



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 INTERIM REPORT



IMPORTANT NOTICE

- I. The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management members of the Company warrant that the content of this interim report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility thereof.
- II. All the directors of the Company have attended the Board meeting.
- III. This interim report is unaudited.
- IV. Cho Tak Wong, the person-in-charge of the Company, Chen Xiangming, the person-in-charge of accounting and Qiu Yongnian, the head of the accounting department (in charge of accounting), warrant the truthfulness, accuracy and completeness of the financial report in this interim report.
- V. Plan for profit distribution or conversion of capital reserves into share capital as approved by the Board by way of resolution during the Reporting Period

The net profit attributable to shareholders of ordinary shares of the Company in the first half of 2025 as shown on the consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises amounted to RMB4,804,711,711. The net profit attributable to shareholders of ordinary shares of the Company in the first half of 2025 as shown on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) amounted to RMB4,804,424,175.

The net profit in the first half of 2025 as shown on the Company's financial statements prepared in accordance with the China Accounting Standards for Business Enterprises amounted to RMB5,489,977,256; adding the undistributed profits of RMB8,717,965,322 at the beginning of the year of 2025, and deducting the distributed profits of RMB4,697,538,358 for the year of 2024, the profits distributable to the shareholders of the Company as at June 30, 2025 amounted to RMB9,510,404,220.

Taking into comprehensive consideration of reasonable returns for investors and the sustainable development of the Company, the Company intends to distribute 2025 interim profits. The interim 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 interim 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 interim equity distribution for the year of 2025, with a cash dividend of RMB0.90 (tax inclusive) per share, and the remaining undistributed profits of the Company will be carried forward to the second half of 2025. As of June 30, 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 was RMB2,348,769,178.80 (tax inclusive). The aforesaid amount of cash dividend proposed to be distributed accounted for 48.88% of the net profit attributable to shareholders of ordinary shares of the Company as shown on the consolidated financial statements of the period 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 interim period 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 disclaimer of the forward-looking statements

The forward-looking statements in this report such as future plans and development strategies do not constitute an actual commitment of the Company to investors. Investors and people concerned should maintain sufficient risk awareness in this regard and understand the difference between plans, predictions and commitments. 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 interim report disclosed by the Company

No

X. Material risk alert

The Company has described details of the possible risks and its countermeasures in this report. Investors are advised to refer to the relevant sections such as "Section III Management Discussion and Analysis" in this report for descriptions in respect of the risks we may be exposed to.

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Section I Definitions

In this report, unless the context otherwise requires, the following expressions shall have 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, the Company, Listed Company, Fuyao Glass, Fuyao	Fuyao Glass Industry Group Co., Ltd.
Group, the Group	Fuyao Glass Industry Group Co., Ltd. and its subsidiaries
Board of Directors	the board of directors of the Company
Board of Supervisors	the board of supervisors of the Company
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 component 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 by two or more than two layers of automobile grade float glass bonded with a layer or various layers of PVB
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 six months from January 1, 2025 to June 30, 2025

Section II 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 of the Company	福耀玻璃
Name of the Company in English	Fuyao Glass Industry Group Co., Ltd.
English abbreviation of the Company	FYG, FUYAO GLASS
Legal representative of the Company	Cho Tak Wong

II. CONTACT PERSON AND CONTACT METHODS

	Secretary to the Board of Directors	Representative of the 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. CHANGES IN BASIC INFORMATION

Registered address of the Company	Fuyao Industrial Zone, Rongqiao Economic & Technological Development Zone, Fuqing City, Fujian Province
Historical changes in the registered address of the Company	Nil
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	http://www.fuyaogroup.com
E-mail	600660@fuyaogroup.com
Query index of changes during the Reporting Period	Nil
Principal place of business in Hong Kong	Room 1907, Shun Tak Centre, West Tower, 200 Connaught Road Central, 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 II Corporate Profile and Principal Financial Indicators

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspaper selected by the Company for information disclosure	Shanghai Securities News, China Securities Journal and Securities Times
Websites for publishing the interim report of the Company	SSE: http://www.sse.com.cn Hong Kong Stock Exchange: http://www.hkexnews.hk
Place of inspection of the interim report of the Company	Secretarial Office of the Board of Directors of the Company, District II of Fuyao Industrial Zone, Fuqing City
Query index of changes during the Reporting Period	Nil

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock exchange on which shares are listed	Stock abbreviation	Stock code
A share	SSE	FUYAO GLASS	600660
H share	Hong Kong Stock Exchange	FUYAO GLASS	3606

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: '000 Currency: RMB

Key accounting data	During the Reporting Period (January – June) (Unaudited)	Corresponding period last year (Unaudited)	Increase/decrease of the Reporting Period as compared with the corresponding period last year (%)
Revenue	21,447,392	18,339,730	16.94
Profit before tax	5,794,033	4,125,070	40.46
Profit for the Reporting Period attributable to owners of the Company	4,804,424	3,498,318	37.34
Profit for the Reporting Period attributable to owners of the Company, net of non-recurring profit or loss (Note)	4,706,683	3,576,317	31.61
Net cash generated from operating activities	5,354,476	3,325,260	61.02

Section II Corporate Profile and Principal Financial Indicators

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY (CONTINUED)

(I) Key accounting data (Continued)

Unit: '000 Currency: RMB

	At the end of the Reporting Period (Unaudited)	At the end of last year (Audited)	Increase/decrease at the end of the Reporting Period as compared with the end of last year (%)
Equity attributable to owners of the Company	35,659,901	35,703,839	-0.12
Total assets	65,720,735	63,263,654	3.88

Note: In particular, "Profit for the Reporting Period attributable to owners of the Company, net of non-recurring profit or loss" was prepared in accordance with the China Accounting Standards for Business Enterprises.

(II) Key financial indicators

Key financial indicators	During the Reporting Period (January – June) (Unaudited)	Corresponding period last year (Unaudited)	Increase/decrease of the Reporting Period as compared with the corresponding period last year (%)
Basic earnings per share (RMB/share)	1.84	1.34	37.31
Diluted earnings per share (RMB/share)	1.84	1.34	37.31
Return on equity (%)	13.47	11.06	2.41

Section II Corporate Profile and Principal Financial Indicators

VII. DISCREPANCIES IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

- (I) Discrepancies between the profit for the Reporting Period and equity attributable to owners of the Company in the financial reports disclosed under the International Financial Reporting Standards and under the China Accounting Standards for Business Enterprises

Unit: '000 Currency: RMB

	Profit for the Reporting Period attributable to owners of the Company		Equity attributable to owners of the Company	
	Amount for the Reporting Period (Unaudited)	Amount for the corresponding period last year (Unaudited)	Amount at the end of the Reporting Period (Unaudited)	Amount at the beginning of the Reporting Period (Audited)
Prepared in accordance with the China Accounting Standards for Business Enterprises	4,804,712	3,498,605	35,650,716	35,694,366
Adjustments to items and amounts in accordance with the International Financial Reporting Standards: Reversal of impairment for buildings and land use rights and the discrepancies between corresponding depreciation and amortization	-288	-287	9,185	9,473
Prepared in accordance with the International Financial Reporting Standards	4,804,424	3,498,318	35,659,901	35,703,839

Section II Corporate Profile and Principal Financial Indicators

VII. DISCREPANCIES IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS (CONTINUED)

(II) Note to discrepancies between domestic and overseas accounting standards:

In addition to preparing the financial statements for H shares in accordance with the International Financial Reporting Standards, the Company, as an A-shares company listed on the SSE, is also required to prepare financial statements in accordance with the China Accounting Standards for Business Enterprises. There are discrepancies between the financial statements prepared by the Company in accordance with the International Financial Reporting Standards and those prepared by the Company in accordance with the China Accounting Standards for Business Enterprises: Yung Tak Investment Limited, a subsidiary of the Group established in the Hong Kong Special Administrative Region, made provision for impairment in accordance with the discrepancies between recoverable amounts and carrying amounts of buildings and land use rights in previous years. For the provision for impairment of such long-term assets, according to the "Accounting Standards for Business Enterprises No. 8 – Assets Impairment" issued by the Ministry of Finance on February 15, 2006, upon confirmation of any loss on asset impairment of the Group, it shall not be reversed during the subsequent accounting periods. However, under the International Financial Reporting Standards, the estimations applied by the Group to determine the recoverable amount of assets have varied since the latest recognition of loss on impairment, and the loss on asset impairment, excluding goodwill, recognized in the previous period should be reversed. The discrepancies between the International Financial Reporting Standards 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 over their useful lives, thus resulting in the above adjustments.

VIII. 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
Profit or loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	3,810,551
Government subsidies recorded under current profit or loss, other than those closely related to the normal business operation 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	95,072,263
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 normal business operations of the Company	206,916
Other non-operating income and expenses apart from the aforesaid items	18,304,558
Less: Effects of income tax	18,948,117
Effects of minority interests (after tax)	417,015
Total	98,029,156

Section III Management Discussion and Analysis

I. INDUSTRY OVERVIEW AND PRINCIPAL BUSINESS DURING THE REPORTING PERIOD

(I) Principal business and business model

The Company is principally engaged in providing total solutions of safety glass and automotive accessories for various transportation vehicles, including design, manufacture 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.

Set out below is a breakdown of revenue by products for the periods indicated:

Unit: '000 Currency: RMB

Product	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared with corresponding period last year (%)	Change in cost of sales as compared with corresponding period last year (%)	Change in gross profit margin as compared with corresponding period last year (%)
Automotive glass	19,538,352	13,573,123	30.53	16.16	14.98	0.71
Float glass	3,095,515	1,897,962	38.69	11.18	3.83	4.35
Others	2,583,658	1,821,238				
Less: Intragroup elimination	(3,770,133)	(3,692,246)				
Total	21,447,392	13,600,077	36.59	16.94	14.24	1.50

(II) Industry overview

According to the statistics released by the China Association of Automobile Manufacturers, automobile production volume and sales volume from January to June 2025 amounted to 15.621 million units and 15.653 million units, representing a year-on-year increase of 12.5% and 11.4%, respectively. As of 2024, China has ranked first in the world for 16 consecutive years in terms of automobile production volume and sales volume.

Section III Management Discussion and Analysis

I. INDUSTRY OVERVIEW AND PRINCIPAL BUSINESS DURING THE REPORTING PERIOD (CONTINUED)

(II) Industry overview (Continued)

For the automobile industry, in the short term, the automobile market continues to recover, but the domestic and international situation remains complex and severe, with increasing challenges and uncertainties. As China has increased its macro-control efforts, expanded domestic demand, optimized its structure and actively expanded its overseas markets, it has also promoted automobile consumption through the introduction and implementation of various policies and measures, such as optimizing purchase restriction policies, conducting a new round of automobile subsidies for rural areas, encouraging trade-ins, and renewing and optimizing the reduction and exemption of the purchase tax on new energy vehicles to the end of December 2027, among other initiatives at stimulating automobile consumption. With the continuous promotion of national policies to promote consumption and stabilize growth, China's automobile market is expected to continue to maintain a stable and good development trend.

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 2024, 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 25 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 and ultra-inoculation 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 III Management Discussion and Analysis

II. 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 continuously 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, while making the in-vehicle experience of drivers and passengers more enjoyable.

In the first half of 2025, affected by multiple factors such as trade friction, tariff disturbances, weakening demand, monetary policy adjustments and geopolitical risks, the global economy presented a complex and uncertain picture. Driven by the three major trends of electrification, intelligentisation and globalisation, China's automotive industry experienced rapid growth, though it also faced challenges such as price wars and industry divergence. According to the statistics released by the China Association of Automobile Manufacturers, automobile production volume and sales volume from January to June 2025 amounted to 15.621 million units and 15.653 million units, representing a year-on-year increase of 12.5% and 11.4%, respectively.

During the Reporting Period, the Company, on a consolidated basis, realized revenue of RMB21,447.392 million, representing an increase of 16.94% as compared with the corresponding period last year, which was above the level of the industry growth; realized profit before tax of RMB5,794.033 million, representing an increase of 40.46% as compared with the corresponding period last year; realized profit for the Reporting Period attributable to owners of the Company of RMB4,804.424 million, representing an increase of 37.34% as compared with the corresponding period last year; and realized earnings per share of RMB1.84, representing an increase of 37.31% as compared with the corresponding period last year.

During the Reporting Period, the Company carried out the following work according to the Group's business strategy centered on "continuously creating values for customers" with the market-oriented approach, the support of technological innovation and the protection by standardised management, to ensure the improvement of the comprehensive competitiveness of the Company:

1. Emphasising market expansion and customer maintenance: the Company stabilised and increased OEM market share, accelerated the expansion of ARG market; deepened the maintenance of customer relationships; continuously optimised the service system, comprehensively improved customer satisfaction and continuously enhanced the enterprise's core competitiveness.
2. Strictly controlling product quality: quality is the lifeline of the enterprise. the Company adhered to full-process quality control, from product design and development, raw material procurement, manufacturing production to product delivery, strictly implementing quality standards, to ensure own-process completion. At the same time, the Company implemented the "one-vote veto system for quality", winning customer trust with outstanding quality.

