XINYI GLASS HOLDINGS LIMITED
信義玻璃控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00868)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

- The sales of the Group in 2012 reached HK$9,785.2 million, representing an increase of 18.9% as compared with the sales in 2011.
- The net profit attributable to the equity holders of the Company for 2012 reached HK$1,188.1 million, representing a decrease of 6.1% as compared with the net profit in 2011.
- Basic earnings per Share for 2012 was 31.72 HK cents.
- The Directors propose a final cash dividend of 9.0 HK cents per Share for 2012.

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The board of directors (the "**Directors**") of Xinyi Glass Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2012, together with the restated comparative figures for the year ended 31 December 2011, as follows:-

(All amounts in Hong Kong dollar thousands unless otherwise stated)

CONSOLIDATED INCOME STATEMENT

	Note	**2012**	**2011** *(Restated)*
Revenue	3	9,785,209	8,226,651
Cost of sales	4	(7,310,056)	(5,873,001)
Gross profit		2,475,153	2,353,650
Other income	5	124,368	99,345
Other gains — net	6	42,883	60,399
Selling and marketing costs	4	(489,381)	(422,985)
Administrative expenses	4	(707,203)	(542,275)
Operating profit		1,445,820	1,548,134
Finance income	7	13,963	7,344
Finance costs	7	(71,265)	(32,468)
Share of profits of associates		9,015	3,489
Profit before income tax		1,397,533	1,526,499
Income tax expense	8	(208,746)	(262,103)
Profit for the year		1,188,787	1,264,396
Profit attributable to:			
Equity holders of the Company		1,188,142	1,265,371
Non-controlling interests		645	(975)
		1,188,787	1,264,396
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in Hong Kong cents per share)			
- Basic	9	31.72	35.16
- Diluted	9	31.40	34.76
Dividends	10	567,260	584,069

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011 *(Restated)*
Profit for the year	1,188,787	1,264,396
Other comprehensive income, net of tax:		
Changes in revaluation surplus	12,834	—
Currency translation differences	156,385	460,081
Total comprehensive income for the year	1,358,006	1,724,477
Total comprehensive income attributable to:		
Equity holders of the Company	1,357,392	1,724,457
Non-controlling interests	614	20
Total comprehensive income for the year	1,358,006	1,724,477

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2012

	Note	As at 31 December 2012	As at 31 December 2011 *(Restated)*	As at 1 January 2011 *(Restated)*
ASSETS				
Non-current assets				
Leasehold land and land use rights		1,433,680	1,330,825	894,157
Property, plant and equipment		10,069,379	9,621,579	6,485,962
Investment properties		53,500	35,223	32,086
Prepayments for property, plant and equipment and land use rights		202,445	129,970	449,227
Intangible assets		85,475	99,806	98,796
Available-for-sale financial assets		625	617	588
Investments in associates		62,981	51,948	16,212
Loans to an associate		36,125	35,679	36,353
Deferred income tax assets		—	5,397	4,117
		11,944,210	11,311,044	8,017,498
Current assets				
Inventories		1,204,319	1,246,127	820,345
Loans to associates		4,361	2,469	3,129
Trade and other receivables	11	2,139,764	2,073,100	1,533,840
Pledged bank deposits		882	784	1,725
Cash and bank balances		703,490	712,964	640,259
		4,052,816	4,035,444	2,999,298
Non-current asset held for sale		68,065	—	—
		4,120,881	4,035,444	2,999,298
Total assets		16,065,091	15,346,488	11,016,796
EQUITY				
Equity attributable to the equity holders of the Company				
Share capital		378,555	368,332	351,709
Share premium		3,520,956	3,088,388	2,016,842
Other reserves		2,091,174	1,787,208	1,198,142
Retained earnings				
- Proposed final dividend		340,700	184,166	457,222
- Others		3,610,514	3,084,503	2,516,882
		9,941,899	8,512,597	6,540,797
Non-controlling interests		4,174	17,708	19,627
Total equity		9,946,073	8,530,305	6,560,424

	Note	As at 31 December 2012	As at 31 December 2011 (Restated)	As at 1 January 2011 (Restated)
LIABILITIES				
Non-current liabilities				
Bank and other borrowings		2,495,578	3,214,096	2,253,975
Deferred income tax liabilities		101,925	100,706	74,405
Deferred government grants		192,862	83,259	—
		2,790,365	3,398,061	2,328,380
Current liabilities				
Amount due to an associate		33	33	2,910
Trade payables, accruals and other payables	12	1,455,207	2,166,281	1,507,658
Current income tax liabilities		103,439	147,094	146,901
Bank and other borrowings		1,769,974	1,104,714	470,523
		3,328,653	3,418,122	2,127,992
Total liabilities		6,119,018	6,816,183	4,456,372
Total equity and liabilities		16,065,091	15,346,488	11,016,796
Net current assets		792,228	617,322	871,306
Total assets less current liabilities		12,736,438	11,928,366	8,888,804

NOTES

1 **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 **Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, available-for-sale financial assets, financial liabilities through profit or loss and investment property, which are carried at fair value.

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

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The HKICPA has amended HKAS 12, 'Income taxes', to introduce an exception to the principle for the measurement of deferred income tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred income tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012.

The Group has adopted this amendment retrospectively for the financial year ended 31 December 2012 and the effects of adoption are disclosed as follows.

