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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 FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **HIGHLIGHTS**

- The total sales of the Group in 2015 amounted to HK\$11,460.3 million, representing an increase of 5.5% as compared with the sales in 2014.
- The net profit attributable to equity holders of the Company for 2015 reached HK\$2,113.1 million, representing an increase of 55.0% as compared with the net profit in 2014.
- Basic earnings per share for 2015 were 53.88 HK cents.
- The Directors propose a final cash dividend of 17.0 HK cents per share for 2015.

## FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The board of directors (the “**Directors**”) of Xinyi Glass Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2015, as follows:-

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

### CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Note</i>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>	4	<b>11,460,263</b>	10,861,082
Cost of sales	5	<u>(8,327,570)</u>	<u>(8,127,635)</u>
<b>Gross profit</b>		<b>3,132,693</b>	2,733,447
Other income	6	<b>215,167</b>	178,486
Other gains – net	7	<b>379,284</b>	219,938
Selling and marketing costs	5	<b>(679,528)</b>	(607,901)
Administrative and other operating expenses	5	<u>(935,012)</u>	<u>(1,030,087)</u>
<b>Operating profit</b>		<b>2,112,604</b>	1,493,883
Finance income	8	<b>39,980</b>	52,831
Finance costs	8	<b>(90,210)</b>	(90,898)
Share of profits of associates	14	<u>317,251</u>	<u>137,560</u>
<b>Profit before income tax</b>		<b>2,379,625</b>	1,593,376
Income tax expense	9	<u>(266,026)</u>	<u>(228,453)</u>
<b>Profit for the year</b>		<u><b>2,113,599</b></u>	<u>1,364,923</u>
<b>Profit attributable to:</b>			
– equity holders of the Company		<b>2,113,143</b>	1,363,680
– non-controlling interests		<u>456</u>	<u>1,243</u>
<b>Profit for the year</b>		<u><b>2,113,599</b></u>	<u>1,364,923</u>
<b>Earnings per share for profit attributable to equity holders of the Company during the year</b> (expressed in Hong Kong cents per share)			
– Basic	10	<b>53.88</b>	34.78
– Diluted	10	<u><b>53.11</b></u>	<u>34.57</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
<b>Profit for the year</b>	<b>2,113,599</b>	1,364,923
Other comprehensive income, net of tax:		
Items that will not be reclassified subsequently to profit or loss:		
Repurchase and cancellation of convertible bonds	—	(3,342)
Items that may be reclassified subsequently to profit and loss:		
Changes in value of available-for-sale financial assets	<b>(17,445)</b>	23,400
Disposal of available-for-sale financial assets	<b>(3,346)</b>	—
Currency translation differences	<b>(1,006,266)</b>	(355,743)
Share of other comprehensive income of investments accounted for using the equity method	<b>(118,069)</b>	(22,430)
<b>Total comprehensive income for the year</b>	<b><u>968,473</u></b>	<b><u>1,006,808</u></b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<b>968,358</b>	1,005,902
Non-controlling interests	<b>115</b>	906
<b>Total comprehensive income for the year</b>	<b><u>968,473</u></b>	<b><u>1,006,808</u></b>

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2015**

	<i>Note</i>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Leasehold land and land use rights		<b>1,206,069</b>	1,287,340
Property, plant and equipment		<b>11,971,015</b>	11,293,436
Investment properties		<b>437,133</b>	549,991
Prepayments for property, plant and equipment and land use rights	12	<b>172,445</b>	623,875
Intangible assets		<b>74,960</b>	78,657
Available-for-sale financial assets		<b>588</b>	119,625
Investments in associates	14	<b>2,534,651</b>	2,242,739
Loan to associates	14	<b>29,294</b>	33,625
		<b><u>16,426,155</u></b>	<u>16,229,288</u>
<b>Current assets</b>			
Inventories		<b>1,222,659</b>	1,478,219
Loans to associates	14	<b>7,577</b>	7,709
Trade and other receivables	12	<b>2,381,252</b>	2,486,987
Available-for-sale financial assets		<b>84,336</b>	—
Pledged bank deposits		<b>1,419</b>	792
Cash and bank balances		<b>1,298,255</b>	831,169
		<b><u>4,995,498</u></b>	<u>4,804,876</u>
<b>Total assets</b>		<b><u><u>21,421,653</u></u></b>	<u><u>21,034,164</u></u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>392,183</b>	392,161
Share premium		<b>2,824,975</b>	3,431,959
Other reserves		<b>1,060,759</b>	2,116,333
Retained earnings		<b>8,440,549</b>	6,392,830
		<b><u>12,718,466</u></b>	<u>12,333,283</u>
<b>Non-controlling interests</b>		<b><u>7,241</u></b>	<u>2,046</u>
<b>Total equity</b>		<b><u><u>12,725,707</u></u></b>	<u><u>12,335,329</u></u>

