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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

HIGHLIGHTS

- The total revenue of the Group in 2019 amounted to HK$16,258.5 million, representing an increase of 1.5% as compared with the total revenue in 2018.
- The net profit attributable to equity holders of the Company for 2019 reached HK$4,477.8 million, representing an increase of 5.7% as compared with the net profit attributable to equity holders of the Company for 2018.
- Basic earnings per share for 2019 were 111.8 HK cents.
- The Directors propose a final cash dividend of 30.0 HK cents per share for 2019.

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of Xinyi Glass Holdings Limited (the "**Company**") is pleased to announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2019 as follows:

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019**	**2018**
Revenue	4	**16,258,489**	16,014,490
Cost of sales		**(10,375,212)**	(10,139,138)
Gross profit		**5,883,277**	5,875,352
Other income		**528,684**	540,951
Other gains - net		**778,182**	537,456
Selling and marketing costs		**(939,680)**	(772,266)
Administrative and other operating expenses		**(1,692,329)**	(1,634,780)
Operating profit		**4,558,134**	4,546,713
Finance income		**91,989**	71,205
Finance costs		**(273,920)**	(213,678)
Share of profits of associates		**639,608**	565,900
Profit before income tax		**5,015,811**	4,970,140
Income tax expense	5	**(533,132)**	(722,564)
Profit for the year		**4,482,679**	4,247,576
Profit attributable to:			
– equity holders of the Company		**4,477,792**	4,236,806
– non-controlling interests		**4,887**	10,770
Profit for the year		**4,482,679**	4,247,576
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in Hong Kong cents per share)			
– Basic	6	**111.8**	105.7
– Diluted	6	**111.4**	105.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	**2018**
Profit for the year	**4,482,679**	4,247,576
Other comprehensive income, net of tax:		
Items that will not be reclassified subsequently to the consolidated income statement:		
Changes in fair value of financial assets at fair value through other comprehensive income	**13,239**	(13,841)
Deregistration of a subsidiary	**(546)**	—
Disposal of interest in an associate	**12,421**	—
Dilution of interest in an associate	**6,100**	—
Items that may be reclassified subsequently to the consolidated income statement:		
Currency translation differences	**(533,528)**	(1,295,620)
Share of other comprehensive loss of investments accounted for using the equity method	**(95,041)**	(144,246)
Total comprehensive income for the year	**3,885,324**	2,793,869
Total comprehensive income attributable to:		
Equity holders of the Company	**3,880,512**	2,783,762
Non-controlling interests	**4,812**	10,107
Total comprehensive income for the year	**3,885,324**	2,793,869

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	**2019**	**2018**
ASSETS			
Non-current assets			
Leasehold lands and land use rights		**—**	3,744,185
Property, plant and equipment		**14,202,835**	13,079,442
Right-of-use assets		**3,593,739**	—
Investment properties		**1,671,971**	1,674,495
Prepayments for property, plant and equipment and right-of-use assets	8	**769,043**	191,677
Intangible assets		**65,334**	67,474
Financial assets at fair value through other comprehensive income		**51,752**	38,513
Investments in associates		**5,554,275**	4,679,890
Loans to an associate		**1,004**	1,025
Deferred income tax assets		**39,023**	—
		25,948,976	23,476,701
Current assets			
Inventories		**2,044,629**	1,754,514
Loans to an associate		**32,681**	35,833
Trade and other receivables	8	**3,085,866**	2,675,791
Financial assets at fair value through profit and loss		**—**	44,090
Pledged bank deposits		**44,222**	14,133
Fixed deposits		**—**	79,699
Cash and cash equivalents		**5,097,924**	4,598,506
		10,305,322	9,202,566
Total assets		**36,254,298**	32,679,267
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**401,922**	399,320
Share premium		**388,161**	249,821
Other reserves		**867,623**	938,284
Retained earnings		**19,188,635**	17,037,302
		20,846,341	18,624,727
Non-controlling interests		**81,085**	77,534
Total equity		**20,927,426**	18,702,261

	Note	**2019**	**2018**
LIABILITIES			
Non-current liabilities			
Bank and other borrowings		**6,350,418**	6,874,933
Deferred income tax liabilities		**419,404**	417,671
Lease liabilities		**3,364**	—
Other payables	9	**131,996**	81,617
		6,905,182	7,374,221
Current liabilities			
Trade, other payables and contract liabilities	9	**3,349,206**	2,897,084
Current income tax liabilities		**609,661**	611,260
Lease liabilities		**3,730**	—
Bank and other borrowings		**4,459,093**	3,094,441
		8,421,690	6,602,785
Total liabilities		**15,326,872**	13,977,006
Total equity and liabilities		**36,254,298**	32,679,267

Notes to the Consolidated Financial Statements

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

1 GENERAL INFORMATION

Xinyi Glass Holdings Limited and its subsidiaries were principally engaged in the production and sales of float glass, automobile glass and architectural glass, which were carried out internationally, through the production complexes located in Mainland China (the "**PRC**") and Malaysia in 2019.

