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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 2020

HIGHLIGHTS

- The total revenue of the Group in 2020 amounted to HK\$18,615.9 million, representing an increase of 14.5% as compared with the total revenue in 2019.
- The net profit attributable to equity holders of the Company for 2020 reached HK\$6,422.2 million, representing an increase of 43.4% as compared with the net profit attributable to equity holders of the Company for 2019.
- Basic earnings per share for 2020 were 159.5 HK cents.
- The Directors propose a final cash dividend of 62.0 HK cents per share for 2020.

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The board of 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 2020 as follows:

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Note</i>	2020	2019
Revenue	4	18,615,879	16,258,489
Cost of sales		(10,844,444)	<u>(10,375,212)</u>
Gross profit		7,771,435	5,883,277
Other income		463,961	528,684
Other gains - net	5	888,996	778,182
Selling and marketing costs		(958,661)	(939,680)
Administrative and other operating expenses		(1,804,735)	<u>(1,692,329)</u>
Operating profit		6,360,996	4,558,134
Finance income		37,773	91,989
Finance costs		(192,768)	(273,920)
Share of profits of associates		1,124,341	<u>639,608</u>
Profit before income tax		7,330,342	5,015,811
Income tax expense	6	(899,083)	<u>(533,132)</u>
Profit for the year		6,431,259	<u>4,482,679</u>
Profit attributable to:			
– equity holders of the Company		6,422,213	4,477,792
– non-controlling interests		9,046	<u>4,887</u>
Profit for the year		6,431,259	<u>4,482,679</u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in Hong Kong cents per share)			
– Basic	7	159.5	111.8
– Diluted	7	158.8	<u>111.4</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
Profit for the year	6,431,259	4,482,679
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 (loss)/income	(22,746)	13,239
Deregistration of a subsidiary	—	(546)
Disposal of interest in an associate	—	12,421
Dilution of interest in an associate	14,050	6,100
Items that may be reclassified subsequently to the consolidated income statement:		
Currency translation differences	1,945,649	(533,528)
Share of other comprehensive income/(loss) of investments accounted for using the equity method	408,834	(95,041)
Total comprehensive income for the year	<u>8,777,046</u>	<u>3,885,324</u>
Total comprehensive income attributable to:		
Equity holders of the Company	8,765,710	3,880,512
Non-controlling interests	11,336	4,812
Total comprehensive income for the year	<u>8,777,046</u>	<u>3,885,324</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	<i>Note</i>	2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment		17,141,977	14,202,835
Right-of-use assets		3,813,922	3,593,739
Investment properties		1,734,122	1,671,971
Prepayments for property, plant and equipment and right-of-use assets	9	654,196	769,043
Intangible assets		484,375	65,334
Financial assets at fair value through other comprehensive income		29,006	51,752
Investments in associates		8,230,998	5,554,275
Loans to an associate		—	1,004
Deferred income tax assets		41,790	39,023
		32,130,386	25,948,976
Current assets			
Inventories		2,496,254	2,044,629
Loans to an associate		657	32,681
Trade and other receivables	9	4,916,167	3,085,866
Financial assets at fair value through profit and loss		223,553	—
Pledged bank deposits		59,518	44,222
Cash and cash equivalents		5,244,554	5,097,924
		12,940,703	10,305,322
Total assets		45,071,089	36,254,298
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		403,950	401,922
Share premium		535,560	388,161
Other reserves		3,661,450	867,623
Retained earnings		23,280,614	19,188,635
		27,881,574	20,846,341
Non-controlling interests		91,775	81,085
Total equity		27,973,349	20,927,426

	<i>Note</i>	2020	2019
LIABILITIES			
Non-current liabilities			
Bank and other borrowings		7,794,815	6,350,418
Deferred income tax liabilities		409,954	419,404
Lease liabilities		52,417	3,364
Other payables	10	146,211	131,996
		<u>8,403,397</u>	<u>6,905,182</u>
Current liabilities			
Trade, other payables and contract liabilities	10	3,917,129	3,349,206
Current income tax liabilities		967,180	609,661
Lease liabilities		30,841	3,730
Bank and other borrowings		3,779,193	4,459,093
		<u>8,694,343</u>	<u>8,421,690</u>
Total liabilities		<u>17,097,740</u>	<u>15,326,872</u>
Total equity and liabilities		<u>45,071,089</u>	<u>36,254,298</u>

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 2020.