Section III Management Discussion and Analysis

II. DISCUSSION AND ANALYSIS ON OPERATION RESULTS (CONTINUED)

3. Promoting the construction of intelligent manufacturing bases: the Company scientifically coordinated capacity layout, focused on precise resource allocation, and promoted the construction of new factories in Hefei, Anhui, and Yangxia, Fuqing to high standards, ensuring timely and high-quality production commencement, and comprehensively enhancing global delivery capabilities.
4. Building a collaborative and interconnected mechanism: the Company continuously deepened lean management, and based on the construction of five-star teams, gradually expanded to five-star workshops and five-star factories, established a comprehensive and multi-dimensional collaborative and interconnected mechanism through scaled cost advantages and flexible and agile production capabilities.
5. Dual-wheel drive for innovative development: 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 deepened dual-wheel drive in market and technology, continuously strengthened the innovation system, and accelerated the R&D of new technologies and product iteration, achieving market leadership through breakthrough innovative achievements. During the Reporting Period, 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, tempered laminated glass has continued to grow, rising by 4.81 percentage points compared to the corresponding period last year, reflecting their value.
6. Energy conservation, consumption reduction and low-carbon development: the Company practiced green and low-carbon development concepts, integrating sustainable development throughout the entire production and operation process. It systematically promoted energy conservation and consumption reduction, building a clean, low-carbon, safe and efficient operational model.
7. Building an international talent pool: the Company deepened the implementation of the "human-oriented Fuyao" strategy, systematically carried out professional talent cultivation projects, comprehensively improved the professional quality and international competence of employees, and strived to build a high-quality talent pool with a global perspective.

Material changes in the operation of the Company during the Reporting Period and events that occurred during the Reporting Period that have had a significant impact on the operation of the Company and are expected to have a significant impact in the future

Please refer to "II. DISCUSSION AND ANALYSIS ON OPERATION RESULTS" above for details.

Section III Management Discussion and Analysis

III. 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 who has competitive advantages in the industry in terms of operation, management, technology, quality, technique, design and IT.
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 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 III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

(I) Analysis on principal business

1. Table of analysis of changes in relevant items in the financial statements

Unit: '000 Currency: RMB

Items	For the Reporting Period	For the corresponding period last year	Percentage of change (%)
Revenue	21,447,392	18,339,730	16.94
Cost of sales	13,600,077	11,904,628	14.24
Distribution costs	625,336	520,523	20.14
Administrative expenses	1,597,792	1,348,517	18.49
Finance costs – net	-279,239	-351,496	-20.56
Research and development expenses	882,847	784,109	12.59
Net cash generated from operating activities	5,354,476	3,325,260	61.02
Net cash used in investing activities	-2,788,956	-3,900,675	-28.50
Net cash used in financing activities	-3,043,172	-294,847	932.12
Other gains/(losses) – net	614,716	-238,524	N/A
Share of net profit of joint venture/ associate	-13,120	2,251	N/A
Income tax expenses	986,617	623,521	58.23

Reasons for the changes in revenue: The increase in revenue was mainly due to the increased marketing efforts of the Company and the increased proportion of high value-added products.

Reasons for the changes in cost of sales: The increase in cost of sales was mainly due to the increase in revenue.

Reasons for the changes in distribution costs: The distribution costs are consistent with those presented in the previous year's annual report, and the increase was mainly due to the increase in revenue and the corresponding increase in expenses.

Reasons for the changes in administrative expenses: The increase in administrative expenses was mainly due to the increase in staff salaries and other expenses.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis on principal business (Continued)

1. Table of analysis of changes in relevant items in the financial statements (Continued)

Reasons for the changes in finance costs – net: The decrease in finance costs – net was mainly due to the decrease in finance costs and the increase in finance income during the Reporting Period.

Reasons for the changes in research and development expenses: The increase in research and development expenses was mainly due to the fact that the Company further enhanced its management of research and development projects and continued R&D innovation to facilitate its technology upgrade and increase the added value of its products.

Reasons for the changes in net cash generated from operating activities: The increase in net cash generated from operating activities was mainly due to the increase in revenue and profit.

Reasons for the changes in net cash used in investing activities: The decrease in net cash used in investing activities was mainly due to the net outflow of RMB1,588 million of “held-to-maturity term deposits” in the same period last year

Reasons for the changes in net cash used in financing activities: The increase in net cash used in financing activities was mainly due to a year-on-year decrease of RMB1.459 billion in net financing and a year-on-year increase of RMB1.265 billion in dividends paid during the Reporting Period.

Reasons for the changes in other gains/(losses) – net: The changes in other gains/(losses) – net were mainly due to the exchange gain of RMB602 million arising from exchange rate fluctuations during the Reporting Period, as compared with an exchange loss of RMB14 million for the same period last year.

Reasons for the changes in share of net profit of joint venture/associate: The changes in share of net profit of joint venture/associate were mainly due to the change in profit of the joint venture and associate during the Reporting Period.

Reasons for the changes in income tax expenses: The increase in income tax expenses was mainly due to the higher income tax expenses provided for in response to the increase in profit before tax during the Reporting Period.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis on assets and liabilities

1. Assets and liabilities

Unit: '000 Currency: RMB

Names of items	Closing balance	The percentage of closing balance to the total assets (%)	Closing balance of the previous period	The percentage of closing balance of the previous period to the total assets (%)	Change in the closing balance as compared with the closing balance of the previous period (%)	Explanations
Borrowings – non-current liabilities	4,236,390	6.45	7,212,920	11.40	-41.27	The decrease in borrowings – non-current liabilities was mainly due to the transfer of long-term borrowings due within one year to "borrowings – current liabilities" for presentation.
Other non-current liabilities	672,587	1.02	498,898	0.79	34.81	The increase in other non-current liabilities was mainly due to the advance payments received during the Reporting Period for goods expected to be delivered after one year.
Deferred income tax liabilities	973,837	1.48	704,771	1.11	38.18	The increase in deferred income tax liabilities was mainly due to the provision for income tax on undistributed profits of overseas subsidiaries and the increase in temporary taxable differences related to fixed assets.
Borrowings – current liabilities	12,306,780	18.73	7,474,519	11.81	64.65	The increase in borrowings – current liabilities was mainly due to the increase in borrowings during the Reporting Period and the transfer of long-term borrowings due within one year to this item for presentation.
Lease liabilities due within one year	143,040	0.22	99,456	0.16	43.82	The increase in lease liabilities due within one year was mainly due to the addition of new property leases during the Reporting Period.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis on assets and liabilities (Continued)

2. Overseas assets

(1) Size of assets

Including: overseas assets of RMB25.8 billion, accounting for 39.27% 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 which are established by the Company and the deposits of the parent company which are deposited in foreign currencies in Hong Kong. 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), amounted to RMB8.923 billion as at June 30, 2025, with the revenue amounting to RMB3,852 million and profit for the Reporting Period amounting to RMB433 million in the first half of 2025.

3. Details of charge on assets

As at June 30, 2025, the Group's deposit assets primarily consisted of: (1) lands and above-ground buildings erected thereon with a carrying value of RMB17,503,000 (original value: RMB36,298,000), pledged as security for a credit facility of HK\$30 million; and (2) notes receivable amounting to RMB858,368,000 (including notes receivable measured at fair value through other comprehensive income), pledged to secure notes payable issued by the Group.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis on assets and liabilities (Continued)

4. Details of number of employees, remuneration policy and training plans

- (1) Number of employees: as at the end of the Reporting Period, the number of employees of the Company was 39,050, representing an increase of 1,140 employees as compared with that at the end of 2024.
- (2) Remuneration policy: based on the principles of fairness, competitiveness, incentives and legality, the Company formulated its remuneration policy. Remuneration of employees is mainly composed of various items including basic salaries, performance salaries, bonuses, subsidies and allowance; salaries are adjusted in accordance with the Company's performance, and employees' performance and capability in a timely manner. In addition, the Company participated in the programme of the "five social insurances and one housing fund" as stipulated and made contributions to social insurance contributions and housing provident fund as scheduled.
- (3) Training plans: according to the Group's strategic plan and annual operating policy and plan, the Company made training plans. 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 businesses, production process, quality management and occupational safety. The on-the-job education covers mandatory training required by the applicable laws and regulations such as environment, health and safety management systems, and special training which covers all types of personnel at all levels. 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 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 leading expert 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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(III) Liquidity and source of capital

1. Cash flows

Unit: '000 Currency: RMB

Items	For the Reporting Period	For the same period last year
Net cash generated from operating activities	5,354,476	3,325,260
Net cash used in investing activities	-2,788,956	-3,900,675
Net cash used in financing activities	-3,043,172	-294,847
Net decrease in cash and cash equivalents	-477,652	-870,262

- (1) During the Reporting Period, net cash generated from operating activities amounted to RMB5,354 million. In particular, cash received from sale of goods and provision of labor services amounted to RMB21,196 million; cash paid for purchase of goods and acceptance of labor services amounted to RMB10,504 million, cash paid to and paid for employees amounted to RMB4,012 million, and payment of various taxes amounted to RMB1,993 million.

Daily capital needs of the Group can be financed by internal cash flows. The Group also had adequate credit facilities provided by banks.

- (2) During the Reporting Period, net cash used in investing activities amounted to RMB2,789 million. In particular, cash paid for purchase and construction of property, plant and equipment and other long-term assets amounted to RMB2,861 million.
- (3) During the Reporting Period, net cash used in financing activities amounted to RMB3,043 million. In particular, cash received from bank borrowings amounted to RMB6,891 million, issuance of super short-term commercial paper amounted to RMB400 million, cash used for repayment of debts amounted to RMB5,444 million; cash payment of dividend distribution and interest amounted to RMB4,776 million.

The Company will further strengthen and promote the management model characterized by capital intensification and budget, strictly control the exchange rate risks and optimize the capital structure to enhance the security and effectiveness of capital management and ensure the maximization of capital efficiency.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(III) Liquidity and source of capital (Continued)

2. Capital expenditure

Capital expenditure of the Company was mainly used for continuous contribution to new projects and the subsidiaries' transformation and upgrading expenditures. During the Reporting Period, RMB2,861 million in cash was paid for purchase and construction of property, plant and equipment and other long-term assets. In particular, capital expenditure of Fuyao America's automotive glass projects amounted to approximately RMB470 million, capital expenditure of the the Anhui Ancillary Automotive Glass, Anhui Accessory Automotive Glass and Anhui Float projects amounted to approximately RMB790 million, and capital expenditure of the Fujian Ancillary Glass project amounted to approximately RMB528 million.

3. Borrowings

During the Reporting Period, the new bank borrowings amounted to RMB6,891 million; repayment of bank borrowings amounted to RMB5,444 million; the new super short-term commercial paper amounted to RMB400 million. The Company did not utilize any financial instrument for hedging. As of June 30, 2025, interest-bearing debts are set out as follows:

Unit: 100 million Currency: RMB

Type	Amount
Short-term borrowings with fixed interest rates	63.37
Short-term borrowings with floating interest rates	8.00
Long-term borrowings with fixed interest rates due within one year	21.95
Long-term borrowings with floating interest rates due within one year	24.19
Long-term borrowings with fixed interest rates	23.16
Long-term borrowings with floating interest rates	19.20
Super short-term commercial paper	4.00
Total	163.87

Note: The information in the above table excludes accrued interest.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(III) Liquidity and source of capital (Continued)

4. Foreign exchange risks and foreign exchange gains or losses

The principal business of the Group is situated within the PRC and is denominated in Renminbi. 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 US dollar and EUR). 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 of the Group to reduce the foreign exchange risks to the largest extent. As such, the Group may avoid foreign exchange risks by ways of intensifying international development; reasonably matching the size of foreign currency assets and liabilities with the expansion of overseas operations; optimizing the currencies in settlement of operations; matching the income with expenses in the same currency; and adopting appropriate exchange instruments such as entering into forward foreign exchange contracts, currency swap, forward foreign exchange call options and other contracts. During the Reporting Period, foreign exchange gains of the Group amounted to RMB602 million, as compared with foreign exchange losses of RMB14 million for the corresponding period last year.

(IV) Capital efficiency

Inventory turnover period during the Reporting Period was 84 days as compared with 85 days of the corresponding period last year. In particular, inventory turnover period for automotive glass was 61 days as compared with 61 days of the corresponding period last year; inventory turnover period for float glass was 96 days as compared with 106 days of the corresponding period last year.

The turnover period of the trade receivables (including notes receivable measured at fair value through other comprehensive income) during the Reporting Period was 96 days as compared with 93 days of the corresponding period last year. The Group established stringent policies for the management of notes receivable and accepts applications only from reputable banks and customers with financial strengths, while the credit risks related to bank-accepted notes are assumed by the customers' banks.