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (**HK$'000**), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 16 March 2020.

2 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.

3 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and in compliance with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income ("**FVOCI**"), financial assets at fair value through profit and loss ("**FVTPL**") and investment properties, which are measured at fair values.

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

Changes in accounting policy and disclosures

(a) The following new standards and amendments to existing standards are mandatory for accounting periods beginning on or after 1 January 2019. The adoption of these new standards and amendments to existing standards does not have any significant impact to the results and financial position of the Group, other than the adoption of HKFRS 16 "Leases" disclosed below:

Annual Improvements Project	Annual Improvements 2015-2017 Cycle
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK (IFRIC) 23	Uncertainty over Income Tax Treatments

The following explains the impact of the adoption of HKFRS 16 "Leases" on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard.

(i) Impact on the consolidated financial statements

The Group elects to adopt HKFRS 16 without restating comparatives. The reclassification and the adjustments arising from the adoption of HKFRS16 are therefore recognised in the opening consolidated balance sheet on 1 January 2019.

On adoption of HKFRS 16, all of the Group's operating lease commitments are less than 12 months and classified as short-term lease under HKFRS 16. As a result, the Group did not recognised any lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 *Leases*.

(1) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases, and

- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application.

The Group has also elected not to reassess whether a contract is, or contains a lease, at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease.*

(2) *Adjustments recognised in the consolidated balance sheet on 1 January 2019*

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

- right-of-use assets – increase by HK$3,744,185,000

- leasehold lands and land use rights – decrease by HK$3,744,185,000

There is no impact on retained earnings on 1 January 2019.

(3) *Lessor accounting*

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

(b) New standards and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2019 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2020
HKFRS 17	Insurance Contract	1 January 2021
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020

4 SEGMENT INFORMATION

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

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

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

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

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

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2019 is as follows:

	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Segment revenue	**9,914,487**	**4,502,599**	**3,792,530**	**—**	**18,209,616**
Inter-segment revenue	**(1,951,127)**	**—**	**—**	**—**	**(1,951,127)**
Revenue from external customers	**7,963,360**	**4,502,599**	**3,792,530**	**—**	**16,258,489**
Cost of sales	**(5,614,615)**	**(2,413,214)**	**(2,347,383)**	**—**	**(10,375,212)**
Gross profit	**2,348,745**	**2,089,385**	**1,445,147**	**—**	**5,883,277**
Depreciation charge					
– property, plant and equipment	**745,424**	**124,708**	**111,816**	**5,779**	**987,727**
– right-of-use assets	**21,225**	**4,798**	**3,696**	**54,666**	**84,385**
Amortisation charge					
– intangible assets	**—**	**2,119**	**—**	**—**	**2,119**
Increase in provision for loss allowance, net	**—**	**315**	**4,659**	**—**	**4,974**
Share of profits of associates	**—**	**—**	**—**	**639,608**	**639,608**

Note: The Group's revenue from all segments during the year ended 31 December 2019 have been recognised at a point in time.

	Assets and liabilities				
	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Total assets	**15,170,220**	**6,911,576**	**1,971,055**	**12,201,447**	**36,254,298**
Total assets included:					
Investments in associates	**—**	**—**	**—**	**5,554,275**	**5,554,275**
Loans to an associate	**—**	**—**	**—**	**33,685**	**33,685**
Investment properties	**—**	**—**	**—**	**1,671,971**	**1,671,971**
Additions to non-current assets (other than financial assets at FVOCI)	**2,594,937**	**208,775**	**96,035**	**200,007**	**3,099,754**
Total liabilities	**1,817,197**	**1,319,422**	**487,641**	**11,702,612**	**15,326,872**

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2018 is as follows:

	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Segment revenue	10,390,576	4,251,854	3,338,242	—	17,980,672
Inter-segment revenue	(1,966,182)	—	—	—	(1,966,182)
Revenue from external customers	8,424,394	4,251,854	3,338,242	—	16,014,490
Cost of sales	(5,693,034)	(2,385,931)	(2,060,173)	—	(10,139,138)
Gross profit	2,731,360	1,865,923	1,278,069	—	5,875,352
Depreciation charge of property, plant and equipment	698,410	115,312	97,720	5,555	916,997
Amortisation charge					
– leasehold lands and land use rights	20,830	4,423	2,352	57,079	84,684
– intangible assets	—	2,215	—	—	2,215
Increase/(decrease) in provision for loss allowance, net	—	(2,329)	9,714	—	7,385
Share of profits of associates	—	—	—	565,900	565,900

Note: The Group's revenue from all segments during the year ended 31 December 2018 have been recognised at a point in time.