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.

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 1 March 2021.

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 2020. 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:

Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendments)	Definition of a Business
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Hedge Accounting

- (b) New standards and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions	1 June 2020
HKFRS 17	Insurance Contract	1 January 2023
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments	1 January 2022
Annual Improvements Project	Annual Improvements 2018 – 2020 Cycle	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sales or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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.

Due to the change in market trend and operational perspective, the Group has reclassified the semi-finished large sheet low emission coating glass (“**Low-E glass**”) business from architectural glass segment to float glass segment during the year of 2020. Low-E glass, the energy saving glass with a metallic coating on float glass, is considered to have more similar economic characteristics to float glass segment, including the type and class of customers, key performance indicators of the operating results and chief decision maker. The Group has adopted the new segment reporting format effective from the year ended 31 December 2020. The comparative segment information has been restated to reflect changes of reclassification of the Low-E glass business.

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 2020 is as follows:

	Automobile		Architectural	Unallocated	Total
	Float glass	glass	glass		
Segment revenue	14,169,688	4,608,976	2,212,161	—	20,990,825
Inter-segment revenue	(2,374,946)	—	—	—	(2,374,946)
Revenue from external customers	11,794,742	4,608,976	2,212,161	—	18,615,879
Cost of sales	(7,170,288)	(2,432,070)	(1,242,086)	—	(10,844,444)
Gross profit	<u>4,624,454</u>	<u>2,176,906</u>	<u>970,075</u>	<u>—</u>	<u>7,771,435</u>
Depreciation charge					
– property, plant and equipment	820,080	144,532	102,105	2,322	1,069,039
– right-of-use assets	37,590	6,167	1,236	53,774	98,767
Amortisation charge					
– intangible assets	—	1,791	—	—	1,791
Increase in provision					
for loss allowance, net	—	3,130	12,750	—	15,880
Share of profits of associates	—	—	—	1,124,341	1,124,341

Note: The Group's revenue from all segments during the year ended 31 December 2020 have been recognised at point in time.

	Assets and liabilities				Total
	Float glass	Automobile glass	Architectural glass	Unallocated	
Total assets	<u>20,203,797</u>	<u>7,134,112</u>	<u>2,079,505</u>	<u>15,653,675</u>	<u>45,071,089</u>
Total assets included:					
Investments in associates	—	—	—	8,230,998	8,230,998
Loans to an associate	—	—	—	657	657
Investment properties	—	—	—	1,734,122	1,734,122
Additions to non-current assets (other than financial assets at FVOCI)	<u>3,337,087</u>	<u>137,519</u>	<u>109,050</u>	<u>235,709</u>	<u>3,819,365</u>
Total liabilities	<u>2,138,481</u>	<u>1,150,421</u>	<u>1,013,840</u>	<u>12,794,998</u>	<u>17,097,740</u>

The restated 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 <i>(restated)</i>	Automobile glass	Architectural glass <i>(restated)</i>	Unallocated	Total
Segment revenue	11,596,590	4,502,599	2,110,427	—	18,209,616
Inter-segment revenue	(1,951,127)	—	—	—	(1,951,127)
Revenue from external customers	9,645,463	4,502,599	2,110,427	—	16,258,489
Cost of sales	(6,798,905)	(2,413,214)	(1,163,093)	—	(10,375,212)
Gross profit	<u>2,846,558</u>	<u>2,089,385</u>	<u>947,334</u>	<u>—</u>	<u>5,883,277</u>
Depreciation charge					
– property, plant and equipment	774,369	124,708	82,871	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	<u>—</u>	<u>—</u>	<u>—</u>	<u>639,608</u>	<u>639,608</u>

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

	Assets and liabilities				Total
	Float glass (restated)	Automobile	Architectural	Unallocated	
		glass	glass		
Total assets	15,357,331	6,911,576	1,783,944	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)	2,619,094	208,775	71,878	200,007	3,099,754
Total liabilities	1,817,197	1,319,422	487,641	11,702,612	15,326,872

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

	2020	2019
Segment gross profit	7,771,435	5,883,277
Unallocated:		
Other income	463,961	528,684
Other gains - net	888,996	778,182
Selling and marketing costs	(958,661)	(939,680)
Administrative and other operating expenses	(1,804,735)	(1,692,329)
Finance income	37,773	91,989
Finance costs	(192,768)	(273,920)
Share of profits of associates	1,124,341	639,608
Profit before income tax	7,330,342	5,015,811