The Group has investment property measured at its fair value totaling $35,223,000 (1 January 2011: $32,086,000) as at 1 January 2012. As required by the amendment, the Group has re-measured the deferred tax relating to the investment property amounting to $35,223,000 (1 January 2011: $32,086,000) according to the tax consequence on the presumption that it is recovered entirely by sale retrospectively. The comparative figures for 2011 have been restated to reflect the change in accounting policy, as summarised below.

	31 December 2012	31 December 2011	1 January 2011
	HKD'000	*HKD'000*	*HKD'000*
Effect on consolidated balance sheet			
Decrease in deferred tax liabilities	—	5,048	4,530
Increase in retained earnings	—	5,048	4,530

	Year ended 31 December	
	2012	**2011**
	HKD'000	*HKD'000*
Effect on consolidated income statement		
Decrease in income tax expense	—	518
Increase in net profit attributable to owners of the company	—	518
Increase in basic earnings per share ("EPS")	Nil	HK 0.01 cents
Increase in diluted EPS	Nil	HK 0.01 cents

(b) New standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HKFRS 1	First time adoption	1 January 2013
HKFRS 7 (Amendment)	Financial instruments: Disclosure	1 January 2013
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HK(IFRIC) - Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

Management is in the process of making an assessment of the impact of these new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.

3 Segment information

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

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

Among these operating segments, they are aggregated into four segments based on the products sold: (1) automobile glass; (2) construction glass; (3) float glass; and (4) solar glass.

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

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

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2012 is as follows:

	Automobile glass	Construction glass	Float glass	Solar glass	Unallocated	Total
Segment revenue	3,077,826	1,574,625	4,808,837	1,352,160	—	10,813,448
Inter-segment revenue	—	—	(1,028,239)	—	—	(1,028,239)
Revenue from external customers	3,077,826	1,574,625	3,780,598	1,352,160	—	9,785,209
Cost of sales	(1,760,964)	(989,489)	(3,455,762)	(1,103,841)	—	(7,310,056)
Gross profit	1,316,862	585,136	324,836	248,319	—	2,475,153
Depreciation charge of property, plant and equipment	97,883	85,649	296,241	98,082	2,184	580,039
Amortisation charge						
— leasehold land and land use rights	3,602	859	13,035	2,855	75	20,426
— intangible assets	2,221	—	1,405	—	—	3,626
(Reversal of provision)/provision for impairment of trade receivables, net	(3,712)	1,008	—	602	—	(2,102)
Share of profits of associates	—	—	—	—	9,015	9,015
Total assets	2,699,493	1,712,880	7,781,819	2,970,539	900,360	16,065,091
Total assets included:						
Investments in associates	—	—	—	—	62,981	62,981
Loans to associates	—	—	—	—	40,486	40,486
Additions to non-current assets (other than available-for-sale financial assets and deferred income tax assets)	91,058	188,407	560,572	156,605	166,946	1,163,588
Total liabilities	596,433	285,764	691,585	218,571	4,326,665	6,119,018

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2011 is as follows:

	Automobile glass	Construction glass	Float glass	Solar glass	Unallocated	Total
Segment revenue	2,902,780	1,132,918	3,695,948	1,233,151	—	8,964,797
Inter-segment revenue	—	—	(738,146)	—	—	(738,146)
Revenue from external customers	2,902,780	1,132,918	2,957,802	1,233,151	—	8,226,651
Cost of sales	(1,734,760)	(719,059)	(2,626,240)	(792,942)	—	(5,873,001)
Gross profit	1,168,020	413,859	331,562	440,209	—	2,353,650
Depreciation charge of property, plant and equipment	97,202	78,099	203,868	44,125	2,230	425,524
Amortisation charge						
— leasehold land and land use rights	3,326	2,000	8,006	1,563	1,831	16,726
— intangible assets	2,211	—	622	—	—	2,833
Impairment charge of goodwill	2,943	—	—	—	—	2,943
Provision/(reversal of provision) for impairment of trade receivables, net	1,172	921	—	(2,836)	—	(743)
Share of profits of associates	—	—	—	—	3,489	3,489
Total assets	2,575,013	1,382,484	7,615,849	3,115,125	658,017	15,346,488
Total assets included:						
Investments in associates	—	—	—	—	51,948	51,948
Loans to associates	—	—	—	—	38,148	38,148
Additions to non-current assets (other than available-for-sale financial assets and deferred income tax assets)	171,589	130,183	1,800,881	986,509	302,483	3,391,645
Total liabilities	572,469	250,111	1,004,450	518,374	4,470,779	6,816,183

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

	2012	2011
Segment gross profit	2,475,153	2,353,650
Unallocated:		
Other income	124,368	99,345
Other gains — net	42,883	60,399
Selling and marketing costs	(489,381)	(422,985)
Administrative expenses	(707,203)	(542,275)
Finance income	13,963	7,344
Finance costs	(71,265)	(32,468)
Share of profits of associates	9,015	3,489
Profit before income tax	1,397,533	1,526,499

