements plus net liability.

The net liability to equity ratios as at 31 December 2025 and 2024 are as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Total borrowings (note 27)	<b>16,964,111</b>	14,687,439
Total lease liabilities (note 16)	<b>524,290</b>	443,195
Total long-term payables (note 28 (b))	<b>53,855</b>	59,287
Less: Cash and cash equivalents (note 23)	<b>(19,240,786)</b>	(18,733,774)
Net liability	<b>(1,698,530)</b>	(3,543,853)
Total equity	<b>37,561,203</b>	35,695,042
Total capital	<b>35,862,673</b>	32,151,189
<b>Net liability to equity ratio</b>	<b>(4.74%)</b>	(11.02%)

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

According to the eleventh board resolution of the eleventh session on 17 March 2026, the “2025 Profit Distribution Plan” was considered and approved. The Board of Directors proposed that the company distribute dividends to all shareholders, and pay a cash dividend of RMB3,131,692,000 (including tax) for every 10 shares, and a total dividend of RMB12 (including tax). If the total share capital of the Company changes before the equity registration date for the implementation of the equity distribution, the company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The plan still needs to be submitted to the Company’s shareholders meeting for deliberation. This dividend payable does not recognised in the financial statement as a liability.

### 41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

		As at 31 December	
	<i>note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>817,666</b>	845,492
Right-of-use assets		<b>179,397</b>	104,568
Land use rights		<b>28,251</b>	29,269
Intangible assets		<b>125,190</b>	99,219
Investments in subsidiaries		<b>11,957,083</b>	10,653,751
Financial assets at fair value through other comprehensive income		<b>88,338</b>	82,683
Investment in joint ventures		<b>215,293</b>	215,293
Investment in an associate		<b>20,000</b>	20,000
Long-term receivables		<b>2,691,903</b>	3,171,978
<b>Total non-current assets</b>		<b>16,123,121</b>	15,222,253
<b>Current assets</b>			
Inventories		<b>584,000</b>	544,686
Receivables, prepayments and other current assets		<b>19,040,084</b>	17,753,523
Financial assets at fair value through other comprehensive income		<b>1,918,878</b>	847,888
Cash and cash equivalents		<b>17,442,200</b>	17,558,110
<b>Total current assets</b>		<b>38,985,162</b>	36,704,207

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Statement of financial position of the Company (Continued)

		As at 31 December	
	<i>note</i>	2025 <i>RMB' 000</i>	2024 <i>RMB' 000</i>
<b>Current liabilities</b>			
Trade and other payables		22,233,534	17,434,441
Contract liabilities		66,988	85,170
Current tax liabilities		–	63,428
Borrowings		5,837,788	2,609,713
Lease liabilities		36,481	1,138
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>28,174,791</b>	<b>20,193,890</b>
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>10,810,371</b>	<b>16,510,317</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>26,933,492</b>	<b>31,732,570</b>
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Borrowings		2,072,970	6,032,200
Lease liabilities		66,351	–
Deferred tax liabilities		319,033	213,443
Deferred income		18,656	59,227
Other non-current liabilities		45,391	12,595
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>2,522,401</b>	<b>6,317,465</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>24,411,091</b>	<b>25,415,105</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Share capital		2,609,744	2,609,744
Share premium		9,680,392	9,680,392
Other reserves	(note (b))	5,034,794	4,428,089
Retained earnings	(note (b))	7,086,161	8,696,880
		<hr/>	<hr/>
<b>Total equity</b>		<b>24,411,091</b>	<b>25,415,105</b>
		<hr/>	<hr/>

# Section X Financial Report

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

### 41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	<b>Retained earnings</b> <i>RMB'000</i>	Other reserves <i>RMB'000</i>
<b>At 1 January 2024</b>	<b>7,708,599</b>	3,947,892
Profit for the year	<b>4,867,424</b>	–
Changes in the fair value of financial assets at fair value through other comprehensive income	–	(6,279)
Appropriation to statutory reserve	<b>(486,476)</b>	486,476
Dividends relating to 2023	<b>(3,392,667)</b>	–
<b>At 31 December 2024 and 1 January 2025</b>	<b>8,696,880</b>	4,428,089
Profit for the year	<b>6,038,052</b>	–
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	4,242
Appropriation to statutory reserve	<b>(602,463)</b>	602,463
Dividends relating to 2024 and interim of 2025	<b>(7,046,308)</b>	–
<b>At 31 December 2025</b>	<b>7,086,161</b>	5,034,794

### 42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 17 March 2026.

## Section XI Business Performance Highlights for the Previous Five Years

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS:

Unit: Yuan Currency: RMB

Items	2025	2024	2023	2022	2021
<b>Revenue</b>	<b>45,787,436</b>	39,251,657	33,160,997	28,098,754	23,603,063
Cost of sales	<b>28,957,205</b>	25,303,908	21,840,391	18,901,092	15,352,658
<b>Gross profit</b>	<b>16,830,231</b>	13,947,749	11,320,606	9,197,662	8,250,405
Distribution costs and selling expenses	<b>1,327,765</b>	1,180,261	1,538,783	1,350,721	1,150,992
Administrative expenses	<b>3,542,948</b>	3,021,597	2,493,598	2,152,007	1,953,523
Research and development expenses	<b>1,913,082</b>	1,677,751	1,403,030	1,248,593	997,203
Other income	<b>313,086</b>	400,415	262,917	215,071	242,338
Other gains/(losses) – net	<b>272,492</b>	-149,639	247,968	925,649	-444,134
Net impairment losses on financial assets	<b>-3,035</b>	3,563	17,110	4,093	5,436
<b>Operating profit</b>	<b>10,635,049</b>	8,315,353	6,378,970	5,582,968	3,941,455
Finance income	<b>868,835</b>	979,192	614,002	262,734	168,838
Finance costs	<b>321,414</b>	288,507	288,320	288,122	318,941
<b>Finance (income)/costs – net</b>	<b>-547,421</b>	-690,685	-325,682	25,388	150,103
Share of net profit of joint venture and associate accounted for using the equity method	<b>-21,217</b>	-15,802	10,798	20,963	26,975
<b>Profit before income tax</b>	<b>11,161,253</b>	8,990,236	6,715,450	5,578,543	3,818,327
Income tax expense	<b>1,844,887</b>	1,486,781	1,086,914	826,310	675,861
<b>Profit for the year</b>	<b>9,316,366</b>	7,503,455	5,628,536	4,752,233	3,142,466
<b>Profit is attributable to:</b>					
Owners of the Company	<b>9,311,874</b>	7,497,392	5,628,684	4,755,033	3,145,652
Non-controlling interests	<b>4,492</b>	6,063	-148	-2,800	-3,186
<b>Profit for the year</b>	<b>9,316,366</b>	7,503,455	5,628,536	4,752,233	3,142,466
Basic earnings per share	<b>3.57</b>	2.87	2.16	1.82	1.23
Diluted earnings per share	<b>3.57</b>	2.87	2.16	1.82	1.23

## Section XI Business Performance Highlights for the Previous Five Years

### CONSOLIDATED BALANCE SHEET:

Unit: Yuan Currency: RMB

Items	2025	2024	2023	2022	2021
Total assets	<b>70,071,397</b>	63,263,654	56,640,463	50,778,126	44,796,085
Total liabilities	<b>32,510,194</b>	27,568,612	25,219,084	21,779,200	18,490,789
Total equity	<b>37,561,203</b>	35,695,042	31,421,379	28,998,926	26,305,296