	<i>Note</i>	<b>2015</b>	<b>2014</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank and other borrowings		<b>3,514,253</b>	3,483,463
Deferred income tax liabilities		<b>159,407</b>	159,484
Deferred government grants		—	147,557
Other payables	13	<b>63,104</b>	107,294
		<u><b>3,736,764</b></u>	<u>3,897,798</u>
<b>Current liabilities</b>			
Trade and other payables	13	<b>2,112,465</b>	1,978,190
Current income tax liabilities		<b>332,702</b>	293,686
Bank and other borrowings		<b>2,514,015</b>	2,529,161
		<u><b>4,959,182</b></u>	<u>4,801,037</u>
<b>Total liabilities</b>		<u><b>8,695,946</b></u>	<u>8,698,835</u>
<b>Total equity and liabilities</b>		<u><b>21,421,653</b></u>	<u>21,034,164</u>

## **Notes to the Consolidated Financial Statements**

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

### **1 GENERAL INFORMATION**

Xinyi Glass Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) was principally engaged in the production and sales of float glass, automobile glass and construction glass, which were carried out internationally, through the production complexes located in Mainland China (the “PRC”).

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 15 March 2016.

### **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. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried 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 amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2015. The adoption of these new and amended standards and interpretations does not have any significant impact to the results and financial position of the Group:

		<b>Effective for accounting periods beginning on or after</b>
Annual Improvements Project	Annual Improvements 2010 - 2012 Cycle	1 January 2015
Annual Improvements Project	Annual Improvements 2011 - 2013 Cycle	1 January 2015
HKAS 19 (Amendment)	Defined Benefit Plants: Employee Contributions	1 January 2015

- (b) New standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted:

		<b>Effective for accounting periods beginning on or after</b>
Annual Improvements Project	Annual Improvements 2012 – 2014 Cycle	1 January 2016
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS28 (Amendment)	Investment Entities: Applying the Consolidation Exception	Note (i)
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018

*Notes:*

- (i) The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.
  - (ii) Management is in the process of making an assessment of the impact of these new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.
- (c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

#### **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) construction 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.







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

	2015	2014
Segment gross profit	3,132,693	2,733,447
Unallocated:		
Other income	215,167	178,486
Other gains – net	379,284	219,938
Selling and marketing costs	(679,528)	(607,901)
Administrative and other operating expenses	(935,012)	(1,030,087)
Finance income	39,980	52,831
Finance costs	(90,210)	(90,898)
Share of profits of associates	317,251	137,560
	<u>2,379,625</u>	<u>1,593,376</u>
Profit before income tax	<u>2,379,625</u>	<u>1,593,376</u>

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

	Assets		Liabilities	
	2015	2014	2015	2014
Segment assets/(liabilities)	16,483,914	16,609,313	(2,556,478)	(2,514,157)
Unallocated:				
Leasehold land and land use rights	129,271	123,779	—	—
Property, plant and equipment	1,107,537	800,889	—	—
Investment properties	383,059	495,990	—	—
Prepayments for property, plant and equipment and land use rights	7,764	103,682	—	—
Available-for-sale financial assets	84,924	119,625	—	—
Investments in associates	2,534,651	2,242,739	—	—
Balances with associates	36,871	41,334	—	—
Prepayments, deposits and other receivables	229,667	230,149	—	—
Cash and bank balances	423,995	266,664	—	—
Other payables	—	—	(154,007)	(82,998)
Current income tax liabilities	—	—	(92,818)	(56,601)
Deferred income tax liabilities	—	—	(159,407)	(159,484)
Bank and other borrowings	—	—	(5,733,236)	(5,885,595)
	<u>21,421,653</u>	<u>21,034,164</u>	<u>(8,695,946)</u>	<u>(8,698,835)</u>
Total assets/(liabilities)	<u>21,421,653</u>	<u>21,034,164</u>	<u>(8,695,946)</u>	<u>(8,698,835)</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 and the physical location of the asset.