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

	Assets		Liabilities	
	2012	2011	2012	2011
Segment assets/(liabilities)	15,164,731	14,688,471	(1,792,353)	(2,345,404)
Unallocated:				
Leasehold land and land use rights	236,112	230,834	—	—
Property, plant and equipment	134,463	108,546	—	—
Prepayments for property, plant and equipment and land use rights	107,386	33,903	—	—
Investments in associates	62,981	51,948	—	—
Balances with associates	40,486	38,148	(33)	(33)
Non-current asset held for sale	68,065	—	—	—
Available-for-sale financial assets	625	617	—	—
Deferred income tax assets	—	5,397	—	—
Prepayments, deposits and other receivables	13,883	11,907	—	—
Cash and bank balances	236,359	176,717	—	—
Accruals and other payables	—	—	(82,710)	(120,238)
Current income tax liabilities	—	—	(1,548)	(10,291)
Deferred income tax liabilities	—	—	(101,925)	(100,706)
Current bank borrowings	—	—	(1,644,871)	(1,025,415)
Non-current bank and other borrowings	—	—	(2,495,578)	(3,214,096)
Total assets/(liabilities)	16,065,091	15,346,488	(6,119,018)	(6,816,183)

The amounts provided to the Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segments and the physical location of the assets.

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

	2012	2011
Sales of automobile glass	3,077,826	2,902,780
Sales of construction glass	1,574,625	1,132,918
Sales of float glass	3,780,598	2,957,802
Sales of solar glass	1,352,160	1,233,151
Total	9,785,209	8,226,651

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

	2012	2011
Greater China	6,862,671	5,367,526
North America	1,012,034	1,000,195
Europe	525,897	533,647
Other countries	1,384,607	1,325,283
	9,785,209	8,226,651

An analysis of the Group's non-current assets other than available-for-sale assets, loans to an associate and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts) by geographical area in which the assets are located is as follows:

	2012	2011
Greater China	11,897,298	11,259,032
North America	9,876	9,849
Other countries	286	470
	11,907,460	11,269,351

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2012 (2011: None).

4 Expenses by nature

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

	2012	**2011**
Amortisation charge of leasehold land and land use rights	20,426	16,726
Depreciation charge of property, plant and equipment	580,039	425,524
Amortisation charge of intangible assets	3,626	2,833
Employee benefit expenses	745,626	618,710
Cost of inventories	5,443,836	4,420,272
Other selling expenses (including transportation and advertising costs)	288,210	233,213
Operating lease payments in respect of land and buildings	5,883	5,582
Reversal of provision for impairment of trade receivables, net	(2,102)	(743)
Auditors' remuneration	3,293	3,652
Direct operating expenses arising from investment property that generates rental income	1,072	844
Other expenses, net	1,416,731	1,111,648
Total cost of sales, selling and marketing costs and administrative expenses	8,506,640	6,838,261

5 Other income

	2012	**2011**
Rental income	6,436	5,721
Government grants (Note (a))	109,298	85,695
Others	8,634	7,929
	124,368	99,345

Note (a):

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

6 **Other gains — net**

	2012	2011
Losses on disposal of property, plant and equipment	(464)	(1,235)
Impairment charge of goodwill	—	(2,943)
Losses on disposal of subsidiaries	(2,623)	—
Loss on disposal of an associate	—	(2,195)
Fair value gains on investment properties	39,446	3,137
Fair value losses on trading derivatives	—	(202)
Other foreign exchange gains, net	6,524	63,837
	42,883	60,399

7 **Finance income and costs**

	2012	2011
Finance income:		
Interest income on short-term bank deposits	13,963	7,344

	2012	2011
Finance costs:		
Interest expense on bank borrowings	73,466	65,105
Less: interest expense capitalised on qualifying assets	(26,553)	(32,637)
Interest on convertible bonds	24,352	—
	71,265	32,468

8 **Income tax expense**

	2012	2011 *(Restated)*
Current income tax		
— Hong Kong profits tax (Note (a))	27,148	31,260
— PRC corporate income tax (Note (b))	172,493	204,915
— Overseas income tax (Note (c))	501	907
— Under-provision in prior years	1,988	—
Deferred income tax		
— Origination and reversal of temporary differences	6,616	25,021
	208,746	262,103

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the year.

(b) PRC corporate income tax ("CIT")

Effective from 1 January 2008, the PRC subsidiaries shall determine and pay CIT in accordance with the Corporate Income Tax Law of the PRC (hereinafter "the new CIT Law") as approved by the National People's Congress on 16 March 2007.

CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the year, calculated in accordance with the relevant tax rules and regulations. Certain PRC subsidiaries are entitled to tax holiday and the profits are fully exempted from CIT for two years starting from its first year of profitable operations after offsetting prior year tax losses, followed by 50% reduction in CIT in next three years.

Under the new CIT Law, entities currently enjoying tax holidays will continue to enjoy them until they expire. The CIT rate applicable to the PRC subsidiaries under tax holiday and applying reduced CIT rate will gradually increase to 25% in 5-year period from 2008 to 2012. The applicable CIT rates for major subsidiaries located in Shenzhen, Wuhu, Dongguan, Tianjin and Jiangmen are 25% (2011: 24%), 12.5% (2011: 12%), 12.5% to 25% (2011: 12.5% to 25%), 12.5% (2011: 12.5%) and 12.5% (2011: 12.5%), respectively.

Three major subsidiaries in Shenzhen and Dongguan enjoy high-tech enterprise income tax benefit and the tax rate is 15%.