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

	Assets		Liabilities	
	2020	2019	2020	2019
Segment assets/(liabilities)	29,417,414	24,052,851	(4,302,742)	(3,624,260)
Unallocated:				
Property, plant and equipment	1,478,451	1,403,437	—	—
Right-of-use assets	2,190,874	2,107,433	—	—
Investment properties	1,734,122	1,671,971	—	—
Prepayments for property, plant and equipment and right-of-use assets	1,633	1,791	—	—
Financial assets at FVOCI	29,006	51,752	—	—
Financial assets at FVTPL	223,553	—	—	—
Investments in associates	8,230,998	5,554,275	—	—
Balances with associates	657	33,685	—	—
Prepayments, deposits and other receivables	775,093	674,396	—	—
Cash and bank balances	989,288	702,707	—	—
Other payables	—	—	(626,354)	(351,442)
Current income tax liabilities	—	—	(185,118)	(122,996)
Deferred income tax liabilities	—	—	(409,518)	(418,663)
Bank and other borrowings	—	—	(11,574,008)	(10,809,511)
Total assets/(liabilities)	<u>45,071,089</u>	<u>36,254,298</u>	<u>(17,097,740)</u>	<u>(15,326,872)</u>

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:

	2020	2019 <i>(restated)</i>
Sales of float glass	11,794,742	9,645,463
Sales of automobile glass	4,608,976	4,502,599
Sales of architectural glass	2,212,161	2,110,427
	<hr/>	<hr/>
Total	<u>18,615,879</u>	<u>16,258,489</u>

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:

	2020	2019
Greater China	13,636,338	11,190,197
North America	1,963,977	1,949,120
Europe	591,024	664,105
Other countries	2,424,540	2,455,067
	<hr/>	<hr/>
	<u>18,615,879</u>	<u>16,258,489</u>

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:

	2020	2019
Greater China	30,025,323	23,819,648
North America	7,450	15,071
Malaysia	2,068,201	2,061,732
Other countries	406	773
	<hr/>	<hr/>
	<u>32,101,380</u>	<u>25,897,224</u>

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2020 (2019: None).

5 OTHER GAINS, NET

Included in other gains, net, there was a loss on disposal of investment properties of HK\$22.8 million during the year ended 31 December 2020 (2019: Nil).

6 INCOME TAX EXPENSE

	2020	2019
Current income tax		
– Hong Kong profits tax (<i>Note (a)</i>)	30,235	26,261
– PRC corporate income tax (<i>Note (b)</i>)	721,441	530,978
– Overseas income tax (<i>Note (c)</i>)	29,582	475
– Under/(Over) provision in prior years	15,668	(6,401)
– Withholding tax on remitted earnings	109,073	13,791
Deferred income tax		
– Increase in deferred income tax assets	(2,227)	(38,916)
– (Decrease)/increase in deferred income tax liabilities	(4,689)	6,944
	<u>899,083</u>	<u>533,132</u>

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 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% (2019: 25%). Thirteen (2019: 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% (2019: 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) Withholding tax on remitted earnings from the PRC subsidiaries is 5% (2019: 5%).

7 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 2020 and 2019.

	2020	2019
Profit attributable to equity holders of the Company	<u>6,422,213</u>	<u>4,477,792</u>
Weighted average number of ordinary shares in issue (thousands)	<u>4,026,601</u>	<u>4,006,411</u>
Basic earnings per share (HK cents per share)	<u><u>159.5</u></u>	<u><u>111.8</u></u>

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.

	2020	2019
Earnings		
Profit attributable to equity holders of the Company	6,422,213	4,477,792
Share of profit of an associate as a result of diluted earnings at associate level	<u>(1,525)</u>	<u>(205)</u>
Profit used to determine diluted earnings per share	<u>6,420,688</u>	<u>4,477,587</u>
Weighted average number of ordinary shares in issue (thousands)		
Adjustments for:		
Share options (thousands)	<u>15,605</u>	<u>11,949</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>4,042,206</u>	<u>4,018,360</u>
Diluted earnings per share (HK cents per share)	<u><u>158.8</u></u>	<u><u>111.4</u></u>