	Assets and liabilities				
	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Total assets	13,708,260	5,395,133	2,593,738	10,982,136	32,679,267
Total assets included:					
Investments in associates	—	—	—	4,679,890	4,679,890
Loans to an associate	—	—	—	36,858	36,858
Investment properties	—	—	—	1,674,495	1,674,495
Additions to non-current assets (other than financial assets at FVOCI)	1,965,450	260,593	76,128	151,019	2,453,190
Total liabilities	1,692,311	769,501	165,005	11,350,189	13,977,006

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

	2019	**2018**
Segment gross profit	**5,883,277**	5,875,352
Unallocated:		
Other income	**528,684**	540,951
Other gains - net	**778,182**	537,456
Selling and marketing costs	**(939,680)**	(772,266)
Administrative and other operating expenses	**(1,692,329)**	(1,634,780)
Finance income	**91,989**	71,205
Finance costs	**(273,920)**	(213,678)
Share of profits of associates	**639,608**	565,900
Profit before income tax	**5,015,811**	4,970,140

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

	Assets		Liabilities	
	2019	**2018**	**2019**	**2018**
Segment assets/(liabilities)	**24,052,851**	21,697,131	**(3,624,260)**	(2,626,817)
Unallocated:				
Leasehold lands and land use rights	**—**	2,221,378	**—**	—
Property, plant and equipment	**1,403,437**	1,442,776	**—**	—
Right-of-use assets	**2,107,433**	—	**—**	—
Investment properties	**1,671,971**	1,674,495	**—**	—
Prepayments for property, plant and equipment and right-of-use assets	**1,791**	1,656	**—**	—
Financial assets at FVOCI	**51,752**	38,513	**—**	—
Financial assets at FVTPL	**—**	44,090	**—**	—
Investments in associates	**5,554,275**	4,679,890	**—**	—
Balances with associates	**33,685**	36,858	**—**	—
Prepayments, deposits and other receivables	**674,396**	465,210	**—**	—
Cash and bank balances	**702,707**	377,270	**—**	—
Other payables	**—**	—	**(351,442)**	(869,201)
Current income tax liabilities	**—**	—	**(122,996)**	(93,943)
Deferred income tax liabilities	**—**	—	**(418,663)**	(417,671)
Bank and other borrowings	**—**	—	**(10,809,511)**	(9,969,374)
Total assets/(liabilities)	**36,254,298**	32,679,267	**(15,326,872)**	(13,977,006)

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 segment.

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

	2019	2018
Sales of float glass	**7,963,360**	8,424,394
Sales of automobile glass	**4,502,599**	4,251,854
Sales of architectural glass	**3,792,530**	3,338,242
Total	**16,258,489**	16,014,490

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

	2019	2018
Greater China	**11,190,197**	11,437,932
North America	**1,949,120**	1,621,704
Europe	**664,105**	510,437
Other countries	**2,455,067**	2,444,417
	16,258,489	16,014,490

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

	2019	2018
Greater China	**23,819,648**	21,417,300
North America	**15,071**	9,786
Malaysia	**2,061,732**	2,011,069
Other countries	**773**	33
	25,897,224	23,438,188

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2019 (2018: None).

5 INCOME TAX EXPENSE

	2019	2018
Current income tax		
– Hong Kong profits tax *(Note (a))*	**40,052**	14,606
– PRC corporate income tax *(Note (b))*	**530,978**	620,622
– Overseas income tax *(Note (c))*	**475**	411
– Over provision in prior years	**(6,401)**	(3,335)
Deferred income tax		
– Increase in deferred income tax assets	**(38,916)**	—
– Increase in deferred income tax liabilities	**6,944**	90,260
	533,132	722,564

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year.

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

CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the year, calculated in accordance with the relevant tax rules and regulations.

The applicable CIT rates for major subsidiaries located in Deyang, Dongguan, Jiangmen, Shenzhen, Tianjin, Wuhu and Yingkou are 25% (2018: 25%). Thirteen (2018: Thirteen) major subsidiaries in Deyang, Dongguan, Jiangmen, Shenzhen, Tianjin, Wuhu and Yingkou enjoy high-tech enterprise income tax benefit and are entitled to a preferential tax treatment of reduction in the CIT rate to 15% (2018: 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.

(d) For the year ended 31 December 2019, dividends of RMB1,586.4 million from our PRC subsidiaries were re-invested directly as share capital to our other PRC subsidiaries. The respective PRC withholding taxes were waived by these direct re-investment arrangements under current PRC tax policy.