(c) Overseas income tax

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

9 **Earnings per share**

Basic:

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (after taking into account the effect of the issuance of new shares and scrip dividend) during 2012 and 2011.

	2012	**2011** *(Restated)*
Profit attributable to equity holders of the Company (HK$'000)	1,188,142	1,265,371
Weighted average number of ordinary shares in issue (thousands)	3,745,763	3,598,422
Basic earnings per share (HK cents per share)	31.72	35.16

Diluted:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares. The dilutive potential shares of the Company are share options and convertible bond. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The convertible bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

	2012	**2011** *(Restated)*
Earnings		
Profit attributable to equity holders of the Company (HK$'000)	1,188,142	1,265,371
Interest expense on convertible bonds (net of tax) (HK$'000)	20,334	—
Profit used to determine diluted earnings per share (HK$'000)	1,208,476	1,265,371
Weighted average number of ordinary shares in issue (thousands)	3,745,763	3,598,422
Adjustments for:		
Share options (thousands)	19,336	41,401
Assumed conversion of convertible bond (thousands)	83,978	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,849,077	3,639,823
Diluted earnings per share (HK cents per share)	31.40	34.76

10 **Dividends**

An interim dividend of HK$0.06 per share (2011: HK$0.11 per share) was paid to shareholders whose names appear on the Register of Members of the Company on 30 July 2012.

A final dividend in respect of the financial year ended 31 December 2012 of HK$0.09 per share (2011: HK$0.05 per share), amounting to a total dividend of HK$340,700,000 (2011: HK$ HK$184,166,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2012 proposed final dividend is based on 3,785,554,299 shares in issue as at 31 December 2012 (2011: 3,683,324,000 shares in issue as at 31 December 2011). These financial statements do not reflect this dividend payable.

	2012	**2011**
Interim dividend paid of HK$0.06 (2011: HK$0.11) per share	226,560	399,903
Proposed final dividend of HK$0.09 (2011: HK$0.05) per share	340,700	184,166
	567,260	584,069

11 **Trade and other receivables**

	2012	**2011**
Trade receivables (note (a))	1,138,688	752,234
Less: provision for impairment of trade receivables	(8,461)	(14,109)
	1,130,227	738,125
Bills receivables (note (b))	386,779	596,417
Trade and bills receivables — net	1,517,006	1,334,542
Prepayments, deposits and other receivables	622,758	738,558
	2,139,764	2,073,100

Notes:

(a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2012 and 2011, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

	2012	**2011**
0 - 90 days	830,327	619,524
91 - 180 days	180,860	85,919
181 - 365 days	103,162	28,960
1 - 2 years	12,971	10,699
Over 2 years	11,368	7,132
	1,138,688	752,234

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

	2012	**2011**
RMB	814,523	468,295
HKD	3,365	5,070
USD	293,389	264,508
Other currencies	27,411	14,361
	1,138,688	752,234

(b) The maturities of the bills receivables are within 6 months (2011: 6 months).

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

12 **Trade payables, accruals and other payables**

	2012	2011
Trade payables (note (a))	604,815	557,023
Bills payable (note (b))	—	341,106
	604,815	898,129
Accruals and other payables (note (c))	850,392	1,268,152
	1,455,207	2,166,281

Notes:

(a) At 31 December 2012 and 2011, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	2012	2011
0 - 90 days	523,843	522,970
91-180 days	29,501	21,237
181-365 days	34,109	7,487
1-2 years	14,404	4,182
Over 2 years	2,958	1,147
	604,815	557,023

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

	2012	2011
RMB	527,100	503,005
HKD	632	20
USD	76,845	53,853
Other currencies	238	145
	604,815	557,023

(b) Bills payable have maturities ranging within 6 months (2011: 6 months).

(c) Nature of accruals and other payables is as follows:

	2012	**2011**
Payables for property, plant and equipment	207,299	562,889
Accruals for employee benefits and welfare	168,323	163,672
Payables for value-added tax	103,811	109,767
Payables for utilities	41,166	52,978
Receipt in advance from customers	179,178	184,366
Trading derivatives - cross currency swap and foreign exchange forward contracts	—	24
Deferred government grants	—	55,434
Deposit received for disposal of investment property	41,700	—
Others	108,915	139,022
	850,392	1,268,152

(d) The carrying amounts of trade payables, accruals and other payables approximate their fair values.

13 Final dividend

Subject to the approval by the Shareholders at the forthcoming annual general meeting, the final dividend of 9.0 HK cents per Share will be payable on or before Monday, 8 July 2013 to the Shareholders whose names appear on the register of members of the Company at the closure day of register of members. The closure day for cash dividend will be disclosed in the notice of Annual General Meeting.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The Group is engaged in the production and sales of a wide range of glass products, including automobile glass, construction glass, float glass, solar glass, and other glass products used in different commercial and industrial applications. These products are produced at the production facilities of the Group strategically located in Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, and Tianjin, all in the PRC. In addition to the glass products, the Group also produces automobile rubber and plastic components.

The Group's glass products are sold to customers in around 130 countries and territories, including the PRC, Hong Kong, the United States, Canada, Australia, New Zealand, and countries in the Middle East, Europe, Africa, and Central and South America. The Group's customers include companies in the business of automobile glass manufacturing, wholesale and distribution, automobile repairs, motor vehicle manufacturing, construction and furniture glass manufacturing, float glass wholesale and distribution, and solar module manufacturing.