The return on equity during the Reporting Period was 13.47% as compared with 11.06% of the corresponding period last year. The increase was mainly due to the year-on-year increase in profit during the Reporting Period.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(IV) Capital efficiency (Continued)

Gearing ratio during the Reporting Period is set out as follows (prepared in accordance with IFRSs):

Unit: '000 Currency: RMB

	As at June 30, 2025	As at December 31, 2024
Total borrowings	16,543,170	14,687,439
Lease liabilities	570,420	443,195
Long-term payables	52,611	59,287
Less: Cash and cash equivalents	-18,276,447	-18,733,774
Net debts	-1,110,246	-3,543,853
Total equity	35,654,096	35,695,042
Total capital	34,543,850	32,151,189
Gearing ratio (%)	-3.21%	-11.02%

Note: Gearing ratio = net debts at the end of the period divided by total capital. Net debts were the sum of current and non-current borrowings, lease liabilities and long-term payables less cash and cash equivalents. Total capital was the sum of net debts and total equity.

(V) Commitments

For details, please refer to “26. Commitments” in the “Section VIII Financial Report”.

(VI) Contingent liabilities

During the Reporting Period, the Company had no material contingent liabilities.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VII) Outlook of the Company for the second half of 2025

In the second half of 2025, the global economy still faces numerous uncertainties. In this regard, Fuyao will be prudent in every step of its operations:

1. to deepen market penetration, monitor market changes, leverage Fuyao's strong brand reputation, and build a product brand culture tailored to different customer positioning so as to support diverse product positioning needs; to enhance customer interaction, provide high-quality experiences through new product innovations, address customer pain points and increase customer trust.
2. to continuously strengthen R&D and innovation capabilities, establish cross-disciplinary teams, deepen cooperation with universities and external enterprises, enhance market and technological insights, explore cross-industry technological integration, and build a technological moat to ensure independent control over core technologies.
3. to strictly control product quality, rigorously control each aspect from design and development to product delivery, ensure own-process completion, reinforce the "quality first" philosophy, eliminate potential risks and enhance customer satisfaction.
4. to solidify the digital foundation, build an enterprise-level data middle platform, integrate internal and external data resources, achieve full-process digital integration and big data operations, enable more efficient operations, and boost overall corporate capabilities.
5. to implement the methodology of "statistics, analysis, evaluation and correction", further improve management standards, identify elemental costs, implement targeted measures, and continuously advance the upgrading of Fuyao's lean management based on the implementation of lean management and five-star teams.
6. to promote the transformation of frontline workers from "labour-intensive" to "knowledge-intensive", intensify the training of technical workers and engineers, continuously enhance their skills, and foster a culture of mentorship and knowledge transfer to create a driving force for corporate development.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Dividend and reduction and exemption of dividend tax

The interim 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 interim 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 interim equity distribution for the year of 2025, with a cash dividend of RMB0.90 (tax inclusive) per share, and the remaining undistributed profits of the Company will be carried forward to the second half of 2025. As of June 30, 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 was RMB2,348,769,178.80 (tax inclusive). The aforesaid amount of cash dividend proposed to be distributed accounted for 48.88% of the net profit attributable to shareholders of ordinary shares of the Company as shown on the consolidated financial statements of the period 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 interim period of 2025. 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.

The Company's 2025 interim profit distribution plan is subject to the consideration and approval at the general meeting, and a circular containing (among other things) details of the Company's proposed 2025 interim profit distribution plan will be provided to the Company's shareholders in due course. Subject to the approval of the 2025 interim profit distribution plan of the Company by shareholders at the forthcoming general meeting, the cash dividends will be paid 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 November 13, 2025. 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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Dividend and reduction and exemption of dividend tax (Continued)

Holder 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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Dividend and reduction and exemption of dividend tax (Continued)

Holder of A shares (Continued)

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 requirements of the Tentative Measures for 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.

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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Dividend and reduction and exemption of dividend tax (Continued)

Holder 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 interim dividends for the six months ended June 30, 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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Dividend and reduction and exemption of dividend tax (Continued)

Holder of H shares (Continued)

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.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(IX) 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 June 30, 2025, the utilization of proceeds from H share offering of the Company is as follows:

Unit: HK\$ million

Proposed use of the proceeds	Planned use of the net proceeds	Utilized net proceeds	Unutilized net proceeds as at June 30, 2025	Expected timeline of use of the proceeds
Replenishment of working capital and optimization of the capital structure of the Group	2,587.67	2,566.38	21.29	2025
Repayment of interest-bearing debts	646.92	646.92	0	
Investment in R&D projects	646.92	646.92	0	
Expansion of photovoltaic glass market and general corporate use	431.27	431.27	0	
Total	4,312.78	4,291.49	21.29	

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(X) Analysis on investment

1. Overall analysis on external equity investment

- (1) On March 6, 2025, Fuyao Glass (Suzhou) Co., Ltd. (福耀玻璃(蘇州)有限公司), a wholly-owned subsidiary of the Company, completed a capital increase of RMB28.5 million in Fuyao Technology Development (Suzhou) Co., Ltd. (福耀科技發展(蘇州)有限公司), a wholly-owned subsidiary of the Company. Upon completion of the capital increase, the registered capital of Fuyao Technology Development (Suzhou) Co., Ltd. was RMB50 million.
- (2) On April 8, 2025, Fuyao Group Automotive Decoration (Shanghai) Co., Ltd. (福耀集團上海汽車飾件有限公司), a wholly-owned subsidiary of the Company, absorbed and merged Shanghai Fuyao Bus Glass Co., Ltd. (上海福耀客車玻璃有限公司). Upon completion of the absorption and merger, the registered capital of Fuyao Group Automotive Decoration (Shanghai) Co., Ltd. was RMB406,281,545. At the same time, Shanghai Fuyao Bus Glass Co., Ltd. was deregistered.

External investment during the same period last year: On January 8, 2024, the Company incorporated Fuyao Glass (Fujian) Co., Ltd. (福耀玻璃(福建)有限公司) in Fuqing City, Fujian Province, with a registered capital of RMB1,000.00 million; on March 27, 2024, the Company incorporated Fuyao Float Glass (Anhui) Co., Ltd. (福耀浮法玻璃(安徽)有限公司) in Hefei City, Anhui Province, with a registered capital of RMB350.00 million; on March 27, 2024, the Company incorporated Fuyao Glass (Anhui) Automotive Parts Co., Ltd. (福耀玻璃(安徽)汽車配件有限公司) in Hefei City, Anhui Province, with a registered capital of RMB150.00 million; on March 27, 2024, the Company incorporated Fuyao Glass (Anhui) Co., Ltd. (福耀玻璃(安徽)有限公司) in Hefei City, Anhui Province, with a registered capital of RMB500.00 million; on May 30, 2024, the Company incorporated Fuyao (Eastern Europe) Co., Ltd. (福耀(東歐)有限責任公司) in Hungary, with a registered capital of EUR8,000.

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(X) Analysis on investment (Continued)

1. Overall analysis on external equity investment (Continued)

(1) 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	Purchase amount during the period	Selling/redemption amount during the period	Other changes	As at the end of the Reporting Period
Equity instrument investment-held for trading	7,682,574	206,916	-640,491					7,889,490
Equity of unlisted companies measured at fair value through other comprehensive income	82,682,735							82,682,735
Notes receivable measured at fair value through other comprehensive income	1,921,465,582	-9,157,197			5,797,773,185	5,589,431,539		2,120,650,031
Total	2,011,830,891	-8,950,281	-640,491		5,797,773,185	5,589,431,539		2,211,222,256

Securities investment

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	Qianli Technology	3,304,999	Debt restructuring	4,928,168	541,132	2,164,301				5,469,300	Financial assets held for trading
Share	000980	Zoty Automobile	5,224,982	Debt restructuring	2,754,406	-334,216	-2,804,792				2,420,190	Financial assets held for trading
Total			8,529,981		7,682,574	206,916	-640,491				7,889,490	

Note: "Qianli Technology" was formerly known as "Lifan Technology".

Section III Management Discussion and Analysis

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD (CONTINUED)

(XI) 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

Name of company	Type of company	Principal 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	517,755.87	215,149.25	209,197.37	83,426.78	77,632.20
Fuyao Glass America Inc. (福耀玻璃美國有限公司)	Subsidiary	Production and sale of automotive glass products	USD1,500	892,325.50	401,298.17	385,161.59	59,119.04	43,315.92

Note: Fuyao Glass America Inc. holds 100% equity interests in each of Fuyao Glass Illinois Inc. (福耀玻璃伊利諾伊有限公司) 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 its consolidated financial statements.

Acquisition and disposal of subsidiaries during the Reporting Period

Name of company	Methods to acquire and dispose of subsidiaries during the Reporting Period	Impact on the overall production and operation, and operating results
Fuyao Group Automotive Decoration (Shanghai) Co., Ltd. (福耀集團上海汽車飾件有限公司)	Absorption and merger of Shanghai Fuyao Bus Glass Co., Ltd.	Nil
Shanghai Fuyao Bus Glass Co., Ltd. (上海福耀客車玻璃有限公司)	Deregistration	Nil

Section III Management Discussion and Analysis

V. OTHER DISCLOSURES

(I) 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 changes in, among others, 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 will deepen the impact on the economy and industry. In response, the Company will put more efforts in technological innovation, enhance the organization management, build a 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 intelligent panoramic skylight glass, dimmable glass, head-up display glass and ultra-insulating 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 III Management Discussion and Analysis

V. OTHER DISCLOSURES (CONTINUED)

(I) Potential risks (Continued)

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 carbonate, 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) sort out key material suppliers and develop cooperative partnership with them; set up a sound mechanism for rating and incentives of suppliers, and give recognition to outstanding suppliers; set up an iron-triangle management mechanism for suppliers of key materials and import of materials, focusing on areas such as procurement, technique and quality.
- (2) enhance the research on the price trend of raw materials and make purchases in a timely manner; expand supply channel to ensure a stable and effective supply.
- (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 of lorries and containers, reduce costs of packaging and logistics, enhance innovation in research and development and application of research accomplishments, 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 certain 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.

Section III Management Discussion and Analysis

V. OTHER DISCLOSURES (CONTINUED)

(I) Potential risks (Continued)

5. Risks associated with exchange rate fluctuations

China's reform of the RMB exchange rate mechanism adheres to the principles of voluntarism, gradualism and controllability, implementing a managed floating exchange rate regime based on market supply and demand and adjusted with reference to a basket of currencies. Although the underlying cause of imbalances in international trade lies the economic structures of individual countries, fluctuations in the global economy, instability in certain countries, growing tensions in certain key areas, and the monetary tightening or loosening measures of various countries will lead to exchange rate fluctuations. The Company's oversea sales account for around 50% of its total sales, and this proportion is growing every year. Significant exchange rate fluctuations would 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.

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 revenue. 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.

Section III Management Discussion and Analysis

V. OTHER DISCLOSURES (CONTINUED)

(I) Potential risks (Continued)

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 a crisis awareness, strengthen the promotion of information security awareness among all staff, and constantly guard against cyber fraud and other security risks; (2) continuously optimize the construction of the 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, perform 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 resist and prevent cyber security risks.

8. Data security risk

With the advancement of information-based construction of the Company, information and data have gradually become important bases 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 promotion of confidentiality awareness among 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.

Section III Management Discussion and Analysis

V. OTHER DISCLOSURES (CONTINUED)

(I) Potential risks (Continued)

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.

(II) Other disclosures

To implement the "Initiative on Conducting the 'Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns' Special Action of Companies Listed on the Shanghai Stock Exchange (《關於開展滬市公司「提質增效重回報」專項行動的倡議》)" of the SSE, promote continuous optimization of operations, standardized governance, and active returns to investors, and drive high-quality development through new quality productive forces, the Company, in line with its own development strategy, operational status, and financial condition, and based on confidence in its future prospects and recognition of its value, has taken measures to safeguard the interests of all shareholders, enhance investor confidence, and promote the Company's long-term, healthy, and sustainable development. On April 8, 2025, the Company disclosed the Announcement on the Continuous Implementation of the "Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns" Action (《關於持續開展「提質增效重回報」行動的公告》) on the SSE. Since the release of the action plan, the Company has actively carried out related work, remained steadfast in industry, refined its core business, developed new quality productive forces, created high-quality products, maintained standardized operations, emphasized the quality of information disclosure, strengthened investor communication, prioritized investor returns, and enhanced corporate value. The specific assessment report on the action plan is as follows:

1. Adhering to the industry, focusing on core competency building, and achieving dual-driven economies of scale and cluster synergy: In the first half of 2025, the global economy was influenced by multiple factors, including trade frictions, tariff fluctuations, weakening demand, monetary policy adjustments, and geopolitical risks, presenting a complex and highly uncertain landscape. The Company has consistently upheld a development strategy centered on professionalism, focus, and dedication, swiftly responding to market changes and providing customers with comprehensive solutions for automotive glass and automotive trim products. During the Reporting Period, the Company achieved revenue of RMB21,447.392 million on a consolidated losses, representing a year-on-year increase of 16.94%, outperforming the industry growth level. Profit before tax amounted to RMB5,794.033 million, a year-on-year increase of 40.46%, while profit for the Reporting Period attributable to owners of the Company reached RMB4,804.424 million, an increase of 37.34% compared with the same period of the previous year. Earnings per share stood at RMB1.84, representing a year-on-year increase of 37.31%.