6 EARNINGS PER SHARE

BASIC:

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (after taking into account the effect of the issuance of new shares and share repurchased and cancellation) during 2019 and 2018.

	2019	**2018**
Profit attributable to equity holders of the Company (HK$'000)	**4,477,792**	4,236,806
Weighted average number of ordinary shares in issue (thousands)	**4,006,411**	4,008,099
Basic earnings per share (HK cents per share)	**111.8**	105.7

DILUTED:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2019	2018
Earnings		
Profit attributable to equity holders of the Company (HK$'000)	**4,477,792**	4,236,806
Share of profit of an associate as a result of diluted earnings at associate level	**(205)**	(49)
Profit used to determine diluted earnings per share (HK$'000)	**4,477,587**	4,236,757
Weighted average number of ordinary shares in issue (thousands)	**4,006,411**	4,008,099
Adjustments for:		
Share options (thousands)	**11,949**	27,044
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**4,018,360**	4,035,143
Diluted earnings per share (HK cents per share)	**111.4**	105.0

7 DIVIDENDS

	2019	2018
Interim dividend paid of HK$0.25 (2018: HK$0.25) per share *(Note a)*	**1,001,847**	999,550
Proposed final dividend of HK$0.30 (2018: final dividend of HK$0.27) per share *(Note b)*	**1,204,726**	1,082,087
	2,206,573	2,081,637

Notes:

(a) An interim dividend of HK$0.25 per share (2018: HK$0.25 per share) was paid to shareholders whose names appeared on the Register of Members of the Company on 26 August 2019 (2018: 17 August 2018).

(b) A final dividend in respect of the financial year ended 31 December 2019 of HK$0.30 per share (2018: HK$0.27 per share), amounting to a total dividend of HK$1,204,726,000 (2018: HK$1,082,087,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2019 proposed final dividend is based on 4,015,752,647 shares in issue as at 29 February 2020 (2018: 4,007,727,847 shares in issue as at 23 May 2019). These consolidated financial statements do not reflect this dividend payable.

8 TRADE AND OTHER RECEIVABLES

	2019	2018
Trade receivables *(Note (a))*	**1,451,494**	1,315,211
Less: provision for loss allowance of trade receivables *(Note (b))*	**(41,481)**	(36,953)
	1,410,013	1,278,258
Bills receivables *(Note (d))*	**303,812**	339,564
Trade and bills receivables — net	**1,713,825**	1,617,822
Prepayments, deposits and other receivables	**2,141,084**	1,249,646
	3,854,909	2,867,468
Less: non-current portion		
Prepayments for property, plant and equipment and right-of-use assets	**(769,043)**	(191,677)
Current portion	**3,085,866**	2,675,791

Notes:

(a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2019 and 2018, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

	2019	2018
0 - 90 days	**1,003,803**	940,454
91 - 180 days	**166,458**	206,186
181 - 365 days	**185,198**	115,030
1 - 2 years	**77,939**	41,167
Over 2 years	**18,096**	12,374
	1,451,494	1,315,211

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

	2019	2018
RMB	**863,585**	749,651
USD	**522,900**	520,280
HKD	**782**	4,210
Other currencies	**64,227**	41,070
	1,451,494	1,315,211

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

	2019	2018
At 1 January	**36,953**	38,507
Currency translation differences	**141**	(316)
Increase in provision for loss allowance of trade receivables, net	**4,974**	7,385
Receivables written off during the year	**(587)**	(8,623)
At 31 December	**41,481**	36,953

The provision for loss allowance of trade receivables has been included in "administrative and other operating expenses" in the consolidated income statement. The amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) The top five customers and the largest customer accounted for approximately 28.6% (2018: 26.2%) and 13.1% (2018: 11.6%) of the trade receivables balance as at 31 December 2019, respectively. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The other classes within trade and other receivables do not contain impaired assets.

(d) All bills receivables are issued by licensed banks in the PRC with maturities ranging within 6 months (2018: 6 months).

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

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

9 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

	2019	2018
Trade payables *(Note (a))*	**1,045,222**	919,888
Bills payable	**498,670**	354,043
	1,543,892	1,273,931
Other payables	**1,589,263**	1,411,822
Contract liabilities	**348,047**	292,948
Less: non-current portion		
Other payables	**(131,996)**	(81,617)
Current portion	**3,349,206**	2,897,084

Note:

(a) At 31 December 2019 and 2018, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	2019	2018
0 - 90 days	**848,049**	807,412
91-180 days	**40,328**	36,577
181-365 days	**100,255**	35,954
1-2 years	**36,379**	15,305
Over 2 years	**20,211**	24,640
	1,045,222	919,888

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The Group is engaged in the production and sales of a wide range of glass products, including automobile glass, energy-saving architectural glass, high-quality float glass and other glass products for different commercial and industrial applications. These glass products are manufactured at production facilities strategically located in the PRC and Malaysia. In the former, the Group's facilities can be found in Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, Tianjin, Yingkou in Liaoning Province, Deyang in Sichuan Province, and Beihai in Guangxi Province. In the latter, the Group operates a facility in Malacca. In addition, the Group also produces rubber and plastic components for automobiles.