8 DIVIDENDS

	2020	2019
Interim dividend paid of HK\$0.17 (2019: HK\$0.25) per share (Note a)	685,921	1,001,847
Proposed final dividend of HK\$0.62 (2019: final dividend of HK\$0.30) per share (Note b)	<u>2,504,830</u>	<u>1,206,344</u>
	<u><u>3,190,751</u></u>	<u><u>2,208,191</u></u>

Notes:

- (a) An interim dividend of HK\$0.17 per share (2019: HK\$0.25 per share) was paid to shareholders whose names appeared on the Register of Members of the Company on 17 August 2020 (2019: 26 August 2019).
- (b) A final dividend in respect of the financial year ended 31 December 2020 of HK\$0.62 per share (2019: HK\$0.30 per share), amounting to a total dividend of HK\$2,504,830,000 (2019: HK\$1,206,344,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2020 proposed final dividend is based on 4,040,048,647 shares in issue as at 26 February 2021 (2019: 4,021,145,647 shares in issue as at 4 June 2020). These consolidated financial statements do not reflect this dividend payable.

9 TRADE AND OTHER RECEIVABLES

	2020	2019
Trade receivables (<i>Note (a)</i>)	1,448,055	1,451,494
Less: provision for loss allowance (<i>Note (b)</i>)	<u>(37,444)</u>	<u>(41,481)</u>
	1,410,611	1,410,013
Bills receivables (<i>Note (d)</i>)	<u>1,821,724</u>	<u>303,812</u>
Trade and bills receivables — net	3,232,335	1,713,825
Prepayments, deposits and other receivables	<u>2,338,028</u>	<u>2,141,084</u>
	5,570,363	3,854,909
Less: non-current portion		
Prepayments for property, plant and equipment and right-of-use assets	<u>(654,196)</u>	<u>(769,043)</u>
Current portion	<u><u>4,916,167</u></u>	<u><u>3,085,866</u></u>

Notes:

- (a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2020 and 2019, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

	2020	2019
0 - 90 days	1,127,390	1,003,803
91 - 180 days	157,229	166,458
181 - 365 days	69,325	185,198
1 - 2 years	71,836	77,939
Over 2 years	<u>22,275</u>	<u>18,096</u>
	<u><u>1,448,055</u></u>	<u><u>1,451,494</u></u>

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

	2020	2019
RMB	842,062	863,585
USD	531,110	522,900
HKD	3,916	782
Other currencies	70,967	64,227
	<u>1,448,055</u>	<u>1,451,494</u>

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

	2020	2019
At 1 January	41,481	36,953
Currency translation differences	2,123	141
Increase in provision for loss allowance of trade receivables, net	15,880	4,974
Receivables written off during the year	(22,040)	(587)
At 31 December	<u>37,444</u>	<u>41,481</u>

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 21.6% (2019: 28.6%) and 7.3% (2019: 13.1%) of the trade receivables balance as at 31 December 2020, 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 12 months (2019: 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.

10 TRADE, OTHER PAYABLES AND CONTRACT LIABILITIES

	2020	2019
Trade payables (<i>Note (a)</i>)	1,396,216	1,045,222
Bills payable	<u>74,379</u>	<u>498,670</u>
	1,470,595	1,543,892
Other payables	2,093,400	1,589,263
Contract liabilities	499,345	348,047
Less: non-current portion		
Other payables	<u>(146,211)</u>	<u>(131,996)</u>
Current portion	<u><u>3,917,129</u></u>	<u><u>3,349,206</u></u>

Note:

- (a) At 31 December 2020 and 2019, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	2020	2019
0 - 90 days	1,274,881	848,049
91-180 days	38,905	40,328
181-365 days	32,254	100,255
1-2 years	18,608	36,379
Over 2 years	31,568	20,211
	<hr/> 1,396,216 <hr/>	<hr/> 1,045,222 <hr/>

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 which are strategically located in the PRC and the Malaysia. In the PRC, the Group's facilities are established in Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, Tianjin, Yingkou in Liaoning Province, Deyang in Sichuan Province, Zhangjiagang in Jiangsu Province and Beihai in Guangxi Zhuang Autonomous Region. In Malaysia, the Group operates a production facility in Malacca. In addition to glass product, the Group also produces rubber and plastic components for automobiles.

The Group's customers are in over 140 countries and territories, including the PRC, Hong Kong, the United States, Canada, Australia, New Zealand and other countries in Asia, the Middle East, Europe, Africa and the Americas. The Group's customers include companies engaged in the businesses of automobile glass manufacturing, wholesale and distribution, automobile repair, motor vehicle manufacturing, curtain wall engineering and installation, architectural and furniture glass manufacturing, electronic and household appliance manufacturing and float glass wholesale and distribution.