Section III Management Discussion and Analysis

V. OTHER DISCLOSURES (CONTINUED)

(II) Other disclosures (Continued)

2. Driving industrial upgrading through innovation and building a high-value-added supply system: During the Reporting Period, the Company deepened its dual-driven approach of market and technology, continuously strengthening its innovation system and accelerating the development of new technologies and product iterations to achieve market leadership through breakthrough innovations. The proportion of high-value-added products, including smart and panoramic skylight glass, dimmable glass, head-up display glass and ultra-insulation glass, lightweight ultra-thin glass, coated heatable glass, and tempered laminated glass, continued to rise, increasing by 4.81 percentage points compared to the same period last year, demonstrating their enhanced value.
3. Enhancing shareholder value creation and increasing corporate value: The Company implements an active, consistent, and stable profit distribution policy, placing significant emphasis on providing reasonable investment returns to shareholders while balancing the Company's actual operating conditions and sustainable development. The Company proposes to distribute interim profits for 2025. The Company intends to distribute cash dividends to holders of A shares and holders of H shares whose names appear on the register of members on the record date for the 2025 interim equity distribution, based on the total number of shares registered on the record date for the implementation of the 2025 interim equity distribution. The cash dividend per share will be RMB0.90 (tax inclusive). As of June 30, 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 was RMB2,348,769,178.80 (tax inclusive). The aforesaid amount of cash dividend proposed to be distributed accounted for 48.88% of the net profit attributable to shareholders of ordinary shares of the Company in the consolidated financial statements of the period prepared by the Company in accordance with the China Accounting Standards for Business Enterprises.
4. Improving information disclosure transparency and establishing an efficient investor relations management system: Information disclosure not only impacts investor interests but also influences the Company's reputation and integrity. To enhance the quality and management of information disclosure and protect investors' legitimate rights, the Company continuously improves its regulatory framework. In compliance with relevant laws and regulations, the Company ensures truthful, accurate, complete, and timely information disclosure, guaranteeing equal access to corporate information for all investors and elevating transparency levels. Regarding investor communication, in the first half of 2025, the Company engaged in diversified and multi-channel investor interactions, including convening general meetings, organizing result presentation meetings, accepting on-site investor research, conducting one-on-one or one-to-many telephone conferences, participating in brokerage strategy conferences, and promptly responding to investor inquiries via hotlines/emails/the SSE e-Interaction platform. These efforts have strengthened effective communication with existing and potential investors, fostering deeper understanding and recognition of the Company while establishing a long-term engagement mechanism between the Company and its investors.

Section IV Corporate Governance, Environment and Society

I. PROPOSED PLAN FOR PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL

Proposed Half-year Plan for Profit Distribution or Conversion of Capital Reserves into Share Capital

Whether making profit distribution or converting surplus reserves into share capital	Yes
Number of bonus shares to be distributed for every ten shares (shares)	0
Amount of dividends to be distributed for every ten shares (Yuan) (including tax)	9
Number of shares to be transferred into share capital for every ten shares (shares)	0
Relevant Information on the Proposed Plan for Profit Distribution or Conversion of Capital Reserves into Share Capital	
For details, please refer to "(VIII) Dividend and reduction and exemption of dividend tax" of "Section III Management Discussion and Analysis".	

II. CORPORATE GOVERNANCE

(I) Corporate governance overview

1. Corporate Governance Code

The Company is committed to maintaining a high level of corporate governance in order to increase the shareholders' value and safeguard the interests of the shareholders. The Company has formulated a modernized corporate governance structure and established general meetings, the Board of Directors, the Board of Supervisors, special committees of the Board of Directors and senior management with reference to the Company Law of the People's Republic of China, the Guidelines on the Articles of Association of Listed Companies and the Code of Corporate Governance for Listed Companies promulgated by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the SSE, the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and other provisions.

During 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 all code provisions set out in the Corporate Governance Code.

The Board of Directors will examine the corporate governance and operations of the Company from time to time in order to comply with the relevant requirements under the Hong Kong Listing Rules and safeguard the interests of the shareholders.

Section IV Corporate Governance, Environment and Society

II. CORPORATE GOVERNANCE (CONTINUED)

(I) Corporate governance overview (Continued)

2. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”)

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

3. Independent non-executive directors

As at the end of the Reporting Period, the Board of Directors comprised nine directors, three of whom are independent non-executive directors. Mr. Xue Zuyun, an independent non-executive director, possesses accounting and financial management qualifications. The composition of the Board of Directors is in line with the requirements that “every board of directors of a listed issuer must include at least three independent non-executive directors”, “an issuer must appoint independent non-executive directors representing at least one third of the board” and “at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise” as stipulated in Rules 3.10(1), 3.10A and 3.10(2) of the Hong Kong Listing Rules, respectively.

(II) Special committees of the Board of Directors

1. Audit committee

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 audit committee is responsible for conducting internal audit and supervision on the financial income and expenses and economic activities and shall report its work and be accountable to the Board of Directors. The audit committee comprises three members, all of whom are non-executive directors of the Company (including two independent non-executive directors). The chairman of the audit committee is Mr. Xue Zuyun, an independent non-executive director who possesses the professional qualifications as required under Rule 3.10(2) of the Hong Kong Listing Rules. The other members of the audit committee are Mr. Dat Dzeng Hao Daniel, an independent non-executive director, and Ms. Zhu Dezhen, a non-executive director. The terms of reference of the audit committee are available on the websites of the Company, the SSE and the Hong Kong Stock Exchange.

Section IV Corporate Governance, Environment and Society

II. CORPORATE GOVERNANCE (CONTINUED)

(II) Special committees of the Board of Directors (Continued)

2. Remuneration and assessment committee

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 remuneration and assessment committee is mainly responsible for the formulation, management and assessment of the remuneration system of the directors and the senior management of the Company and making recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management. The remuneration and assessment committee shall report its work and be accountable to the Board of Directors. The remuneration and assessment committee comprises three members including one executive director and two independent non-executive directors. The chairman of the remuneration and assessment committee is Mr. Liu Jing, an independent non-executive director, and the other members of the committee are Mr. Cho Tak Wong, an executive director and the chairman of the Board of Directors of the Company, and Mr. Xue Zuyun, an independent non-executive director. The terms of reference of the remuneration and assessment committee are available on the websites of the Company, the SSE and the Hong Kong Stock Exchange.

3. Nomination committee

The Company has established a nomination committee in accordance with Rule 3.27A and Rule 3.27B of the Hong Kong Listing Rules, as well as the requirements of the CSRC and the SSE. The nomination committee is mainly responsible for providing opinions or suggestions on the changes of and recommendation of candidates for directors and senior management to the Board of Directors. The nomination committee comprises three members with independent non-executive directors being the majority. The chairman of the nomination committee is Mr. Dat Dzung Hao Daniel, an independent non-executive director, and the other members are Mr. Liu Jing, an independent non-executive director, and Mr. Tso Fai, an executive director and the vice chairman of the Board of Directors of the Company. The terms of reference of the nomination committee are available on the websites of the Company, the SSE and the Hong Kong Stock Exchange.

4. Strategy and development committee

The Company has established a 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 feasibility research on the Company's long-term development and strategy plans as well as major strategic investments, and shall report its work to and be accountable for the Board of Directors. The strategy and development committee consists of three members. The chairman of the committee is Mr. Cho Tak Wong, an executive director and the chairman of the Board of Directors of the Company, and the other members are Mr. Tso Fai, an executive director and the vice chairman of the Board of Directors of the Company, and Mr. Dat Dzung Hao Daniel, an independent non-executive director. The terms of reference of the strategy and development committee are available on the websites of the Company and the SSE.

Section IV Corporate Governance, Environment and Society

II. CORPORATE GOVERNANCE (CONTINUED)

(III) Significant matters

Purchase, disposal or redemption of the listed securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, disposed of or redeemed any listed securities (including any sale of treasury shares) of the Company.

As at the end of the Reporting Period, the Company had no treasury shares.

(IV) Review by the audit committee of the Board of Directors

The audit committee under the Board of Directors has reviewed the unaudited condensed consolidated interim financial statements, the interim results announcement and the interim report of the Company for the six months ended June 30, 2025 and has discussed with the senior management of the Company on such matters as the accounting policies and practices adopted by the Company.

III. ENVIRONMENTAL INFORMATION ON LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES WHOSE ENVIRONMENTAL INFORMATION IS DISCLOSED IN ACCORDANCE WITH THE LAW

Number of enterprises included in the list of enterprises whose environmental information has been disclosed in accordance with the law

2

No.	Name of enterprises	Inquiry index of reports on legal disclosure of environmental information
1	Fuyao Glass Industry Group Co., Ltd.	Enterprise Environmental Information Disclosure System in accordance with the Law (Fujian Beta version): http://220.160.52.213:10053/idp-province/#/home
2	Fujian Wanda Automobile Glass Industry Co., Ltd.	Enterprise Environmental Information Disclosure System in accordance with the Law (Fujian Beta version): http://220.160.52.213:10053/idp-province/#/home

Section IV Corporate Governance, Environment and Society

IV. DETAILED INFORMATION ON CONSOLIDATION AND EXPANSION OF THE RESULTS IN POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORKS

Poverty alleviation and rural revitalization projects	Quantity/Content
Total investment (RMB10,000)	100.00
Ways of assistance (such as poverty alleviation through development of industries, provision of employment and development of education, etc.)	Rural education revitalization, public welfare development, etc.

Note: The above data represent the investment in projects such as the poverty alleviation and rural education revitalization project by Heren Charitable Foundation, which was established with a donation of 300 million shares of Fuyao Glass by Mr. Cho Tak Wong. The investment amount is RMB1.00 million. 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. Heren Charitable Foundation is independent of Mr. Cho Tak Wong and his associates.

Section V 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 (http://www.sse.com.cn) and the Hong Kong Stock Exchange (http://www.hkexnews.hk).	Date of announcement of the undertaking: March 16, 2024	Yes	January 1, 2024 to December 31, 2026	Yes

II. MATERIAL LITIGATION AND ARBITRATION

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

III. THE CREDIT STATUS OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS 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 repayments in a relatively large amount by the Company and its de facto controller.

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to ordinary business operations

1. Matters that have been disclosed in interim announcements and have no subsequent developments or changes in implementation

Description of the matter	Inquiry index
<p>The Resolution in Relation to the Lease of Properties by Fuyao Europe GmbH, a Wholly-owned Subsidiary of the Company, from Global Cosmos German Limited was considered and approved at the sixteenth meeting of the eighth session of the Board of Directors convened on October 25, 2017. Fuyao Europe GmbH, a wholly-owned subsidiary of the Company, has leased all the standard manufacturing plants with a total area of 57,809.95 square meters (including a road area of 29,518.30 square meters) from 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.</p>	<p>For details, please refer to the Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in Relation to Leasing of Property by Its 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).</p>
<p>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 has leased the back office facilities including staff dormitory and cafeteria, training center of Districts I and II and the standard manufacturing plant of 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 (tax inclusive), amounting to an annual rent of RMB35,812,655.81 (tax inclusive). The term of the lease is four years from January 1, 2025 to December 31, 2028.</p>	<p>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).</p>

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations (Continued)

1. Matters that have been disclosed in interim announcements and have no subsequent developments or changes in implementation (Continued)

Description of the matter

Inquiry index

The Resolution in Relation to the Projected Daily Connected Transactions between the Company and Tri-Wall Packaging (Fuzhou) Co., Ltd. for the Year 2025 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.

For details, please refer to the Announcement on the Daily Connected Transactions of Fuyao Glass Industry Group Co., Ltd. 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>).

2. Matters disclosed in interim announcements with subsequent developments or changes during 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 of District 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>).

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations
(Continued)

2. Matters disclosed in interim announcements with subsequent developments or changes during implementation (Continued)

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.

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.