The Group's glass products are sold to customers in over 140 countries and territories, including the PRC, Hong Kong, the United States, Canada, Australia, New Zealand and countries in Asia, the Middle East, Europe, Africa, and Central and South America. Its customers include companies engaged in automobile glass manufacturing, wholesale and distribution, automobile repair, motor vehicle manufacturing, curtain wall engineering and installation, architectural and furniture glass manufacturing, electronic and household appliances manufacturing, and float glass wholesale and distribution.

Business Review

The Group has continued to maintain its leading position in the global glass industry in 2019 by tapping the strong demand for high-quality float glass in the PRC and automobile glass in global markets. In 2019, revenue and net profit attributable to equity holders of the Company amounted to HK$16,258.5 million and HK$4,477.8 million, respectively, representing an increase of 1.5% and 5.7%, when compared with HK$16,014.5 million and HK$4,236.8 million, respectively in 2018. The compound annual growth rate of the Group's sales for the five-year period including 2019 was 9.1%.

In 2019, under the pressure of the Sino-US trade war, depreciation of RMB in second half of the year, and the de-leverage policy in the PRC, the Group's two glass products businesses, namely automobile glass and architectural glass, have achieved different growth rates by increase of their respective sales volumes while float glass business has recorded a decrease of sales.

Operational Review

Sales

Sales increased by 1.5% in 2019, principally due to sales volume growth of automobile glass and architectural glass products in the PRC and global markets.

The tables below set forth the Group's sales by product and by geographical region:

	Financial Year Ended 31 December			
	2019		**2018**	
	HK$'million	*%*	*HK$'million*	*%*
By Product				
Float glass products	**7,963.4**	**49.0**	8,424.4	52.6
Automobile glass products *(Note (a))*	**4,502.6**	**27.7**	4,251.9	26.6
Architectural glass products	**3,792.5**	**23.3**	3,338.2	20.8
	16,258.5	**100.0**	16,014.5	100.0

Note:

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

	Financial Year Ended 31 December			
	2019		**2018**	
	HK$ million	*%*	*HK$ million*	*%*
By Geographical Region				
Greater China *(Note (a))*	**11,190.2**	**68.8**	11,437.9	71.4
North America	**1,949.1**	**12.0**	1,621.7	10.1
Europe	**664.1**	**4.1**	510.4	3.2
Others *(Note (b))*	**2,455.1**	**15.1**	2,444.5	15.3
	16,258.5	**100.0**	16,014.5	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

Average production costs have increased mainly due to supply-side reform and environmental control policy implemented in the PRC during 2019. However, improved production efficiency, successful cost control measures and the use of cost-effective renewable energy have led to a slight increase in cost of sales in 2019 by 2.3% to HK$10,375.2 million, as compared with HK$10,139.1 million in 2018. As the increase in cost of sales was only slightly higher than the increase in sales indicates that the management has been able to maintain profitability despite the challenging market environment.

Gross profit in 2019 was HK$5,883.3 million, representing an increase of 0.1%, as compared with HK$5,875.4 million in 2018. The overall gross profit margin has decreased slightly from 36.7% to 36.2% principally due to the increase in energy and materials costs.

Other Income

Other income decreased to HK$528.7 million, as compared with HK$541.0 million in 2018. The decrease was mainly attributable to lesser realised income from financial products in 2019.

Other Gains – Net

Net other gains amounted to HK$778.2 million in 2019, as compared with net other gains of HK$537.5 million in 2018. The upturn was principally due to a one-off disposal gain of Xinyi Solar's shares in the first half of 2019.

Selling and Marketing Costs

The Group's selling and marketing costs increased by 21.7% to HK$939.7 million in 2019, principally due to an increase in overseas transportation costs and the US extra import tariff.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by 3.5% to HK$1,692.3 million in 2019, which was mainly attributable to the increase in employee expenses for the new production complexes under construction.

Finance Costs

The Group's finance costs rose 28.2% to HK$273.9 million in 2019 mainly due to an increase in bank borrowings and rise in HIBOR rate during the year. A portion of the interest expense incurred as construction-in-progress and acquisition of plant and machinery at the production complexes in Beihai and Zhangjiagang was capitalised under construction-in-progress and will be depreciated subsequently when the related production facilities and the new production lines commence commercial operation. An amount of interest expense of HK$70.6 million was capitalised under construction-in-progress in 2019, which was relatively stable when compared to the amount of HK$45.3 million in 2018.