Business review

Having experienced the challenges and the volatile industry environment in the first quarter of 2012, the Group continued to maintain its leading position in the global glass industry, with the strong demand for energy-saving low-emission ("**Low-E**") construction glass and high-quality float glass in the PRC as the principal growth drivers. In 2012, the sales and the net profit attributable to equity holders of the Company reached HK$9,785.2 million and HK$1,188.1 million, respectively, representing a year-on-year increase of 18.9% and decrease of 6.1%, as compared with HK$8,226.7 million and HK$1,265.4 million, respectively, in 2011. The compound annual growth rate of the Group's sales and net profit attributable to equity holders of the Company for the five-year period including 2012 was 25.9% and 13.8%, respectively.

The Low-E glass and the high-quality float glass products were the most popular glass products of the Group in 2012, enjoying significant sales growth. The Group captured the business opportunities emerged from the energy saving targets in the PRC's Twelfth Five Year Plan by focusing on the production of high performance Low-E construction glass. The glass products increased the overall market share of the Group in the PRC. The urbanisation and the strong demand for double glazing Low-E glass in the PRC also contributed to the high growth of the float glass sales in 2012.

Operational review

Sales

The sales of the Group in 2012 increased by 18.9%. The increase was principally due to the high growth in the Group's sales of different glass products in the global markets, especially the sales of float glass and energy-saving Low-E construction glass products in the PRC.

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

	Financial year ended 31 December			
	2012		2011	
	HK$'000	*%*	*HK$'000*	*%*
Sales				
Automobile glass products *(Note (a))*	3,077,826	31.5	2,902,780	35.2
Construction glass products	1,574,625	16.1	1,132,918	13.8
Float glass products	3,780,598	38.6	2,957,802	36.0
Solar glass products	1,352,160	13.8	1,233,151	15.0
	9,785,209	100.0	8,226,651	100.0

Note:

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

	Financial year ended 31 December			
	2012		2011	
	HK$'000	*%*	*HK$'000*	*%*
Sales				
Greater China *(Note (a))*	6,862,671	70.1	5,367,526	65.2
North America	1,012,034	10.3	1,000,195	12.2
Europe	527,897	5.4	533,647	6.5
Others *(Note (b))*	1,384,607	14.2	1,325,283	16.1
	9,785,209	100.0	8,226,651	100.0

Notes:

(a) China and Hong Kong.

(b) Australia, New Zealand, Africa, the Middle East, Central America, South America and other countries.

Cost of sales

There was a substantial increase in the material costs and depreciation in 2012. While the impact of the increased cost was mitigated partly by the improved production efficiency and cost control, the cost of sales in 2012 was HK$7,310.1 million, representing an increase of 24.5%, which exceeded the percentage increase of the sales.

Gross profit

The amount of the Group's gross profit in 2012 was HK$2,475.2 million, representing an increase of 5.2% as compared with 2011. However, the overall gross profit margin decreased from 28.6% to 25.3% as a result of the intense price competition in float glass and solar glass products, the higher cost of sales, and the slow growth in the demand for automobile glass and solar glass products.

Other income

The Group's other income increased to HK$124.4 million, as compared with the other income of HK$99.3 million in 2011. The increase was principally due to the additional government grants received by the Group in 2012.

Net other gains

The Group's net other gains were HK$42.9 million in 2012, as compared with the net other gains of HK$60.4 million in 2011. The decrease was principally due to the net impact of the increase in the fair value gains on investment properties of HK$36.3 million and the decrease in the exchange gains of HK$57.3 million received by the Group in 2012.

Operational review

Selling and marketing costs

Consistent with the increase in the sales and the increased commission rates and freight costs, the Group's selling and marketing costs increased by 15.7% to HK$489.4 million in 2012.

Administrative expenses

The Group's administrative expenses increased by 30.4% to HK$707.2 million in 2012, principally due to the increase in research and development expenses and staff and welfare costs of the Group.

Finance costs

The Group's finance costs increased by 119.5% to HK$71.3 million in 2012. The increase was principally due to the costs associated with the issuance of the convertible bonds by the Company in May 2012 in the amount of HK$776.0 million, the fees for re-financing the existing loans of the Group, and the increase in the effective interest rates due to the tightening treasury market in the PRC. A portion of the interest expense in relation to the construction-in-progress and acquisition of plant and machinery at the production complexes in Jiangmen, Tianjin and Wuhu was capitalised, but it will be charged as expenses of the Group when the related property, plant and equipment, and the new production lines commence commercial operation. Interest expense of HK$26.6 million was capitalised under construction-in-progress in 2012, representing a decrease of 18.4%, as compared with HK$32.6 million in 2011.

Income tax expense

The Group's income tax expense amounted to HK$208.7 million in 2012. The effective tax rate was decreased by 2.3% to 14.9% in 2012 due to no withholding tax on the distributable profit of the Group's PRC subsidiaries and associates paid in 2012. The relevant provision was adequate as brought forward from the previous years.