Business Review

The Group continues to maintain its leading position in the global glass industry in 2020 by tapping the strong demand for high-quality float glass in the PRC market from the mid of 2020 and automobile glass in the global markets. In 2020, the revenue and the net profit attributable to equity holders of the Company amounted to HK\$18,615.9 million and HK\$6,422.2 million, respectively, representing an increase of 14.5% and 43.4%, as compared with HK\$16,258.5 million and HK\$4,477.8 million, respectively, in 2019. The compound annual growth rate of the Group's sales during the five-year period including 2020 was 9.7%.

Due to the outbreak of the COVID-19 pandemic in 2020, the appreciation of the RMB in the second half of the year and the trend for deleveraging in the global markets, the Group's three glass product businesses, namely float glass, automobile glass and architectural glass, has achieved different growth rates in the year of 2020 from the increases in the sales volume and the selling prices.

Operational Review

Sales

Sales increased by 14.5% in 2020, principally due to the sales volume growth of float glass, architectural glass and automobile glass products in the PRC and in the global market.

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

	Year Ended 31 December			
	2020		2019	
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>	<i>%</i>
By Products				
Float glass products	11,794.7	63.4	9,645.5	59.3
Automobile glass products (<i>Note (a)</i>)	4,609.0	24.8	4,502.6	27.7
Architectural glass products	2,212.2	11.8	2,110.4	13.0
	<u>18,615.9</u>	<u>100.0</u>	<u>16,258.5</u>	<u>100.0</u>

Note:

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

Year Ended 31 December

	2020		2019	
	<i>HK\$'million</i>	%	<i>HK\$'million</i>	%
By Geographical Regions				
Greater China (<i>Note (a)</i>)	13,636.3	73.3	11,190.2	68.8
North America	1,964.0	10.5	1,949.1	12.0
Europe	591.0	3.2	664.1	4.1
Others (<i>Note (b)</i>)	2,424.6	13.0	2,455.1	15.1
	<u>18,615.9</u>	<u>100.0</u>	<u>16,258.5</u>	<u>100.0</u>

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 declined mainly due to the drop in average costs of soda ash and energy in the PRC in 2020. Also, improved production efficiency, successful cost control measures and use of cost-effective renewable energy have led to a slight increase in the cost of sales in 2020 by 4.5% to HK\$10,844.4 million, compared with HK\$10,375.2 million in 2019. Since the rate of increase in the cost of sales was lower than the rate of increase in sales, this indicates that the management has been able to improve profitability despite the challenging global market environment.

Gross profit in 2020 was HK\$7,771.4 million, representing an increase of 32.1%, compared with HK\$5,883.3 million in 2019. The overall gross profit margin has increased from 36.2% to 41.7% principally due to the increase in the average sales price of float glass products.

Other Income

Other income decreased to HK\$464.0 million, compared with HK\$528.7 million in 2019. The decrease was mainly due to lesser PRC government grants received in 2020.

Other Gains – Net

Net other gains increased by 14.2% and amounted to HK\$889.0 million in 2020, compared with net other gains of HK\$778.2 million in 2019. The upturn was principally due to two one-off dilution gains from Xinyi Solar's share placements in the second half of 2020.

Selling and Marketing Costs

The Group's selling and marketing costs increased by 2.0% to HK\$958.7 million in 2020, principally due to the increase in overseas transportation costs and the additional import tariff imposed by the US.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by 6.6% to HK\$1,804.7 million in 2020, and this was mainly due to the increase in employee expenses for the new production complexes under construction, as well as increase in research and development expenses.

Finance Costs

The Group's finance costs significantly decreased by 29.6% to HK\$192.8 million in 2020 mainly due to the drop in the 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 interest expense amounting to HK\$63.9 million was capitalised under construction-in-progress in 2020, which was relatively stable compared to the amount of HK\$70.6 million in 2019.

Earnings Before Interest, Taxation, Depreciation and Amortisation (“EBITDA”)

EBITDA increased by 38.0% to HK\$8,654.9 million for the year ended 31 December 2020, compared with HK\$6,272.0 million in 2019.