Income Tax Expense

The Group's income tax expense decreased by 26.2% to HK$533.1 million in 2019. The effective tax rate decreased to 10.6%. The effective tax rate was lower than the standard tax rates mainly due to higher profits generated by subsidiaries that qualified for the preferential PRC high-tech enterprise CIT tax rate of 15%, one-off non-taxable disposal gain and dilution gain related to Xinyi Solar shares and the Malacca factory's qualification for Malaysia's investment tax allowance scheme.

There was a PRC dividend withholding tax of HK$13.8 million paid in 2019.

A total amount of RMB1,586.4 million dividends from the Group's PRC subsidiaries were re-invested to other PRC subsidiaries that were exempted by the PRC dividend withholding tax rules under current PRC taxation policies.

Net profit attributable to equity holders of the Company was HK$4,477.8 million in 2019, representing an increase of 5.7%, as compared with HK$4,236.8 million in 2018. Net profit margin slightly increased to 27.5% in 2019.

Current Ratio

The Group's current ratio as at 31 December 2019 was 1.22, as compared with 1.39 as at 31 December 2018.

Net Current Assets

As at 31 December 2019, the Group had net current assets of HK$1,883.6 million, as compared with HK$2,599.8 million as at 31 December 2018. The decline was in line with a decrease in the current ratio.

Financial Resources and Liquidity

In 2019, the Group's primary source of funding included cash generated from its operating activities and the new banking facilities provided by its principal banks in Hong Kong and the PRC. Net cash inflow from operating activities amounted to HK$3,779.1 million (2018: HK$4,642.8 million) as a result of a moderate increase in net profit for the year and efficient working capital management which led to a net cash surplus from operations. As at 31 December 2019, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of HK$5,142.1 million (2018: HK$4,692.3 million).

Bank Borrowings

As at 31 December 2019, the Group's bank and other borrowings amounted to HK$10,809.5 million representing an increase of 8.4% when compared with a balance of HK$9,969.4 million as at 31 December 2018.

The Group's net debt gearing ratio as at 31 December 2019 was 27.1% (31 December 2018: 28.2%). This ratio was 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 2019.

Pledge of Assets

As at 31 December 2019, a bank balance of HK$44.2 million has been pledged as collateral principally for the import duties payable to the US government.

Employees and Remuneration Policy

As at 31 December 2019, the Group had 13,117 full-time employees of whom 12,310 were based in China and 807 were based in Hong Kong and other countries and territories. The Group maintains good relationship with all of its employees. It provides employees with sufficient training in business and professional knowledge including information about the applications of the Group's products and skills in maintaining good client relationship.

Remuneration packages offered to the Group's employees are consistent with the prevailing markets terms and reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administered by the responsible government authorities in the PRC for its employees there. 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) have been duly implemented.

Treasury Policies and Exposure to Fluctuations in Foreign Exchange Rates

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

In addition, the treasury policies of the Group also include mechanisms to mitigate its foreign exchange risks. The Group mainly operates in China with most of its significant transactions denominated and settled in RMB and US Dollars ("**USD**"). Given the pegged exchange rate between the Hong Kong dollar ("**HKD**") and the USD, the Directors do not foresee that the Group is subject to significant foreign exchange risks for transactions conducted in HKD or USD. However, exchange rate fluctuations between the RMB and the HKD or the RMB and the USD could affect the Group's performance and asset value. The Group also has float glass production facilities in Malaysia. Exchange rate fluctuations between the Malaysian Ringgit ("**MYR**") and the HKD could also affect the Group's performance and asset value.

Because of the depreciation in the exchange rate converting the RMB to the HKD in second half of 2019, the Group reported non-cash translation decreases in the exchange reserve of its consolidated balance sheet — when converting RMB-denominated assets into HKD. For the year ended 31 December 2019, an exchanges reserve increase of HK$609.9 million was recorded as the foreign currency translations reserve movement. As a result, the balance of the consolidated foreign currency translations reserve account recorded a debit balance of HK$1,624.7 million as at 31 December 2019 as compared with a debit balance of HK$1,014.8 million as at 31 December 2018.

For the Group's PRC business, the revenue from sales of glass products is denominated in RMB whilst most of the bank borrowings are denominated in HKD. In implementing its treasury policies, the Group maintained a well-designed balance between the currency risk and the interest savings arising from HKD-denominated bank borrowings. As at 31 December 2019, all the bank borrowings of the Group were denominated in HKD.

The Group has not experienced any material difficulties and liquidity issues resulting from currency exchange fluctuations. During the year ended 31 December 2019, the Group has not used any financial instrument for hedging purposes.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liability (31 December 2018: Nil).