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations (Continued)

2. Matters disclosed in interim announcements with subsequent developments or changes during implementation (Continued)

Connected transactions in relation to ordinary business operations in the first half of 2025 are as below (disclosed in interim announcements):

Unit: '0,000 Currency: RMB

Connected party	Connected relationship	Nature of the connected transaction	Content of the connected transaction	Pricing principle of the connected transaction	Estimated amounts in 2025	Actual amounts in the first half of 2025	Percentage of amount of the same type of transactions (%)	Settlement method of the connected transaction
Tri-Wall Packaging (Fuzhou) Co., Ltd.	Joint venture	Purchase of goods	Procurement of raw and auxiliary materials	Market price	14,000.00	8,290.73	100	30 days from the invoice date
Tri-Wall Packaging (Fuzhou) Co., Ltd.	Joint venture	Sales of goods	Sales of raw and auxiliary materials	Market price	20.00	0	0	
Tri-Wall Packaging (Fuzhou) Co., Ltd.	Joint venture	Water, electricity, gas and other utility expenses (sale)	Sales of water and electricity	Agreed price	170.00	71.40	55.04	30 days from the invoice date
Tri-Wall Packaging (Fuzhou) Co., Ltd.	Joint venture	Provision of labor services to connected persons	Provision of labor services	Agreed price	400.00	200.69	100	30 days from the invoice date

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations (Continued)

2. Matters disclosed in interim announcements with subsequent developments or changes during implementation (Continued)

Connected party	Connected relationship	Nature of the connected transaction	Content of the connected transaction	Pricing principle of the connected transaction	Estimated amounts in 2025	Actual amounts in the first half of 2025	Percentage of amount of the same type of transactions (%)	Settlement method of the connected transaction
Fujian Yaohua Industrial Village Development Co., Ltd. (Note 1)	Other	Other outflows	Leasehold property	Market price	3,094.11	3,008.16	61.26	See Note 1
Global Cosmos German Limited	Other	Other outflows	Leasehold property	Market price	1,369.08	1,149.55	23.41	Payment before June 30
Total					<u>19,053.19</u>	<u>12,720.53</u>		

Note:

- 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 RMB35,812,655.81 (inclusive of tax), 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.

Section V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations (Continued)

3. Matters not disclosed in interim announcements

Unit: '0,000 Currency: RMB

Connected party	Connected relationship	Nature of the connected transaction	Content of the connected transaction	Pricing principle of the connected transaction	Amounts of the connected transaction	Percentage of amount of the same type of transactions (%)	Settlement method of the connected transaction
Fujian Triplex Auto Parts Development Co., Ltd.	Other	Renting in and renting out	Leasehold property	Market price	692.87	14.11	See Note 1
Fujian Triplex Auto Parts Development Co., Ltd.	Other	Water, electricity, gas and other utility expenses (purchase)	Purchase of water and electricity, etc.	Agreed price	23.76	15.42	30 days from the invoice date
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	Joint venture	Acceptance of labor services from connected persons	Product accessories installation service	Costs plus reasonable profits	162.01	100	30 days from the invoice date
China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd.	Other	Acceptance of labor services from connected persons	Acceptance of labor services	Agreed price	18.87	100	30 days from the invoice date
Fuyao University of Science and Technology	Other	Purchase of goods	Purchase of long-term assets	Agreed price	14.15	100	Installment payment according to progress
Fujian Yaohua Industrial Village Development Co., Ltd.	Other	Other outflow	Leasehold property	Market price	59.89	1.22	Payment of the full rents for the lease period within 60 days from the date of signing the contract
Fujian Yaohua Industrial Village Development Co., Ltd.	Other	Water, electricity, gas and other utility expenses (purchase)	Purchase of water and electricity	Agreed price	130.32	84.58	30 days from the invoice date
Fujian Yaohua Industrial Village Development Co., Ltd.		Water, electricity, gas and other utility expenses (sales)	Sales of water and electricity	Agreed price	58.33	44.96	30 days from the invoice date

Total

/

1,160.20

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Explanation on 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., Fuyao University of Science and Technology 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 V Significant Events

IV. SUBSTANTIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected transactions in relation to ordinary business operations (Continued)

3. Matters not disclosed in interim announcements (Continued)

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 vice 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 is RMB500,000, and the monthly rent increases by 4% from the fourth year. The property management fee (including sanitation management fee) is 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 is 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 amount to RMB200,000, which shall be paid in full on the 1st day of each month; the leased areas of factory building 3 are 3,721 square meters with a lease term from August 1, 2024 to June 30, 2025, 3,828 square meters with a lease term from August 1, 2024 to March 31, 2025, 520.8 square meters with a lease term from November 1, 2024 to June 30, 2025, 1,368.75 square meters with a lease term from March 1, 2025 to April 25, 2025, and 4,531.45 square meters with a lease term from March 1, 2025 to June 30, 2025, respectively. The monthly tax-inclusive rent (including the property management fee) amount to RMB93,000, RMB95,700, RMB13,000, RMB34,200 and RMB113,300, respectively, which shall be paid in full on the 5th day of each month; the leased area of the office building is 638.44 square meters with the lease term from August 7, 2024 to August 6, 2027. The quarterly rent (including tax) is RMB86,200, which shall be paid within 15 working days upon receipt of the invoice; the leased area of the dormitory is approximately 11,092.94 square meters with the lease term from July 1, 2024 to June 30, 2025. The quarterly rent (including tax) is RMB514,500, 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 directors for a new Board of Directors, and Mr. Chen Xiangming, a director and the chief financial officer of the Company, will 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 the chief financial officer of the Company, has concurrently held the position of director of China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd., which is still regarded as a connected legal person of the Company by March 29, 2025. The transactions between the Company and China Intelligent and Connected Vehicles (Beijing) Research Institute Co., Ltd. as described above are based on data from January to March 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.

Section VI Changes in Shares and Information of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of 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

(I) Total number of shareholders:

As of June 30, 2025, the total number of shareholders of the Company was 93,264, of which, 93,220 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	93,264
Total number of shareholders of preference shares with voting rights restored as at the end of the Reporting Period	0

(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

Particulars of top 10 shareholders (excluding lending of shares through securities financing)

Name of shareholder (Full name)	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	Number	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	-32,112,074	373,325,689	14.31		Unknown		Unknown
Heren Charitable Foundation	0	169,512,888	6.50		Nil		Domestic non-state-owned legal person
Bai Yongli	-100	37,435,915	1.43		Unknown		Unknown
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-end Index Securities Investment Fund(中國工商銀行股份有限公司-華泰柏瑞滬深300交易型開放式指數證券投資基金)	848,282	28,476,494	1.09		Unknown		Unknown
China Securities Finance Corporation Limited	0	28,095,485	1.08		Unknown		Unknown
Li Fuqing	0	24,284,820	0.93		Unknown		Unknown
Fujian Yaohua Industrial Village Development Co., Ltd.	0	24,077,800	0.92		Nil		Domestic non-state-owned legal person
Li Haiging	-100	22,198,222	0.85		Unknown		Unknown

Section VI Changes in Shares and Information of Shareholders

II. PARTICULARS OF SHAREHOLDERS (CONTINUED)

- (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 (Continued)

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 <i>(Note)</i>	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	373,325,689	Ordinary shares denominated in RMB	373,325,689
Heren Charitable Foundation	169,512,888	Ordinary shares denominated in RMB	169,512,888
Bai Yongli	37,435,915	Ordinary shares denominated in RMB	37,435,915
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-end Index Securities Investment Fund(中國工商銀行股份有限公司-華泰柏瑞滬深300交易型開放式指數證券投資基金)	28,476,494	Ordinary shares denominated in RMB	28,476,494
China Securities Finance Corporation Limited	28,095,485	Ordinary shares denominated in RMB	28,095,485
Li Fuqing	24,284,820	Ordinary shares denominated in RMB	24,284,820
Fujian Yaohua Industrial Village Development Co., Ltd.	24,077,800	Ordinary shares denominated in RMB	24,077,800
Li Haiqing	22,198,222	Ordinary shares denominated in RMB	22,198,222
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	The de facto controllers of Sanyi Development Limited and Fujian Yaohua Industrial Village Development Co., Ltd. are members of the same family. Among the remaining 8 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 VI Changes in Shares and Information of Shareholders

II. PARTICULARS OF SHAREHOLDERS (CONTINUED)

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

As at June 30, 2025, the interests and short positions of directors, 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 ⁽³⁾ (%)	Percentage of total issued share capital of the Company ⁽³⁾ (%)	Class of shares
Cho Tak Wong (<i>an executive director and the chairman</i>) ⁽¹⁾	Beneficial owner/interest of controlled corporation	414,971,444(L)	20.72(L)	15.90(L)	A share
Tso Fai (<i>an executive director and the vice chairman</i>) ⁽²⁾	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 calculated based on the number of the relevant class of issued shares or the total issued shares of the Company as at June 30, 2025.
- (4) (L) – long position.

Save as disclosed above, as at June 30, 2025, none of directors, 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 VI Changes in Shares and Information of Shareholders

II. PARTICULARS OF SHAREHOLDERS (CONTINUED)

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

As at June 30, 2025, the Company was notified of the following persons, other than directors, supervisors 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 ⁽⁶⁾ (%)	Percentage of total issued share capital of the Company ⁽⁶⁾ (%)	Class of shares
Chan Fung Ying ⁽¹⁾	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. ⁽²⁾	Interest of controlled corporation	36,098,457(L)	5.95(L)	1.38(L)	H share
		1,464,800(S)	0.24(S)	0.06(S)	
Citigroup Inc. ⁽³⁾	Interest of controlled corporation/approved lending agent	41,799,790(L)	6.88(L)	1.60(L)	H share
		678,683(S)	0.11(S)	0.03(S)	
		41,039,208(P)	6.76(P)	1.57(P)	
JPMorgan Chase & Co. ⁽⁴⁾	Beneficial owner/investment manager/secured equity holders/approved	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)	2.45(P)	0.57(P)	
Mitsubishi UFJ Financial Group, Inc. ⁽⁵⁾	Interest of controlled corporation	36,735,600(L)	6.05(L)	1.41(L)	H share

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 36,098,457 H shares (L) and 1,464,800 H shares (S) of the Company through several controlled entities, of which 1,003,200 H shares (L) and 933,200 H shares (S) were related to the unlisted derivatives – cash settled.
- (3) Citigroup Inc. held 41,799,790 H shares (L), 678,683 H shares (S) and 41,039,208 H shares (P) of the Company through several controlled entities, of which, 425,600 H shares (L) and 66,400 H shares (S) were related to the unlisted derivatives – cash settled, and 43,000 H shares (S) were related to the unlisted derivatives – physically 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 36,735,600 H shares (L) of the Company through several controlled entities.
- (6) The percentage is calculated based on the number of the relevant class of issued shares or the total issued shares of the Company as at June 30, 2025.
- (7) (L) – long position, (S) – short position, (P) – lending pool.

Save as disclosed above, as at June 30, 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.

Section VI Changes in Shares and Information of Shareholders

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- (I) Changes in shareholding of current directors, supervisors and senior management and those resigned during the Reporting Period

Unit: Share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in shares held for the Reporting Period	Reason for changes
Cho Tak Wong	Executive Director, Chairman of the Board of Directors	314,828	314,828	0	
Tso Fai	Executive Director, Vice Chairman of the Board of Directors	–	–	–	
Ye Shu	Executive Director, President	–	–	–	
Chen Xiangming	Executive Director, Joint Company Secretary, Chief Financial Officer	–	–	–	
Wu Shinong	Non-executive Director	–	–	–	
Zhu Dezhen	Non-executive Director	–	–	–	
Liu Jing	Independent Non-executive Director	–	–	–	
Xue Zuyun	Independent Non-executive Director	–	–	–	
Dat Dzeng Hao Daniel	Independent Non-executive Director	–	–	–	
Bai Zhaohua	Chairman of the Board of Supervisors	–	–	–	
Ma Weihua	Supervisor	–	–	–	
Chen Mingsen	Supervisor	–	–	–	
He Shimeng	Vice President	33,633	33,633	0	
Chen Juli	Vice President	–	–	–	
Huang Xianqian	Vice President	–	–	–	
Lin Yong	Vice President	–	–	–	
Wu Lide	Vice President	–	–	–	
Li Xiaoxi	Secretary to the Board of Directors	365,600	365,600	0	

Note: Ms. Li Xiaoxi holds H shares of the Company while the others hold A shares of the Company.

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

The Company is not aware of any changes in information of directors or supervisors which need to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period.