Income Tax Expense

The Group's income tax expense significantly increased by 68.6% to HK\$899.1 million in 2020 due to higher profits generated and more PRC dividend withholding tax paid during the year. The effective tax rate increased to 12.3%. The effective tax rate was lower than the standard tax rates mainly due to more profits generated by our subsidiaries that are qualified for the preferential PRC high-tech enterprise CIT tax rate of 15% and the one-off non-taxable dilution gains related to Xinyi Solar shares placements.

The PRC dividend withholding tax of HK\$109.1 million was paid in 2020.

A total amount of RMB413.0 million dividends from the Group's PRC subsidiaries were re-invested in other PRC subsidiaries that no withholding tax has been recognised in according to the PRC dividend withholding tax rules under current PRC taxation policies in 2020.

Net profit attributable to equity holders of the Company was HK\$6,422.2 million in 2020, representing an increase of 43.4%, compared with HK\$4,477.8 million in 2019. Net profit margin slightly increased to 34.5% in 2020.

Current Ratio

The Group's current ratio as of 31 December 2020 was 1.49, compared with 1.22 as of 31 December 2019.

Net Current Assets

As of 31 December 2020, the Group had net current assets of HK\$4,246.4 million, compared with HK\$1,883.6 million as of 31 December 2019. The increase was in line with the increases in the current ratio and net profit.

Capital Expenditure and Commitments

For the year ended 31 December 2020, the Group incurred an aggregate capital expenditure of HK\$3,772.9 million (2019: HK\$3,099.8 million) for the purchase of plant and machinery and the construction of factory premises at its production complexes in China and Malaysia. Capital commitments contracted for but not incurred by the Group as of 31 December 2020 amounted to HK\$862.4 million (2019: HK\$1,413.8 million), which were mainly related to the new capacities of architectural glass, automobile glass and float glass to be added in China and Malaysia.

Capital Structure

Save as disclosed in this announcement, there has been no material change in the capital structure of the Company during the year. The capital of the Group companies are only the ordinary shares.

Financial Resources and Liquidity

In 2020, 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\$4,504.3 million (2019: HK\$3,779.1 million) as a result of a substantial increase in net profit for the year and efficient working capital management which led to a net cash surplus from operations. As of 31 December 2020, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of HK\$5,304.1 million (2019: HK\$5,142.1 million).

Bank Borrowings

As of 31 December 2020, the Group's bank and other borrowings amounted to HK\$11,574.0 million representing an increase of 7.1% compared with a balance of HK\$10,809.5 million as of 31 December 2019 because of the increase in capital expenditure during the year.

The Group's net debt gearing ratio as of 31 December 2020 was 22.4% (31 December 2019: 27.1%). 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 of 31 December 2020.

Pledge of Assets

As of 31 December 2020, a bank balance of HK\$59.5 million has been pledged as collateral principally for import duties payable to the US government.

Employees and Remuneration Policy

As of 31 December 2020, the Group had 14,334 full-time employees of whom 13,526 were based in China and 808 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 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 individual staff.

Pursuant to applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administered by responsible government authorities in the PRC for its employees there. As regards the Group's employees in Hong Kong, all 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 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 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 in US Dollars (“USD”). Given the pegged exchange rate between the Hong Kong dollar (“HKD”) and the USD, the Directors do not foresee the Group being subjected 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 appreciation in the exchange rate converting the RMB to the HKD in the second half of 2020, the Group reported non-cash translation increases in the exchange reserve of its consolidated balance sheet — when converting RMB-denominated assets into HKD. For the year ended 31 December 2020, an exchanges reserve increase of HK\$2,366.2 million was recorded as foreign currency translations reserve movement. As a result, the balance of the consolidated foreign currency translations reserve account recorded a credit balance of HK\$741.6 million as of 31 December 2020 compared with a debit balance of HK\$1,624.7 million as of 31 December 2019.

Relating to the Group's PRC business, revenue from the sales of glass products is denominated in RMB whilst most 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 of 31 December 2020, all 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 2020, the Group has not used any financial instrument for hedging purposes.

CONTINGENT LIABILITIES

As of 31 December 2020, the Group did not have any significant contingent liability (31 December 2019: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in this announcement, there was no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2020.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2020 and up to the date of this announcement.