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2019 and up to the date of this announcement.

BUSINESS REVIEW

The development of the PRC glass industry has affected by industry, environmental, economic and monetary policies, the Sino-US trade tension and fluctuations of the foreign exchange rate of Renminbi

The growth of the PRC economy has slowed down with the impact of the Sino-US trade tension during the year ended 31 December 2019. The Group's operations in the automobile glass, architectural glass and the float glass segments encountered different challenges as well as opportunities. The Group managed to achieve satisfactory operating results primarily attributable to its stringent control over production costs, the depreciation of Renminbi, structurally upgraded glass products with high value-added, enhanced variety of float glass with increasing overseas contributions from the operation in Malaysia and effective marketing strategy for the architectural glass and automobile glass products.

The start-up volume of new PRC property projects has experienced moderate growth while the completion rate of construction projects has continuously improved starting from the third quarter of the year. This development was a favourable indicator of increased demand for the construction energy-saving Low-E glass. Thus, the Group has achieved a remarkable increase in the sales revenue of the architectural glass segment with its aggressive marketing strategy and products improvements.

The float glass sector has experienced a slowdown in demand during the first half of the year due to the restrictive PRC government policy on the property sector. However, the demand has significantly rebounded during the second half of the year with improvement in the completion rate of new buildings. The average selling price of float glass recorded a five-year high in the fourth quarter of the year. The strong performance in the second half of the year has mitigated the slowdown in the first half of the year.

In light of the prevailing competitive global market conditions along with the impact of additional import duties imposed by the US government, the Group has proactively implemented flexible marketing strategies for its automobile glass business, with the addition of new products for applications such as advanced driver assistance systems ("**ADAS**"), head up display ("**HUD**"), sound proofing, sun roofs and value-added parts which are suitable for new and existing car models. At the same time, the Group has been approaching new overseas customers and strengthening the existing customer base in order to explore opportunities to increase the sales volume of its new and existing product. Currently, the Group's automobile glass products are sold in more than 130 countries.

As one of the major players in the global glass industry, the Group has secured its market-leading position and enhanced its economies of scale through strategic expansion of production capacities across different product segments and the construction of new production complexes incorporating streamlined production processes at different locations both in the PRC and overseas. The Group has also implemented a series of measures enhancing control on the sources and consumption of raw materials, the re-cycling of principal raw materials, the re-engineering of production flow to boost production efficiency and using solar power and low-temperature recycling residual heat to generate electricity and hot water for internal consumption. To maintain its competitiveness, the Group has successfully developed and launched a wide range of high value-added and specialty glass products while adopting proactive pricing and flexible marketing strategies to take advantage of the supportive measures implemented in the PRC.

Improved productivity, technology and economies of scale to enhance production efficiency through research and development investments

The Group's continuous research and development investments in production engineering, information system and operational management, along with the continuous improvement in the production process, automation and well-planned equipment maintenance programmes, have enhanced its productivity and yield. These advances, in turn, have reduced overall labour, production and energy costs during the year under review.

The Group's engineering and design division has created and installed the latest world class and larger capacity float glass production lines in the PRC and overseas. The economies of scale have enabled significant savings in purchase costs, production and fixed costs and increased efficiency in fuel consumption. To further control energy costs, the Group is harnessing clean environmentally-friendly energy through implementing rooftop solar power generation systems and low-temperature recycling residual heat power co-generation systems.

In addition, using natural gas as the fuel for the production of high-quality float glass can reduce carbon emissions for a better air quality environment, improve float glass quality and enhance the energy cost structure of the Group.

Expansion of high value-added products and global coverage which enhance overall competitiveness

During the year under review, the consolidated revenue generated from the Group's automobile glass, architectural glass and high-quality float glass businesses has achieved a satisfactory result compared to its peers under the competitive market conditions. This performance demonstrates that the Group's combination of its diversified business segments, global market coverage, upgraded product structure and the expanded high value-added product mix can alleviate the operational pressure in any specific business segment or country despite a volatile and competitive market environment.

BUSINESS OUTLOOK

The Group will continue to adopt flexible production, logistics and marketing strategies and increase the extent of automation through adopting advanced technologies at its facilities to further improve operational efficiency in order to maintain its leadership and competitive position at the forefront of global glass manufacturers.

The PRC government has continued to tighten the policy on constructing new float glass production lines, acquisition of existing idle capacity and phasing out the obsolete and non-compliant float glass production lines because of higher environmental standards on emissions. The Group is embarking on prudent and flexible strategies in response to the current situation of the float glass market in the PRC and the global market.

The industry expects a lower soda ash price trend in comparison with 2019 due to the current over-supply in the PRC. The energy cost would also be lowered under the global crude oil price war starting in March 2020. Thus, the Group is cautiously optimistic that the float glass market as well as the average selling price would be comparable to 2019.