EBITDA and net profit for the year

In 2012, the Company's EBITDA (earnings before interest, taxation, depreciation and amortisation) was HK$2,072.9 million, representing an increase of 3.4% as compared with HK$2,004.1 million in 2011. The Company's EBITDA margin, calculated based on turnover in 2012, was 21.2% as compared with 24.4% in 2011.

Net profit attributable to equity holders of the Company in 2012 was HK$1,188.1 million, representing a decrease of 6.1%, as compared with HK$1,265.4 million in 2011. Net profit margin decreased to 12.1% in 2012 as a result of the intense price competitions in float glass and solar glass products under unfavourable market conditions and increases in the material costs.

Current ratio

The Group's current ratio as at 31 December 2012 was 1.24, as compared with 1.18 as at 31 December 2011. The slight increase was principally due to the insignificant decreases in the current liabilities of the Group in 2012.

Net current assets

As at 31 December 2012, the Group had net current assets of HK$792.2 million, as compared with HK$617.3 million as at 31 December 2011. The improvement was a result of a decrease in trade payables, accruals and other payables in 2012.

Financial resources and liquidity

In 2012, the Group's primary source of funding included cash generated from (a) the Group's operating activities, (b) the net proceeds from the convertible bonds issued by the Company, and (c) the credit facilities provided by the principal banks of the Group in Hong Kong and China. Net cash inflow from operating activities amounted to HK$1,390.7 million (2011: HK$1,303.4 million) as a result of efficient working capital management generating a net cash surplus from operations. As at 31 December 2012, the Group had cash and bank balances (including pledged bank deposits) of HK$704.4 million (2011: HK$713.7 million).

As at 31 December 2012, the Group had bank and other borrowings in the total amount of HK$4,265.6 million, representing a decrease of 1.2% from the balance of HK$4,318.8 million as at 31 December 2011. The slight decrease was principally due to the net effect of the addition of the convertible bonds issued by the Group in an amount of HK$776.0 million and the repayments of the expired bank loans in 2012.

The Group's net debt gearing ratio as at 31 December 2012 was 35.8% (31 December 2011: 42.3%). This ratio is calculated by dividing the net bank debt, which is calculated as total borrowings less cash, bank balances and pledged bank deposits, by the total equity of the Group as at 31 December 2012. The decrease was principally due to the new issue of 82,729,211 Shares by the Company amounting to HK$388.0 million and better cash control management measures adopted by the Group in 2012.

Pledge of assets

As at 31 December 2012, a bank balance of HK$0.9 million was pledged as collateral principally as security for import duties payable to the US Customs and for the standby letter of credit issued by a PRC bank.

Employees and remuneration policy

As at 31 December 2012, the Group had 12,772 full-time employees of whom 12,662 were based in China and 110 were based in Hong Kong, other countries and territories. The Group maintains good relationships with all the employees. The Group provides the employees with sufficient training on business and professional knowledge including information on the applications of the Group's products and skills in maintaining good client relationships. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees taking into consideration the Group's performance and the performance of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the responsible Chinese government authorities for the Group's employees in China. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) are duly implemented.

The Company adopted a share option scheme on 18 January 2005. The Directors may at their discretion, invite any employees or Directors and other eligible persons as set forth in the scheme to participate.

In 2006, the first tranche of 17,040,000 options was granted to employees of the Group. The exercise price of these options was HK$1.08 per Share and all unexercised options under this tranche were expired on 27 January 2009.

In June 2007, the second tranche of 24,230,000 options was granted to employees of the Group (of which 1,200,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 13,827,000 options have been exercised and 10,403,000 options were lapsed or expired. The exercise price of these options is HK$3.49 per Share and the option holders may exercise the options between 1 July 2010 and 30 June 2011, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders were expired on 30 June 2011.

In April 2008, the third tranche of 48,517,200 options was granted to employees of the Group (of which 1,620,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 14,137,100 options have been exercised and 26,062,300 options have lapsed. The exercise price of these options is HK$2.34 per Share and the option holders may exercise the options between 20 April 2012 and 19 April 2013, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders on or before 19 April 2013 shall lapse.

In March 2009, the fourth tranche of 22,288,000 options was granted to employees of the Group (of which 888,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 18,082,600 options have been exercised and4,205,400 options have lapsed or expired. The exercise price of these options is HK$1.72 per Share and the option holders may exercise the options between 1 April 2011 and 31 March 2012, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders were expired on 31 March 2012.

In March 2010, the fifth tranche of 36,898,000 options was granted to employees of the Group (of which 888,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 4,535,000 options have lapsed. The exercise price of these options is HK$3.55 per Share and the option holders may exercise the options between 1 April 2013 and 31 March 2014, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders on or before 31 March 2014 shall lapse.

In March 2011, the sixth tranche of 23,718,000 options was granted to employees of the Group (of which 736,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 2,651,500 options have lapsed. The exercise price of these options is HK$6.44 per Share and the option holders may exercise the options between 1 April 2014 and 31 March 2015, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders on or before 31 March 2015 shall lapse.

In March 2012, the seventh tranche of 26,250,000 options was granted to employees of the Group (of which 736,000 options have been granted to connected persons of the Company, being directors of certain subsidiaries of the Company). 875,000 options have lapsed. The exercise price of these options is HK$4.34 per Share and the option holders may exercise the options between 1 April 2015 and 31 March 2016, provided that the holders are employees of the Group during the exercise period. Options which have not been exercised by the holders on or before 31 March 2016 shall lapse.