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

	<b>2015</b>	<b>2014</b>
Sales of float glass	<b>5,022,196</b>	4,712,375
Sales of automobile glass	<b>3,786,597</b>	3,593,171
Sales of construction glass	<b>2,651,470</b>	2,555,536
	<hr/>	<hr/>
Total	<b><u>11,460,263</u></b>	<u>10,861,082</u>

The Group's revenue is mainly derived from customers located in Greater China (including Hong Kong and 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:

	<b>2015</b>	<b>2014</b>
Greater China	<b>8,058,476</b>	7,643,015
North America	<b>1,343,660</b>	1,288,010
Europe	<b>364,784</b>	486,516
Other countries	<b>1,693,343</b>	1,443,541
	<hr/>	<hr/>
	<b><u>11,460,263</u></b>	<u>10,861,082</u>

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

	<b>2015</b>	<b>2014</b>
Greater China	<b>16,298,521</b>	16,078,430
North America	<b>6,392</b>	7,915
Other countries	<b>120,654</b>	23,318
	<hr/>	<hr/>
	<b><u>16,425,567</u></b>	<u>16,109,663</u>

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2015 (2014: None).

## 5 EXPENSES BY NATURE

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

	2015	2014
Amortisation charge of leasehold land and land use rights	28,210	28,707
Depreciation charge of property, plant and equipment	763,483	611,766
Amortisation charge of intangible assets	3,385	3,620
Employee benefit expenses	1,074,008	977,915
Cost of inventories	6,063,371	6,069,224
Transportation costs	349,247	287,344
Advertisement costs	45,339	61,305
Operating lease payments in respect of land and buildings	7,923	7,194
(Reversal of provision for)/provision for impairment of trade receivables, net	(1,264)	9,065
Auditor's remuneration		
– Audit services	3,300	3,100
– Non-statutory audit services	2,637	573
Other expenses	1,602,471	1,705,810
	<u>9,942,110</u>	<u>9,765,623</u>
Total cost of sales, selling and marketing costs and administrative and other operating expenses	<u>9,942,110</u>	<u>9,765,623</u>

## 6 OTHER INCOME

	2015	2014
Rental income	11,320	8,358
Government grants ( <i>Note (a)</i> )	186,000	161,585
Insurance compensation income	4,940	3,689
Others ( <i>Note (b)</i> )	12,907	4,854
	<u>215,167</u>	<u>178,486</u>

*Note (a):*

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

*Note (b):*

Others mainly represent the income from the sale of surplus electricity generated from its power generating machines.

## 7 OTHER GAINS - NET

	2015	2014
(Losses) /gains on disposal of property, plant and equipment, leasehold land and land use rights	(18,449)	109,363
Gain on disposal of a subsidiary	12,346	—
Gain on disposal of an associate	570	—
Gain on dilution of equity interests in an associate	228,000	100,195
Fair value gains on investment properties	105,640	44,000
Gain on disposal of available-for-sale financial assets	3,039	—
Other foreign exchange gains/(losses), net	48,138	(33,620)
	<u>379,284</u>	<u>219,938</u>

## 8 FINANCE INCOME AND COSTS

	2015	2014
<b>Finance income:</b>		
Interest income on bank deposits	21,550	43,438
Other interest income	18,430	9,393
	<u>39,980</u>	<u>52,831</u>
<b>Finance costs:</b>		
Interest expense on bank borrowings	114,653	106,808
Interest expense on convertible bonds	33,167	36,618
Less: interest expense capitalised on qualifying assets	(57,610)	(52,528)
	<u>90,210</u>	<u>90,898</u>

## 9 INCOME TAX EXPENSE

	2015	2014
Current income tax		
– Hong Kong profits tax <i>Note (a)</i>	46,815	22,704
– PRC corporate income tax <i>Note (b)</i>	226,172	208,233
– Overseas income tax <i>Note (c)</i>	186	1,016
– Over provision in prior years	(7,070)	(3,476)
Deferred income tax		
– Origination and reversal of temporary differences	(77)	(24)
	<u>266,026</u>	<u>228,453</u>

### Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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. One of the PRC subsidiaries is entitled to tax holiday and the profits are fully exempted from CIT for two years starting from its first year of profitable operations after offsetting prior year tax losses, followed by 50% reduction in CIT in next three years.