The impact of the COVID-19 outbreak in the first quarter of 2020 has abruptly slowed down the business activities in the PRC. The Group has maintained a secure level of raw materials that ensures no interruption of its operations and production. The Group expects the market demand would return to normal in late March 2020.

The Sino-US trade tension has imposed additional import duties pressure to both the US aftermarket automobile glass customers and our Company until the completion of the US trade negotiations in future.

It is generally expected that the PRC government would adopt a proactive monetary policy to add more liquidity as a stimulus to boost the economy in 2020 and spur more construction activities under the impact of the COVID-19 epidemic. This would positively affect the demand of the float glass and architectural glass businesses.

At the same time, the Directors are optimistic about the continued good performance of its automobile glass aftermarket business in the global market and the prospects of increased sales in the energy-saving and single and double insulated Low-E glass segments in the future.

After years of expanding its production facilities in the major economic zones of the PRC, the Group is ready to explore acquisitions and more expansion opportunities in the western PRC and overseas which provide a more attractive and larger market environment, lower materials, production and energy costs, and offer favourable tax treatment and other incentives.

The first float glass line in Beihai, Guangxi has started production since December 2019. The rest of the production facilities in Beihai and Zhangjiagang, Jiangsu are planned to commence full operations by mid-2020. It will strengthen the Group's market coverage in both the Eastern and Western regions of the PRC.

The Group will continue to ensure that adequate resources are allocated to product research and development, enhancing product quality and for the introduction of new products, as well as exploring new markets, boosting production efficiency and conducting staff training in order to maintain its competitiveness and, ultimately, boost its profitability.

CONCLUSION

The Group continues to tackle the challenges amidst changes in the global market environments by bolstering its efficiency and increasing its profitability through more effective management across its information technology, operations and marketing activities, as well as expansion of its business and continued collaboration with its customers and suppliers. The Directors believe that these approaches enable the Group to maximise the benefits from the domestic, emerging market and overseas business opportunities alike and are also cautiously optimistic about its long-term business development prospects.

The Group is continuing to adopt proven business strategies to sustain and strengthen growth with new business concepts. To maintain its industry-leading position, the Group is at the same time exploring expanding its presence in the global glass market across a wider spectrum of industries, applications and products as well as other opportunities mutually beneficial for business partnerships.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance Code (the "**Code**") set forth in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") for the year ended 31 December 2019.

AUDIT COMMITTEE OF THE BOARD

The Company has established an audit committee (the "**Audit Committee**'), comprising five independent non-executive Directors namely, Mr. LAM Kwong Siu, S.B.S, Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., J.P, Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David. Mr. LAM Kwong Siu, S.B.S. is the Chairman of the Audit Committee. The primary duties of the audit committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group and provide comment and advice to the Board. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended and as of 31 December 2019.

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 confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

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

During the year ended 31 December 2019, the Company repurchased a total of 3,000,000 shares on the Stock Exchange. The repurchased shares were cancelled in 2019. Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares and the premium paid on these shares upon the repurchase were charged against share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve. The table below sets forth further information of such repurchase:

Month of repurchase	Number of shares of HK$0.10 each repurchased	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate consideration paid HK$'000
July 2019	3,000,000	8.47	8.40	25,303

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

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 of 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 will be published on the websites of the Stock Exchange and the Company. The annual report of the Company for the year ended 31 December 2019 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 Company and the Stock Exchange in due courses.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this announcement.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At the meeting of the board of Directors held on Monday, 16 March 2020, the Directors recommended the payment of a final cash dividend (the "**Final Dividend**") of 30.0 HK cents per share for the year ended 31 December 2019. The recommendation of payment of the Final Dividend are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company which to be held on or before Friday, 15 May 2020. If approved by the shareholders, it is expected that the Final Dividend will be paid on or about Tuesday, 7 July 2020 to shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2020.

The register of members of the Company will be closed from Monday, 8 June 2020 to Wednesday, 10 June 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 5 June 2020.

ANNUAL GENERAL MEETING

The annual general meeting (the "**Annual General Meeting**") of the Company will be held on or before Friday, 15 May 2020. The register of members of the Company will be closed from Tuesday, 12 May 2020 to Friday, 15 May 2020 (both days inclusive), during which period no transfer of shares will be effected in order to determine the entitlement to attend and vote at the Annual General Meeting. All share transfers accompanies by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 May 2020 for such purpose. 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, 14 April 2020.

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

Hong Kong, 16 March 2020

As of the date of this announcement, the executive Directors are Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai P.S.M., D.M.S.M. and Mr. LEE Shing Kan; 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, Dr. WONG Ying Wai, G.B.S., JP, Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.