Final dividend

At the meeting of the board of Directors held on 28 February 2013, the Directors proposed a final cash dividend of 9.0 HK cents per Share for 2012.

Together with the interim cash dividend of HK$226.6 million for 2012, the total dividend paid and payable in 2012 represent a dividend pay-out ratio of 47.7%. The Directors consider that this dividend level is appropriate in considering the operating results of Group in 2012.

Treasury policies and exposure to fluctuation in exchange rates

The Group's transactions are mainly denominated in Renminbi, United States dollars, Euro, Australian dollars, Japanese Yen and Hong Kong dollars with principal production activities situated in China. As at 31 December 2012, the Group's bank borrowings were denominated in US dollars and Hong Kong dollars bearing interest rates ranging from 1.34% to 1.6% per annum. As the currencies of the Group's borrowings are generally the same as the Group's transactional currencies, the Directors consider that the Group's exposure to foreign exchange fluctuations was minimal. The Group did not experience any material difficulties and liquidity problems resulting from currency exchange fluctuations. The Group may use financial instruments for hedging purposes as and when required.

BUSINESS REVIEW

Opportunities in the recovery market

In 2012, the business segments of the Group grew at different pace. The overseas sales as well as the PRC domestic sales of the Group recorded satisfactorily growth. The average selling prices of the high-quality float glass and the solar glass products have been rebounded since the second half of 2012 following the significant decline in the first quarter of 2012. These two business segments recorded sales volume growth principally due to the additional production capacity in the Jiangmen, Wuhu and Tianjin production complexes and the overall selling price increases since the second quarter of 2012. In the construction glass segment, the sales of the Group also recorded a strong growth due to the increasing demand for energy saving Low-E glass in the construction industry in the PRC. The related production capacity of the Group's production complexes in Wuhu and Tianjin also increased. All of these factors contributed to the increase in the sales revenue of the Group by 18.9% to HK$ 9,785.2 million in 2012, as compared with the sales revenue of HK$8,226.7 million in 2011.

In 2012, the economy in the PRC continued to grow steadily. Following the industry consolidation in the traditional low season for glass industry during the first quarter of 2012, the level of demand increased and the selling prices rebounded since the second quarter of 2012.

The European debt crisis also hindered the recovery of the local economy in these countries, as well as the level of demand for automobiles and new houses and the level of subsidy to solar energy sector in those countries. Hence, the solar glass business segment of the Group experienced significant price competitions during the period from the fourth quarter of 2011 to the end of first quarter in 2012. There has been a solid rebound since the second quarter of 2012, which accelerated the sales volume of the solar glass products of the Group in the year.

Nevertheless, the Group, being a leader in the global glass industry, continued to strength its leading position through the benefits from the economies of scale in the production of glass products. This was accomplished through strategic and timely expansion of the production capacity and construction of new production complexes using more efficient production process. The Group also implemented a series of enhanced control measures on the level of consumption and recycling of the principal raw materials and the production schedules, so as to avoid excessive accumulation of inventory. On increasing the sales, the Group has successfully developed and launched a wide range of high value-added glass products and adopted flexible pricing and marketing strategies to take advantage of the supportive measures implemented by the Twelfth Five-Year Plan of the PRC government.

Proactive sales strategies to explore new opportunities in the global market

The ongoing European financial and debt crisis and the unstable geopolitical environment in certain countries in the Middle East have created a totally different global economic landscape. In response to these changes, the Group has penetrated new overseas markets and adjusted its pricing and sales strategies from time to time to attract new customers in different industries.

The Group is in the process of constructing a new automobile glass production complex in Tianjin to enhance the automobile glass export capability and market coverage. Three new Low-E glass production lines will be installed in the second half of 2013 to enhance our coverage in the PRC and overseas markets. Currently, the Group sells glass products to more than 130 countries.

Better productivity, technoloy and economies of scale to mitigate the cost pressures

The Group's solid experience in operational management, combined with the continuous improvements in the production process, enhance its productivity and yield rates, both of which reduce the overall production and energy costs. The Group's daily production capacity of high-quality float glass increased from 8,100 daily melting tonnes at the end of 2011 to 9,400 daily melting tonnes by the end of 2012. The economies of scale of the Group allow it to reduce its raw material costs, the average fuel consumption rate, and the fixed costs. These mitigate the impact of any additional potential cost pressures on the gross profit margin in the future.

Since the end of 2011, all of the Group's high-quality float glass and solar glass production lines have been using environmental-friendly and more cost effective natural gas as fuel.

In addition to the Dongguan, Jiangmen and Wuhu production complexes, the Group also installed a new environmentally-friendly low temperature recycling residual heat power co-generation system at the Tianjin production complex in 2012.

The Group installed two roof top solar power systems (phase I and II) at the Wuhu production complex under the Golden Sun programme in the PRC during the year. The Group plans to build five new roof top solar power systems at different production complexes in Dongguan, Jiangmen, Tianjin, Yingkou, and Deyang.

The above apparatus will reduce the carbon emission levels and optimise the energy cost structure of the Group.