Section VII Relevant Information on Bonds

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

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

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

Unit: 100 million Currency: RMB

Name of bond	Abbreviation	Code	Date of issuance	Value date	Maturity date	Balance of bonds	Interest rate (%)	Method of repayment of principal and interest	Trading venue	Trading mechanism	Whether there is risk of termination of trading on market
First Tranche of 2025 Super Short-term Commercial Paper	25 Fuyao Glass SCP001	012581413	June 17, 2025	June 19, 2025	December 13, 2025	4	1.75	One-time repayment of principal and interest upon maturity	Interbank bond market	Trading on market	No

(II) Key accounting data and financial indicators (prepared in accordance with the China Accounting Standards for Business Enterprises)

Unit: Yuan Currency: RMB

Main indicators	At the end of the Reporting Period	At the end of last year	Increase/decrease at the end of the Reporting Period as compared with the end of last year (%)	Reason for changes
Current ratio ⁽¹⁾	1.61	2.02	-20.30	
Quick ratio ⁽²⁾	1.34	1.69	-20.71	
Gearing ratio (%) ⁽³⁾	45.76	43.58	2.18	

Section VII Relevant Information on Bonds

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

(II) Key accounting data and financial indicators (prepared in accordance with the China Accounting Standards for Business Enterprises) (Continued)

	During the Reporting Period (January – June)	Corresponding period last year	Increase/ decrease of the Reporting Period as compared with the corresponding period last year (%)	Reason for changes
Net profit after non-recurring profit or loss	4,706,682,555	3,576,317,296	31.61	Due to the revenue growth, as well as quality improvement and efficiency enhancement during the Reporting Period.
Total debt to EBITDA ratio ⁽⁴⁾	0.36	0.27	33.33	Due to an increase in profits during the Reporting Period.
Interest coverage ratio ⁽⁵⁾	29.74	23.68	25.59	
Cash interest coverage ratio ⁽⁶⁾	32.48	24.04	35.11	Due to an increase in cash flow from operating activities during the Reporting Period.
EBITDA interest coverage ratio ⁽⁷⁾	37.13	31.06	19.54	
Loan repayment ratio (%) ⁽⁸⁾	100.00	100.00	0	
Interest repayment ratio (%) ⁽⁹⁾	100.00	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 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 VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Balance Sheet

	<i>Note</i>	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	6	25,456,695	23,703,580
Right-of-use assets	7	673,830	532,127
Land use rights	8	1,184,411	1,200,145
Intangible assets	9	501,096	495,370
Investments in joint ventures	10	401,055	421,356
Investments in an associate	10	19,970	20,139
Financial assets at fair value through other comprehensive income	13	82,683	82,683
Deferred income tax assets	11	453,535	375,066
Long-term receivables	12	30,728	30,105
Total Non-Current Assets		28,804,003	26,860,571
Current assets			
Inventories		6,181,028	5,970,614
Receivables, prepayments and other current assets	12	10,298,786	9,718,756
Financial assets at fair value through profit or loss	13	7,889	7,683
Financial assets at fair value through other comprehensive income	13	2,120,650	1,921,466
Restricted cash		31,932	50,790
Cash and cash equivalents		18,276,447	18,733,774
Total Current Assets		36,916,732	36,403,083
Total assets		65,720,735	63,263,654
Current liabilities			
Account payables and other payables	19	9,233,573	9,074,500
Contract liabilities		746,814	807,312
Current tax liabilities		506,867	527,713
Borrowings	16	12,306,780	7,474,519
Lease liabilities		143,040	99,456
Other non-current liabilities due within one year		5,559	5,432
Total current liabilities		22,942,633	17,988,932

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Balance Sheet (Continued)

	Note	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
NET CURRENT ASSETS		13,974,099	18,414,151
TOTAL ASSETS LESS CURRENT LIABILITIES		42,778,102	45,274,722
TOTAL ASSETS LESS CURRENT LIABILITIES		42,778,102	45,274,722
Non-current liabilities			
Borrowings	16	4,236,390	7,212,920
Lease liabilities	7	427,380	343,739
Other non-current liabilities	17	672,587	498,898
Deferred tax liabilities	11	973,837	704,771
Deferred income	18	813,812	819,352
Total non-current liabilities		7,124,006	9,579,680
Net assets		35,654,096	35,695,042
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	2,609,744	2,609,744
Share premium	15	9,680,392	9,680,392
Other reserves	15	4,627,410	4,778,234
Retained earnings		18,742,355	18,635,469
		35,659,901	35,703,839
Non-controlling interests		(5,805)	(8,797)
Total equity		35,654,096	35,695,042

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Income Statement

	Note	Accumulated in June 2025 RMB'000 (Unaudited)	Accumulated in June 2024 RMB'000 (Unaudited)
Revenue	20	21,447,392	18,339,730
Cost of sales	20	(13,600,077)	(11,904,628)
Gross profit		7,847,315	6,435,102
Distribution costs and selling expenses		(625,336)	(520,523)
Administrative expenses		(1,597,792)	(1,348,517)
Research and development expenses		(882,847)	(784,109)
Other income		172,499	220,151
Other gains/(losses) – net	21	614,716	(238,524)
Net impairment losses on financial assets		(641)	7,743
Operating profit	22	5,527,914	3,771,323
Finance income		456,420	510,156
Finance costs		(177,181)	(158,660)
Finance costs – net		279,239	351,496
Share of net profit of joint venture/associate		(13,120)	2,251
Profit before tax		5,794,033	4,125,070
Income tax expense	23	(986,617)	(623,521)
Profit for the period		4,807,416	3,501,549
Profit attributable to:			
Owners of the Company		4,804,424	3,498,318
Non-controlling interests		2,992	3,231
Profit for the period		4,807,416	3,501,549
Earnings per share attributable to the ordinary equity holders of the Company during the period			
— Basic and diluted earnings per share (expressed in RMB per share)	24	1.84	1.34

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Statement of Comprehensive Income

	<i>Note</i>	Accumulated in June 2025 RMB'000 (Unaudited)	Accumulated in June 2024 RMB'000 (Unaudited)
Profit for the period		4,807,416	3,501,549
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	15	(150,824)	95,874
Other comprehensive income for the period, net of tax		(150,824)	95,874
Total comprehensive income for the period		4,656,592	3,597,423
Total comprehensive income attributable to:			
Owners of the Company		4,653,600	3,594,192
Non-controlling interests		2,992	3,231
Total comprehensive income for the period		4,656,592	3,597,423

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Statement of Changes in Equity

	Attributable to owners of the Company					Non-	
	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2025	2,609,744	9,680,392	4,778,234	18,635,469	35,703,839	(8,797)	35,695,042
Comprehensive income:							
Profit for the period	–	–	–	4,804,424	4,804,424	2,992	4,807,416
Other comprehensive income:							
Currency translation differences	–	–	(150,824)	–	(150,824)	–	(150,824)
Total comprehensive income	–	–	(150,824)	4,804,424	4,653,600	2,992	4,656,592
Total transaction with equity holders:							
Dividends declared for 2024	–	–	–	(4,697,538)	(4,697,538)	–	(4,697,538)
Total transaction with equity holders, recognized directly in equity	–	–	–	(4,697,538)	(4,697,538)	–	(4,697,538)
Appropriation to statutory reserve	–	–	–	–	–	–	–
As at June 30, 2025	2,609,744	9,680,392	4,627,410	18,742,355	35,659,901	(5,805)	35,654,096

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

	Attributable to owners of the Company					Non-	Total
	Share	Share	Other	Retained	Total	controlling	equity
	capital	premium	reserves	earnings		interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2024	2,609,744	9,680,392	4,128,883	15,017,220	31,436,239	(14,860)	31,421,379
Comprehensive income:							
Profit for the period	–	–	–	3,498,318	3,498,318	3,231	3,501,549
Other comprehensive income:							
Currency translation differences	–	–	95,874	–	95,874	–	95,874
Total comprehensive income	–	–	95,874	3,498,318	3,594,192	3,231	3,597,423
Total transaction with equity holders:							
Dividends declared for 2023	–	–	–	(3,392,667)	(3,392,667)	–	(3,392,667)
Total transaction with equity holders, recognized directly in equity	–	–	–	(3,392,667)	(3,392,667)	–	(3,392,667)
Appropriation to statutory reserve	–	–	–	–	–	–	–
As at June 30, 2024	2,609,744	9,680,392	4,224,757	15,122,871	31,637,764	(11,629)	31,626,135

Section VIII Financial Report

I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Interim Cash Flow Statement

	Note	Accumulated in June 2025 RMB'000 (Unaudited)	Accumulated in June 2024 RMB'000 (Unaudited)
Cash flow from operating activities			
Cash generated from operations		6,056,265	3,944,312
Income taxes paid		(701,789)	(619,052)
Net cash generated from operating activities		5,354,476	3,325,260
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment		45,757	32,743
Proceeds from disposal of intangible assets and land use rights		338	2
Purchases of property, plant and equipment		(2,821,896)	(2,093,498)
Purchase of land use rights		—	(229,548)
Purchase of intangible assets		(39,363)	(23,105)
Interest received		—	160,803
Dividends received		7,350	—
Decrease in restricted cash		18,858	365
Decrease in held-to-maturity term deposits with original maturity of more than three months		—	3,880,152
Increase in held-to-maturity term deposits with original maturity of more than three months		—	(5,628,589)
Net cash used in investing activities		(2,788,956)	(3,900,675)
Cash flow from financing activities			
Proceeds from borrowings		7,291,458	8,301,574
Repayments of borrowings		(5,444,392)	(4,996,061)
Dividends paid to the Company's shareholders		(4,583,140)	(3,318,403)
Interest paid		(192,386)	(171,174)
Payment of lease liabilities and long-term payables		(114,712)	(110,783)
Net cash used in from financing activities		(3,043,172)	(294,847)
Net decrease in cash and cash equivalents		(477,652)	(870,262)
Cash and cash equivalents at the beginning of the period		18,733,774	13,351,250
Exchange differences on cash and cash equivalents		20,325	55,775
Cash and cash equivalents at the end of the period		18,276,447	12,536,763

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information

Fuyao Glass Industry Group Co., Ltd. (the “Company”) was restructured in 1991 and incorporated in Fuzhou City, Fujian Province, People’s Republic of China (the “PRC”) in June 1992. Its headquarters is located in Fuqing City, Fujian Province.

The Company’s shares have been listed on both the Shanghai Stock Exchange (“A shares”) and the Main Board of the Hong Kong Stock Exchange (“H shares”). As at June 30, 2023, 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), the largest shareholder, together with 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 manufacturing and sale of glass products for automobile and float glass.

Unless otherwise stated, the condensed consolidated interim financial statements are presented in thousands of Renminbi.

The condensed consolidated interim financial statements are unaudited, and were approved to be issued by the Board of Directors on August 19, 2025.

2. Accounting Policies

2.1 Basis of presentation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which include Hong Kong Standards on Auditing (“HKSAAs”) and Interpretations promulgated by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The condensed consolidated interim financial statements, 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.

During the Reporting Period, save as described in 2.2 Changes in accounting policies, the accounting policies adopted by the Group are consistent with those used for and described in the annual consolidated financial statements of the Group for the year ended December 31, 2024. The Group has not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective for the financial year ended December 31, 2025.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2. Accounting Policies (Continued)

2.2 Changes in accounting policies

During the Reporting Period, the Group has adopted the following amendment to the standard:

- Amendments to IAS 21 Lack of Exchangeability

The above amendment to standard was issued in 2024 and was initially effective from 2025. The adoption of the amendment will have no material impact on the Group.

2.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. Financial Risk Management

3.1 Financial risk factors

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

The Condensed Consolidated Interim Financial Statements do not include all the information on financial risk management and disclosure required to be disclosed in the annual financial statements. There have been no changes in the risk management department or in any risk management policies since year end 2024.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. Financial Risk Management (Continued)

3.2 Liquidity risk

The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. At the same time, the Group maintains sufficient cash and capital resources through the committed facilities, and maintains sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants 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 table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity date grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at June 30, 2025					
Borrowings, including interest payables	12,454,652	3,461,712	831,909	–	16,748,273
Long-term payables	8,026	8,026	24,078	24,078	64,208
Lease liabilities	165,625	148,477	227,532	84,511	626,145
Financial liabilities included in trade payables and other payables	8,301,590	–	–	–	8,301,590
	<u>20,929,893</u>	<u>3,618,215</u>	<u>1,083,519</u>	<u>108,589</u>	<u>25,740,216</u>
As at December 31, 2024					
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 account payables and other payables	8,029,229	–	–	–	8,029,229
	<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 VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. Financial Risk Management (Continued)

3.3 Fair value estimation

(a) The table below analyses the Group's financial instruments carried at fair value as at June 30, 2025 and December 31, 2024 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 (Level 1) that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data, and such asset or liability is the third level.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at June 30, 2025				
Financial assets				
Financial assets at fair value through profit or loss				
– Held-for-trading equity instrument investment (note 13)	7,889	–	–	7,889
Financial assets at fair value through other comprehensive income				
– Notes receivable (note 13)	–	–	2,120,650	2,120,650
– Unlisted equity securities (note 13)	–	–	82,683	82,683
	<u>7,889</u>	<u>–</u>	<u>2,203,333</u>	<u>2,211,222</u>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

- (a) The table below analyses the Group's financial instruments carried at fair value as at June 30, 2025 and December 31, 2024 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 (Continued):

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2024				
Financial assets				
Financial assets at fair value through profit or loss				
–Held-for-trading equity instrument investment (note 13)	7,683	–	–	7,683
Financial assets at fair value through other comprehensive income				
–Notes receivable (note 13)	–	–	1,921,466	1,921,466
–Unlisted equity securities (note 13)	–	–	82,683	82,683
	<u>7,683</u>	<u>–</u>	<u>2,004,149</u>	<u>2,011,832</u>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3

	Note receivable at fair value through other comprehensive income RMB'000	Unlisted equity securities at fair value through other comprehensive income RMB'000	Total RMB'000
Opening balance	1,921,466	82,683	2,004,149
Acquisitions	5,797,773	–	5,797,773
Disposals	(5,589,432)	–	(5,589,432)
Recognised in other losses – net	(9,157)	–	(9,157)
Recognised in other comprehensive income	–	–	–
Closing balance	<u>2,120,650</u>	<u>82,683</u>	<u>2,203,333</u>

(c) Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Short-term borrowings;
- Trade and other receivables (excluding prepayments and prepaid current income tax or value-added tax recoverable);
- Cash and cash equivalents (including restricted cash);
- Trade and other payables (excluding staff salaries payables and other tax payables); and
- Long-term borrowings and long-term payables.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4. Critical Accounting Estimates and Judgements

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 income 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 income tax provisions in the period in which such determination is made.