BUSINESS REVIEW

China's glass industry is poised for a strong rebound in the post COVID-19 period, underpinned by supply-side reform, environmental, economic and monetary policies, the Sino-US trade dispute and fluctuation of the Renminbi

Since the middle of 2020, China's economy has shown a rebound following the COVID-19 pandemic. The Group's operations in the automobile glass, architectural glass and the float glass segments encountered challenges of different degrees and more importantly, emerging opportunities. In spite of the challenges, the Group managed to achieve remarkable operating results because of its stringent control over production costs, provision of more value-added and structure upgraded glass products, refinement in the product mix of float glass, addition of new float glass production capacities in Beihai and Zhangjiagang, rationalisations of the production logistics and adoption of effective marketing strategy for the architectural glass and automobile glass divisions. The appreciation of Renminbi also creates a favourable environment for the business growth of the Group.

The New property projects and the increasing sales volume of glass products posted a stable growth during the year, while completion of construction projects slowed down slightly during the year due to the adverse impact of the COVID-19' pandemic. Most building projects have already resumed operations after lockdown-induced those halted in the first quarter of the year. This positive development boosted the demand for construction energy-saving Low-E glass since the second quarter of the year. As a result, the Group has maintained a reasonable growth in sales of the architectural glass segment which is supported by aggressive marketing strategy and a wide range of value-added and advanced structured glass products.

China's float glass sector has experienced a strong demand which is reflected in the significant rebound of the average selling prices following the COVID-19 pandemic. The strong market rebound from May has compensated the slowdown in the first quarter of the year. The Group started supplying ultra-clear float glass for use as back glass in solar panels in response to the strong market demand since the fourth quarter of 2020.

To achieve a moderate sales growth amid the adverse impacts of the COVID-19 pandemic and the additional import tariff imposed by the US government, the Group has launched proactive and flexible marketing and production strategies for its automobile glass business. The Group's sales team keeps on constant communications with the overseas customers via video and audio conferencing around-the-clock for new business opportunities in the areas of new product development for applications on advanced driver assistance systems (“ADAS”), head-up display (“HUD”), sound proofing, low-e coating, sunroof and value-added parts which are suitable for new and existing car models.

The Group also liaises with new domestic and overseas customers for the purpose of strengthening the business relationship with the existing customers and exploring new business opportunities with new customers, so as to increase the sales volumes. The Group's automobile glass products are currently being sold to customers in more than 130 countries and territories.

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 its production capacities across different product segments that incorporate streamlined and the state of the art production process at different locations both in China and overseas. The Group has also acquired additional float glass production facilities in China for the purpose of increasing the production capacity under the national supply-side reform policy during the year.

The Group has also implemented a series of measures, aimed at enhancing the cost controls on the supply and consumption of raw materials, recycling of principal raw materials, re-engineering of the production process to boost the production efficiency and employing the distributed solar power system and the low-temperature recycling residual heat system to generate electricity for internal consumption.

The appreciation of Renminbi has improved the Group's revenue growth when Renminbi sales were converted to our reporting currency of the HK dollar during the second half of the year.

Improved productivity, technology and economies of scale to enhance production efficiency and new product development by additional investments in research and development (“R&D”)

The Group’s continuous investments in research and development in production engineering, information technology, big data analyses and operational management, along with the continuous improvements in the production process, automation and well-planned equipment maintenance programs, have enhanced its productivity and the yield rate, thus reducing the overall labour, production and energy costs during the year.

The Group’s engineering and design division has designed the latest world-class and larger capacity float glass production lines in China and overseas. The economies of scale have enabled the generation of significant cost savings in the procurement and production process and they also facilitated the increased efficiency in use of fuel and principal raw materials. To further control the energy costs, the Group increasingly uses the clean environment-friendly energy by employing the rooftop distributed solar power generation system and the low-temperature recycling residual heat system to support the electricity consumption.

In addition, the use of natural gas as 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 Group’s energy cost structure.

The R&D team of the Group continuous to develop new glass products to capture new market opportunities.

Expansion of the high value-added product mix and the global coverage which enhances the overall competitiveness

During the year, the consolidated revenue generated from the Group's automobile glass, architectural glass and high-quality float glass businesses has performed remarkably as compared with the peers in spite of the COVID-19 pandemic. This remarkable performance has shown that the Group's combination of its diversified business segments, global market coverage, upgraded product structure and its expanded high value-added product mix are all important to alleviate the operational pressures and the risks in any specific business segment or country despite an uncertain and competitive market environment.