Diversified and high value-added product mix enhanced the overall competitiveness

In 2012, the revenue generated from the Group's automobile glass, construction glass, high-quality float glass and solar glass businesses achieved satisfactory growth. This performance demonstrates that the Group's diversified business and high value-added product mix can mitigate the impact of selling price decreases in any one business segment. With the new product, ultra-thin electronics glass, to be launched in the summer of 2013, it would be the future growth driver to the Group.

Also, the Group's strategic expansion plan for its production complexes in the five major advanced economic zones in China - the Pearl River Delta, the Yangtze River Delta, the Bohai Economic Rim, the North Eastern and Southwestern China - is in progress. This strategy is expected to further enhance the Group's overall competitiveness to cope with the challenges ahead.

Expanding production capacities to capture to rebound in PRC market

The Board is optimistic that there will be a rebound in the PRC market in 2013. The Group plans to increase the annual production capacity of the automobile glass by 12% from 12.5 million pieces to 14.1 million pieces while the annual production capacity of the construction glass will also be increased by 40.5% to 26.0 million sqm.

The float glass annual production capacity is expected to increase from 3,362,000 daily melting tonnes to 3,583,000 daily melting tonnes in 2013. The solar glass' annual production capacity will increase from 548,000 daily melting tonnes to 684,000 daily melting tonnes in 2013. An estimate of capital expenditure of approximately HK$1.8 billion will be incurred in 2013. The estimate is subject to change to reflect the building and equipment installation progress of respective projects. The Group will also look at the business opportunities in solar related downstream sectors, such as solar power plant in China.

BUSINESS OUTLOOK

The Group will continue to be flexible in production management and work so as to improve the operational efficiency for the purpose of maintaining the competitiveness amongst the world's leading glass manufacturers against the backdrop of the unfavourable global economic environment.

Volatility in the demand and the selling prices is expected to continue in the float glass segment in the near future. Nevertheless, the PRC's national affordable housing scheme and the wider application of energy saving Low-E glass will increase the demand for float glass in the near future. The Directors are optimistic about the automobile glass and the construction glass businesses in future.

The European debt crisis is expected to continue. As the European Union is the major market for solar products, the Directors anticipate that market volatility will continue in the near future. Hence, the Group intends to focus on the PRC, Japan and North American markets. Under the Twelfth Five-year Plan, the PRC government encourages the use of renewable energy. The Directors expect that solar energy panels will be increasingly popular in the PRC. The increase in the level of demand will result in decreasing cost of production and installation of solar panels, which, in turn, is expected to stimulate the level of demand for solar glass products.

The Group will continue to devote its efforts in strengthening the research and development capability for new glass products, enhancing the product quality and boosting the production efficiency to maintain its competitiveness and increasing its profit margin.

The Group is constructing an ultra-thin electronic glass production line in Wuhu to capture the demand from the expanding market for electronic touch screen products. These new glass products are expected to become another future growth driver for the Group.

The Group will continue to tackle the challenges amidst uncertain economic environment and optimise its efficiency and profit margin through effective leadership and the continued support of its customers. The Directors believe that this strategy will enable the Group to reap the benefit from any emerging business opportunities. The Directors are confident on the Group's prospects. The Group will continue to adopt proven business strategies to maintain and strengthen the growth momentum of the Group. To maintain its industry leading position, the Group is striving to continue efforts to expand its presence in the global glass market across a wide spectrum of industries.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the applicable Code Provisions in the Code on Corporate Governance Practices (the "**Code**") as set forth in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in 2012.

AUDIT COMMITTEE OF THE BOARD

The Company has established an audit committee, comprising five independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and to provide comments and advice to the Board. The audit committee has reviewed the audited consolidated financial statements of the Group in 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set forth in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiry with the Directors and all Directors have confirmed that they complied with the Model Code in 2012.

Purchase, sale or redemption of the company's listed securities

The Company allotted and issued 82,729,211 Shares in May 2012 by way of placement, and raised gross proceeds of HK$388.0 million to provide the Group with additional funds for its business expansion and general working capital purposes.

In July 2012, the Company allotted and issued 1,893,344 shares by way of scrip dividend in lieu of cash dividend of HK$0.06. The excessive balance over the par value of the Shares has been credited to the share premium account.

Save as disclosed herein, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year ended 31 December 2012.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, there is sufficient public float or not less than 25% of the Shares are in the hands of the public as required under the Listing Rules.

PUBLICATION OF FINAL RESULTS

This announcement is published on the websites of the Stock Exchange and the Company.

The annual report of the Company for the financial year ended 31 December 2012 containing all the information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

Figures in preliminary announcement agreed by auditor

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditor, PricewaterhouseCoopers Hong Kong ("**PwC HK**"), to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on or before Friday, 28 June 2013. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company and dispatched to the Shareholders on or about Tuesday, 30 April 2013.

On behalf of the Board
XINYI GLASS HOLDINGS LIMITED
LEE Yin Yee, M.H.
Chairman

Hong Kong, 28 February 2013

As of the date of this announcement, the executive Directors are Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai, Mr. LEE Shing Kan, Mr. LEE Yau Ching and Mr. LI Man Yin; the non-executive Directors are Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung and Mr. NG Ngan Ho; and the independent non-executive Directors are Mr. LAM Kwong Siu, S.B.S, Mr. WONG Chat Chor Samuel, Mr. WONG Ying Wai, S.B.S, JP. Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David