Deferred income 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 income tax assets and current income tax charges.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4. Critical Accounting Estimates and Judgements (Continued)

(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).

(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 property, plant and equipment, 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.

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.

5. Segment Information

The Group operates as a single operating segment. The 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 Reporting Period.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

6. Plant, Equipment and Property

	Buildings and freehold land <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Electronic and office equipment <i>RMB'000</i>	Tools, moulds, vehicles and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
For the six-month period ended June 30, 2025						
Opening net book amount as at January 1, 2025	5,094,078	8,784,805	2,526,635	788,391	6,509,671	23,703,580
Transfer	477,216	1,227,196	365,048	1,766	(2,071,226)	–
Other additions	29,239	43,653	152,578	202,157	2,573,941	3,001,568
Disposals	(5,256)	(12,660)	(10,296)	(3,844)	–	(32,056)
Depreciation	(198,713)	(627,266)	(311,283)	(205,305)	–	(1,342,567)
Currency translation difference	43,267	54,616	12,053	1,209	15,025	126,170
Closing net book amount as at June 30, 2025	5,439,831	9,470,344	2,734,735	784,374	7,027,411	25,456,695

	Buildings and freehold land <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Electronic and office equipment <i>RMB'000</i>	Tools, moulds, vehicles and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
For the six-month period ended June 30, 2024						
Opening net book amount as at January 1, 2024	5,127,104	7,826,520	1,981,310	641,872	4,766,145	20,342,951
Transfer	117,272	1,026,352	245,469	6,457	(1,395,550)	–
Other additions	22,901	61,668	169,232	216,796	1,963,907	2,434,504
Disposals	(1,362)	(25,701)	(12,599)	(8,813)	–	(48,475)
Depreciation	(184,389)	(582,623)	(263,592)	(181,369)	–	(1,211,973)
Currency translation difference	14,446	4,001	(514)	23	12,407	30,363
Closing net book amount as at June 30, 2024	5,095,972	8,310,217	2,119,306	674,966	5,346,909	21,547,370

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

7. Leases

(1) The right-of-use assets relating to leases recognised by the Group:

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Opening net book amount	532,127	628,449
Additions	225,729	22,541
Depreciation	(93,122)	(80,586)
Disposal	(16,429)	–
Currency translation difference	25,525	(5,393)
Closing net book value	673,830	565,011

(2) The lease liabilities relating to leases recognised by the Group:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Current portion	143,040	99,456
Non-current portion	427,380	343,739
	570,420	443,195

8. Land Use Rights

The Group obtain relevant land use rights mainly through land use arrangement with mainland China government.

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Opening net book amount	1,200,145	993,827
Currency translation difference	(230)	106
Additions	–	229,548
Amortisation charges	(15,504)	(13,232)
Closing net book value	1,184,411	1,210,249

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

9. 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
For the six-month period ended June 30, 2025							
Opening net book amount as at January 1, 2025	153,708	7,713	10,374	65,686	91,336	166,553	495,370
Currency translation difference	–	(29)	(38)	264	–	–	197
Additions	–	–	–	38,523	–	840	39,363
Amortisation charges	–	(551)	(1,803)	(18,769)	(4,548)	(8,163)	(33,834)
Closing net book amount as at June 30, 2025	153,708	7,133	8,533	85,704	86,788	159,230	501,096
For the six-month period ended June 30, 2024							
Opening net book amount as at January 1, 2024	154,941	735	13,783	58,366	100,439	88,080	416,344
Currency translation difference	–	–	80	(66)	–	–	14
Additions	–	105	–	22,781	–	219	23,105
Disposal	–	–	–	–	–	(2)	(2)
Amortisation charges	–	(118)	(1,786)	(17,495)	(4,243)	(5,450)	(29,092)
Closing net book amount as at June 30, 2024	154,941	722	12,077	63,586	96,196	82,847	410,369

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

10. Investments Under the Equity Method

	For the period ended June 30, 2025	
	Joint Venture RMB'000	Associate RMB'000
Opening balance	421,356	20,139
Share of results	(12,951)	(169)
Dividends received	(7,350)	—
	<hr/>	<hr/>
Closing balance	401,055	19,970
	<hr/>	<hr/>

	For the period ended June 30, 2024	
	Joint Venture RMB'000	Associate RMB'000
Opening balance	49,880	131,658
Share of results	3,204	(953)
Increase during the period	216,894	—
Decrease during the period	—	(110,660)
	<hr/>	<hr/>
Closing balance	269,978	20,045
	<hr/>	<hr/>

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

11. Deferred Income Tax Assets and Liabilities

Movement in deferred income tax assets and liabilities during the Relevant Periods is as follows:

	Deferred income tax assets RMB'000	Deferred income tax liabilities RMB'000
As at January 1, 2025	1,126,633	1,456,338
Recognised in the consolidated income statement	33,074	229,395
Effect of movements in exchange rates	4,007	(1,717)
As at June 30, 2025	1,163,714	1,684,016
Offsetting deferred income tax liabilities/deferred income tax assets	(710,179)	(710,179)
Net balance after offsetting as at June 30, 2025	453,535	973,837

Deferred income tax liabilities

	Deferred income tax assets RMB'000	Deferred income tax liabilities RMB'000
As at January 1, 2024	1,067,530	1,058,137
Recognised in the consolidated income statement	6,357	110,661
Effect of movements in exchange rates	23,788	23,788
As at June 30, 2024	1,097,675	1,192,586
Offsetting deferred income tax liabilities/deferred income tax assets	(646,078)	(646,078)
Net balance after offsetting as at June 30, 2024	451,597	546,508

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

12. Receivables, prepayments and other current assets

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Trade receivables due from third parties (Note(a)):		
Notes receivables	1,080,193	813,565
Trade receivables	8,322,535	8,190,670
Less: Provision for impairment	(35,647)	(34,771)
Trade receivables – net	9,367,081	8,969,464
Other receivables due from third parties:		
Other receivables	158,616	143,259
Amount due from related parties (Note 27(c)):		
Other receivables (Note 27(c) (i))	2,622	2,009
Others:		
Prepayments	421,826	305,455
Prepaid current income tax and value-added tax recoverable and refundable	379,369	328,674
	801,195	634,129
Receivables, prepayments and other current assets	10,329,514	9,748,861
Less: Non-current portion of amount of other receivables (i)	(30,728)	(30,105)
Receivables, prepayments and other current assets – net	10,298,786	9,718,756

- (i) Fuyao (Hong Kong) Limited, a wholly-owned subsidiary of the Company, ceased to hold the equity of Jinken Glass Industry Shuangliao Co., Ltd. after the disposal of 25% equity interests in such associate in 2023. 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 RMB30,728,000 as at the end of the period) will be recovered by 2029.

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

12. Receivables, prepayments and other current assets (Continued)

- (a) Trade receivables, including notes receivables and trade 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 June 30, 2025 and December 31, 2024 was as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Trade receivables – gross		
Within 3 months	8,817,620	8,407,538
3 to 6 months	540,067	530,822
6 to 12 months	20,469	41,147
Over 1 year	24,572	24,728
	<hr/>	<hr/>
Total	9,402,728	9,004,235
	<hr/>	<hr/>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

13. Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income and Derivative Financial Instruments

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Financial assets at fair value through profit or loss		
Current assets		
– Equity instrument investment – held for trading (a)	7,889	7,683
Financial assets at fair value through other comprehensive income		
Non-current assets		
– Unlisted equity securities (b)	82,683	82,683
Current assets		
– Note receivable (c)	2,120,650	1,921,466

- (a) The held-for-trading equity instrument investment shares are the distribution of customer debt restructuring obtained by subsidiaries and the fair value of the held-for-trading equity instrument investment were determined based on the closing price of the Stock Exchange on the last trading day during the Reporting Period.
- (b) The unlisted equity securities is the Group's subscription of 4.55% of the equity interests of China National Automobile (Beijing) Intelligent Connected Vehicle Research Institute Co., Ltd. The Group has no significant influence on such investee. Such equity interests are non-trading equity instruments, and are designated and accounted as “financial assets at fair value through other comprehensive income”.
- (c) The Group discounted and endorsed part of bank acceptance notes and terminated their recognition according to its daily fund management needs. Therefore, the Group classified and presented bank acceptance notes as financial assets at fair value through other comprehensive income.

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

14. Share Capital

Ordinary shares, issued and fully paid:

	Number of A shares <i>Thousands</i>	Number of H shares <i>Thousands</i>	A shares of RMB1 each <i>RMB'000</i>	H shares of RMB1 each <i>RMB'000</i>	Total share capital <i>RMB'000</i>
As at January 1, 2025 and June 30, 2025	<u>2,002,986</u>	<u>606,758</u>	<u>2,002,986</u>	<u>606,758</u>	<u>2,609,744</u>
As at January 1, 2024 and June 30, 2024	<u>2,002,986</u>	<u>606,758</u>	<u>2,002,986</u>	<u>606,758</u>	<u>2,609,744</u>

15. Share Premium and Other Reserves

	Share premium <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Currency translation difference <i>RMB'000</i>	Other reserves Financial assets measured at fair value through other comprehensive income <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Total <i>RMB'000</i>
As at January 1, 2025	9,680,392	4,418,068	329,786	20,359	10,021	4,778,234
Currency translation difference	<u>—</u>	<u>—</u>	<u>(150,824)</u>	<u>—</u>	<u>—</u>	<u>(150,824)</u>
As at June 30, 2025	<u>9,680,392</u>	<u>4,418,068</u>	<u>178,962</u>	<u>20,359</u>	<u>10,021</u>	<u>4,627,410</u>
As at January 1, 2024	9,680,392	3,931,592	160,632	16,300	20,359	4,128,883
Currency translation difference	<u>—</u>	<u>—</u>	<u>95,874</u>	<u>—</u>	<u>—</u>	<u>95,874</u>
As at June 30, 2024	<u>9,680,392</u>	<u>3,931,592</u>	<u>256,506</u>	<u>16,300</u>	<u>20,359</u>	<u>4,224,757</u>

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

16. Borrowings

(1) The balance of the borrowings is as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Non-current	4,236,390	7,212,920
Current	12,306,780	7,474,519
Total borrowings	<u>16,543,170</u>	<u>14,687,439</u>

(2) Movement in borrowings is analysed as follows:

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Opening net book amount	14,687,439	14,004,799
Additions	7,492,509	8,474,382
Deduction	<u>(5,636,778)</u>	<u>(5,167,235)</u>
Closing net book amount	<u>16,543,170</u>	<u>17,311,946</u>

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

17. Other non-current liabilities

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Contract liabilities ^(a)	597,247	410,556
Long-term payables ^(b)	47,052	53,855
Reserves ^(c)	28,288	34,487
Total	<u>672,587</u>	<u>498,898</u>

(a) Contract liabilities refer to the payments received in advance by the Group that are expected to be fulfilled one year later.

(b) Details of long-term payables are as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Payables for proceeds from transfer of mining rights	52,611	59,287
Less: long-term payables maturing within one year	<u>(5,559)</u>	<u>(5,432)</u>
	<u>47,052</u>	<u>53,855</u>

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 subject to levy on transfer proceeds. During the Reporting Period, the Group received a payment notice and paid RMB8,026,000 (the same period in 2024: RMB8,026,000) and will pay the remaining part annually till 2033.

(c) Our subsidiary FYSAM Auto Decorative evaluated the expected sales of related products based on the contract terms agreed upon with customers, and recognized estimated liabilities for contracts that may result in economic losses due to fulfilling obligations.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

18. Deferred Income on Government Grants

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Opening balance	819,352	725,122
Government grants received during the period ^(a)	51,500	22,152
Credited to the consolidated income statement	(57,030)	(47,043)
Foreign currency statement translation	(10)	36
Closing balance	813,812	700,267

(a) These mainly represented government grants received from certain municipal governments of the PRC as an incentive to the Group for the purchase of property, plant and equipment.