BUSINESS OUTLOOK

The Group will continue to adopt and enhance flexible strategies in the production, logistics and marketing strategies amid the increasing extent of automation and upgrading by adopting the advanced technologies at its production facilities to maintain its leadership and competitive position at the forefront of the global glass manufacturing industry.

The PRC government has continued its tightened supply-side reform policy on the establishment of new float glass production lines, acquisition of existing idle capacity and phase-out the obsolete and the non-compliant float glass production lines because of stricter environmental standards on air emissions. The Group is embarking on prudent and flexible strategies in response to the current situation in the float glass market in China and in global markets.

The Group expects that the prices for the low soda ash will continue to be maintained, as compared to 2020 levels, due to the sufficient supply in China. Energy costs may also be higher than 2020 levels as China's economy has substantially recovered from COVID-19's adverse impacts. Thus, the Group is cautiously optimistic on prospects for the float glass market, as well as on the average selling price trend in 2021.

As the supply of COVID-19 vaccines and rate of vaccinations gather pace across the world in the first quarter of 2021, the Group expects gradual recovery of the global economy which will also be accompanied by improved global demand for glass products.

The Group has been operating its first silica sand mine and processing factory in Beihai, Guangxi Zhuang Autonomous Region since the end of 2020. It represents that the Group will be able to achieve a higher integration of glass production flow and better control of major raw material costs and quality. The Group will continue exploring more opportunities on new sources of raw materials in the future.

The Sino-US trade dispute has had an adverse impact on the additional import tariff pressures on both the US aftermarket automobile glass customers and our Company, and this impact may persist until the completion of the Sino-US trade negotiations.

It is expected that the China's government would launch additional proactive economic and monetary policies to stimulate the internal economic consumption cycle in 2021 and encourage more construction activities after the COVID-19 pandemic. This will represent a significant increase in the demand for the float glass and architectural glass businesses.

The Directors are also optimistic on the prospects for the sustained healthy performance of its automobile glass aftermarket business in the global markets, as well as on the upbeat 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 major economic zones in China and Southeast Asia, the Group is exploring acquisitions and new expansion opportunities in China and overseas which can provide attractive and larger markets, lower raw material costs, better production and energy cost and more favourable tax treatments and other incentives.

The first phase of the production facilities in Beihai, Guangxi Zhuang Autonomous Region and Zhangjiagang, Jiangsu Province has commenced full operations in the second half of 2020. It will strengthen the Group's market coverage in Eastern and Western China. The second phase in both the Beihai production complex and the Yingkou production complex are due to be built in 2021.

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

Conclusion

The Group continues to tackle and overcome challenges of different degrees amidst changes in the global markets and the adverse impact of the COVID-19 pandemic by bolstering its efficiency and increasing its profitability through more effective management across its information technology, logistics, operational and marketing activities, as well as the 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 both the domestic emerging market and overseas business opportunities, and they are also cautiously optimistic on the Group's long-term business development prospects.

The Group will also continue to adopt the proven business strategies to sustain and strengthen the growth with new business concepts. To maintain its industry-leading position, the Group is also exploring the increase in the business presence in the global glass markets across a wider spectrum of industries, applications and products as well as in other opportunities that can be 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 2020.

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, G.B.S, Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., J.P, Rev. Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David. Mr. LAM Kwong Siu, G.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 2020.

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 2020.

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

During the year ended 31 December 2020, the Company repurchased a total of 6,212,000 shares on the Stock Exchange. The repurchased shares were cancelled in January 2020. 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
January 2020	6,212,000	10.60	10.40	65,300

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 2020 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 2020 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

At the meeting of the Board held on Monday, 1 March 2021, the Directors recommended the payment of a final cash dividend (the “**Final Dividend**”) of 62.0 HK cents per share for the year ended 31 December 2020. The recommendation of payment of the Final Dividend is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company which is expected to be held on Friday, 28 May 2021. If approved by the shareholders, it is expected that the Final Dividend will be payable on or about Tuesday, 6 July 2021 to shareholders whose names appear on the register of members of the Company on Monday, 7 June 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 3 June 2021 to Monday, 7 June 2021, 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 Wednesday, 2 June 2021.

ANNUAL GENERAL MEETING

The annual general meeting (the “**Annual General Meeting**”) of the Company will be held on or before Friday, 28 May 2021. The register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021 (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 accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong,

Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 May 2021 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 before Friday, 30 April 2021.

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

Hong Kong, 1 March 2021

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. JP 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, G.B.S, Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., JP, Rev. Dr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.