19. Trade and Other Payables

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Notes payable	3,408,373	2,993,752
Payables to third parties	2,755,809	2,778,394
Staff salaries and welfare payables	843,640	972,229
Payables for purchasing of property, plant and equipment	398,541	651,907
Freight payable	327,171	286,858
Rebate payable	422,972	431,776
Amount due to related parties (Note 27(c))	90,041	71,539
Dividend payable	114,399	—
Accrued tax (excluding income tax)	88,343	73,041
Other payables and accruals	784,284	815,004
	9,233,573	9,074,500

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

19. Trade and Other Payables (Continued)

- (1) Ageing analysis of the notes payable and payables to third parties based on invoice date at the respective balances sheet dates are as follows:

	As at June 30, 2025 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>
Within 3 months	4,627,280	4,544,558
3 to 6 months	1,478,630	1,204,147
6 to 12 months	40,304	9,304
Over 1 year	17,968	14,137
	6,164,182	5,772,146

20. Revenue and Cost of Sales

	For the period ended June 30			
	2025		2024	
	Income <i>RMB'000</i>	Cost <i>RMB'000</i>	Income <i>RMB'000</i>	Cost <i>RMB'000</i>
Automobile glasses	19,538,352	13,573,123	16,820,047	11,804,685
Float glasses	3,095,515	1,897,962	2,784,125	1,827,967
Other	2,583,658	1,821,238	2,010,296	1,459,168
Sub-total	25,217,525	17,292,323	21,614,468	15,091,820
Less: Intra-group sales	(3,770,133)	(3,692,246)	(3,274,738)	(3,187,192)
	21,447,392	13,600,077	18,339,730	11,904,628

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21. Other Gains/(Losses) – Net

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Foreign exchange gains /(losses)	601,551	(14,210)
Disposal of long-term equity investments	–	(215,166)
Changes in fair value of financial assets at fair value through profit or loss and derivative financial instruments	207	(1,642)
Loss on disposal of note receivable at fair value through other comprehensive income	(9,157)	(6,528)
Loss on disposal of property, plant and equipment	3,473	(15,732)
Loss on disposal of intangible assets	338	–
Donation	(136)	(2,689)
Net gain on claim	17,959	17,394
Other	481	49
	<u>614,716</u>	<u>(238,524)</u>

22. Operating Profit

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
The following items have been charged to the operating profit during the period:		
Employee benefit expenses	3,886,308	3,320,801
Depreciation of property, plant and equipment (Note 6)	1,342,567	1,211,973
Packing expenses	112,288	100,899
Storage and distribution expenses	171,622	132,680
Depreciation of right of use assets (Note 7)	93,122	80,586
Amortisation of intangible assets (Note 9)	33,834	29,092
Amortisation of land use rights (Note 8)	15,504	13,232
Write-down inventories to net realisable value	(2,981)	4,637

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

23. Income tax expenses

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

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Current income tax	790,296	519,217
Deferred income tax (<i>Note 11</i>)	196,321	104,304
Income tax expenses	<u>986,617</u>	<u>623,521</u>

(a) PRC corporate income tax

Enterprise income tax is calculated according to the taxable income after adjusting some income and expense items according to the tax laws in China and the applicable tax rates stipulated in the tax laws.

In accordance with the PRC tax laws, the 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 period.

(b) Hong Kong profits tax

The profits tax rates applicable to the Group's subsidiaries in Hong Kong are 16.5% and 25% respectively. (1) The applicable profits tax rate of Fuyao Group (Hong Kong) Limited and Yung Tak Investment Limited is 16.5% (2023: 16.5%). (2) The applicable profits tax rate of Fuyao (Hong Kong) Limited and Meadland Limited as resident enterprises in China with actual management agencies is 25%.

(c) American profits tax

Applicable profit tax rates of the Group's subsidiaries in the United States of America are from 24.57% to 26.81% for different subsidiaries respectively. (1) Fuyao North America Glass Industry Co., Ltd. calculates profits tax at a rate of 26.81% on the estimated assessable profits for the period. (2) Fuyao Glass America Co., Ltd., Fuyao Glass Illinois Co., Ltd. and Fuyao America C Assets Co., Ltd. jointly filed the federal income tax and state tax, at a federal tax rate of 21%, a consolidated state tax rate of 4.2%, and the total rate of 25.2%, in accordance with the relevant United States tax laws. The deductible losses of previous years were used in the Reporting Period, so state tax was only paid based on the taxable profits after making up the losses. (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 Reporting Period, so state tax was only paid based on the taxable profits after making up the losses.

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

23. Income tax expenses (Continued)

(d) Russia profits tax

According to the Russian income tax law, the federal tax rate is 3%, with the local tax rate of 17% and the total rate of 20%. In the current year, 50% of the estimated taxable profit for the current period is used to make up the accumulated losses, and the remaining 50% is subject to profit tax at the applicable profit tax rate.

(e) German profits tax

The profits tax rates applicable to the Group's two subsidiaries in German are 28.43% and 28.78% respectively. Among them, Fuyao Europe GmbH, apart from the other subsidiaries, has achieved a profit, and paid profit tax at the applicable tax rate after deducting part of the deductible losses of previous years from the taxable income. No profit tax has been provided by the other subsidiaries due to accumulated losses during the period.

The tax on the Group's profit before tax differs from the theoretical amount that could arise from using the statutory tax rates of 9% to 41.52% applicable as follows:

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Profit before tax	5,794,033	4,125,070
Tax calculated at the applicable income tax rate	1,396,124	1,059,900
Tax impact:		
Preferential income tax rate	(473,219)	(380,370)
Expenses not deductible for tax purpose	5,224	4,992
Income not subject to income tax	(1,273)	(1,224)
Unrecognised tax losses carried forward	84,291	48,455
Utilisation of previously unrecognised tax losses	(28,967)	(58,837)
Utilisation of previously unrecognised deductible temporary differences	(4,063)	(328)
Withholding taxation on unremitted earnings of certain subsidiaries	170,103	82,518
Adjustments for current income tax of prior periods after tax annual filing	14,979	16,149
Additional tax deduction on research and development expenses	(176,582)	(147,734)
Income tax expense	986,617	623,521

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

24. Earnings per share

- a) Basic earnings per share is calculated by dividing the profit for the Reporting Period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the relevant period.

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Profit for the Reporting Period attributable to owners of the Company (RMB'000)	4,804,424	3,498,318
Weighted average number of ordinary shares in issue (thousand)	2,609,744	2,609,744
Basic earnings per share (RMB)	1.84	1.34

- b) The diluted earnings per share are same as the basic earnings per share as there was no dilutive right shares existed during the Relevant Periods.

25. Dividends

On August 19, 2025, the Board of Directors of the Company proposed the following interim profit distribution plan for 2025: Based on the total number of shares registered as of the record date for the 2025 interim equity distribution, cash dividends will be distributed to the Company's A-share shareholders and H-share shareholders registered as of the record date for the 2025 interim equity distribution, with a cash dividend of RMB0.90 per share (tax inclusive). Based on the total number of shares as of June 30, 2025, which is 2,609,743,532 shares, the proposed cash dividend amount is RMB2,348,769,178.80 (tax inclusive). The remaining undistributed profits will be carried forward to the second half of 2025. If there are changes in the total number of shares outstanding prior to the record date for the rights distribution, the Company intends to maintain the same distribution ratio per share and adjust the total distribution amount accordingly. This proposal still requires approval by the Company's shareholders' general meeting.

26. Commitments

As at June 30, 2025 and December 31, 2024, capital expenditure contracted for but not yet incurred is as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Property, plant and equipment	5,922,989	4,698,566

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercises significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business and balances arising from related party transactions during the period ended June 30, 2025 and 2024:

(a) Name of and relationship with related parties

Name of related parties	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 of the Company
Tri-Wall Packaging (Fuzhou) Co., Ltd. (特耐王包裝(福州)有限公司)	An associate of the Group
Global Cosmos German Co., Ltd. (環創德國有限公司)	Controlled by the single largest shareholder of the Company
Fuyao Group Beijing Futong Safety Glass Co., Ltd. (福耀集團北京福通安全玻璃有限公司)	An associate of the Group
Fujian Triplex Auto Parts Development Co., Ltd. (福建三鋒汽配開發有限公司)	Controlled by the directors of the Company
Fuyao University of Science and Technology A director of such unit	Served by the director of the Company
China National Automobile (Beijing) Intelligent Connected Vehicle 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”))	The Company’s directors will no longer serve as directors since March 2024

In accordance with regulatory requirements for the disclosure of related party transactions, the Company’s directors have served as directors of China National Automobile (Beijing), and therefore, for the twelve months ending March 2025, the company is still considered a related party of the Group. Therefore, the amount of related transactions with China National Automobile (Beijing) during the Reporting Period is from January to March 2025, and the balance as of the end of the reporting period is no longer disclosed.

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II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(b) The following transactions were carried out with related parties:

I. Sales of goods, provision of services

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	2,721	2,659
Fujian Yaohua Industrial Village Development Co., Ltd. *	583	—
Jinken Glass Industry Shuangliao Co., Ltd.	—	35
	<u>3,304</u>	<u>2,694</u>

II. Purchase of goods, services

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	82,907	62,211
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	1,620	1,626
Fujian Yaohua Industrial Village Development Co., Ltd. *	1,303	—
Fujian Triplex Auto Parts Development Co., Ltd. *	238	82
Jinken Glass Industry Shuangliao Co., Ltd.	—	144,534
China National Automobile (Beijing) Intelligent Connected Vehicle Research Institute Co., Ltd.	189	205
Fuyao University of Science and Technology	142	—
Total	<u>86,399</u>	<u>208,658</u>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(b) The following transactions were carried out with related parties (Continued):

III. Rental income

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Jinken Glass Industry Shuangliao Co., Ltd.	—	108
	—	108

IV. Increased right-of-use assets as a lessee

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Fujian Triplex Auto Parts Development Co., Ltd.*	—	4,627
Fujian Yaohua Industrial Village Development Co., Ltd. *	135,070	—
Total	135,070	4,627

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(b) The following transactions were carried out with related parties (Continued):

V. Interest expense on lease liabilities borne by the Group as a lessee in the current period

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Fujian Yaohua Industrial Village Development Co., Ltd. *	1,546	–
Global Cosmos German Co., Ltd.*	707	840
Fujian Triplex Auto Parts Development Co., Ltd.*	245	350
	<u>2,498</u>	<u>1,190</u>

VI. Key management compensation

	For the period ended June 30	
	2025 RMB'000	2024 RMB'000
Salaries, wages and short-term employee benefits	28,415	24,763
Post-employment benefits	246	234
	<u>28,661</u>	<u>24,997</u>

Note: (*) Also a connected person under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), and all related party transactions comply with the disclosure requirements set out in Chapter 14A of the Hong Kong Listing Rules.

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(C) Balances with related parties

Amount due from related parties:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Other receivables (i)	2,622	2,009
	<u>2,622</u>	<u>2,009</u>

(i) Other receivables

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Fujian Triplex Auto Parts Development Co., Ltd.	1,500	1,500
Fujian Yaohua Industrial Village Development Co., Ltd.	659	—
Tri-Wall Packaging (Fuzhou) Co., Ltd.	461	509
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	2	—
	<u>2,622</u>	<u>2,009</u>

Amount due to related parties:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Accounts payable (ii)	16,147	17,210
Notes payable (iii)	35,811	13,738
Other payables (iv)	38,083	40,591
Lease liabilities (v)	211,382	125,108
	<u>301,423</u>	<u>196,647</u>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(C) Balances with related parties (Continued)

Amount due to related parties (continued):

(ii) Accounts payable:

	As at June 30, 2025 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>
Tri-Wall Packaging (Fuzhou) Co., Ltd.	16,147	17,210
	<u>16,147</u>	<u>17,210</u>

Ageing analysis of trade payables due to related parties is as follows:

	As at June 30, 2025 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>
Within 3 months	16,147	17,210
	<u>16,147</u>	<u>17,210</u>

Section VIII Financial Report

II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. Related Party Transactions (Continued)

(C) Balances with related parties (Continued):

Amount due to related parties (continued):

(iii) Notes payable:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	35,811	13,738
	<u>35,811</u>	<u>13,738</u>

(iv) Other payables to related parties:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Fuyao Group Beijing Futong Safety Glass Co., Ltd.	38,080	40,589
Fujian Triplex Auto Parts Development Co., Ltd.	3	2
	<u>38,083</u>	<u>40,591</u>

(v) Lease liabilities:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Fujian Yaohua Industrial Village Development Co., Ltd.	101,287	—
Global Cosmos German Co., Ltd.	100,530	111,171
Fujian Triplex Auto Parts Development Co., Ltd.	9,565	13,937
	<u>211,382</u>	<u>125,108</u>