The applicable CIT rates for major subsidiaries located in Shenzhen, Wuhu, Dongguan, Tianjin, Jiangmen and Yingkou are 25% (2014: 25%). Ten (2014: Nine) major subsidiaries in Shenzhen, Wuhu, Dongguan, Tianjin, Jiangmen and Yingkou enjoy high-tech enterprise income tax benefit and the tax rate is 15%.

(c) Overseas income tax

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

## 10 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 2015 and 2014.

	<b>2015</b>	<b>2014</b>
Profit attributable to equity holders of the Company (HK\$'000)	<u>2,113,143</u>	<u>1,363,680</u>
Weighted average number of ordinary shares in issue (thousands)	<u>3,921,753</u>	<u>3,921,361</u>
Basic earnings per share (HK cents per share)	<u><u>53.88</u></u>	<u><u>34.78</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 and convertible bonds. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.



	2015	2014
<b>Earnings</b>		
Profit attributable to equity holders of the Company (HK\$'000)	2,113,143	1,363,680
Interest expense on convertible bonds (net of tax) (HK\$'000)	27,695	30,576
Share of profit of an associate as a result of diluted earnings at associate level	(197)	—
Profit used to determine diluted earnings per share (HK\$'000)	<u>2,140,641</u>	<u>1,394,256</u>
<b>Weighted average number of ordinary shares in issue (thousands)</b>	<b>3,921,753</b>	3,921,361
Adjustments for:		
Share options (thousands)	—	3,495
Assumed conversion of convertible bonds (thousands)	<u>108,772</u>	<u>108,772</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>4,030,525</u>	<u>4,033,628</u>
Diluted earnings per share (HK cents per share)	<u><u>53.11</u></u>	<u><u>34.57</u></u>

## 11 DIVIDENDS

	2015	2014
Interim dividend paid of HK\$0.095 (2014: HK\$0.09) per share ( <i>Note a</i> )	372,574	353,067
Proposed final dividend of HK\$0.17 (2014: HK\$0.06) per share ( <i>Note b</i> )	<u>656,508</u>	<u>235,296</u>
	<u><u>1,029,082</u></u>	<u><u>588,363</u></u>

### Notes:

- (a) An interim dividend of HK\$0.095 per share (2014: HK\$0.09 per share) was paid to shareholders whose names appeared on the Register of Members of the Company on 14 August 2015.
- (b) A final dividend in respect of the financial year ended 31 December 2015 of HK\$0.17 per share (2014: HK\$0.06 per share), amounting to a total dividend of HK\$656,508,000 (2014: HK\$235,296,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2015 proposed final dividend is based on 3,861,812,699 shares in issue as at 29 February 2016 (31 December 2014: 3,921,607,699 shares in issue). These financial statements do not reflect this dividend payable.

## 12 TRADE AND OTHER RECEIVABLES

	2015	2014
Trade receivables ( <i>Note (a)</i> )	1,153,149	1,048,218
Less: provision for impairment of trade receivables ( <i>Note (b)</i> )	<u>(17,205)</u>	<u>(20,199)</u>
	1,135,944	1,028,019
Bills receivables ( <i>Note (d)</i> )	<u>475,353</u>	<u>506,629</u>
Trade and bills receivables – net	1,611,297	1,534,648
Prepayments, deposits and other receivables	<u>942,400</u>	<u>1,576,214</u>
	2,553,697	3,110,862
Less: non-current portion		
Prepayments for property, plant and equipment and land use rights	<u>(172,445)</u>	<u>(623,875)</u>
Current portion	<u><u>2,381,252</u></u>	<u><u>2,486,987</u></u>

### Notes:

- (a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2015 and 2014, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

	2015	2014
0 - 90 days	871,299	823,166
91 - 180 days	183,290	143,931
181 - 365 days	70,259	46,672
1 - 2 years	12,832	24,527
Over 2 years	<u>15,469</u>	<u>9,922</u>
	<u><u>1,153,149</u></u>	<u><u>1,048,218</u></u>

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

	2015	2014
RMB	625,312	662,380
HKD	6,564	9,172
USD	488,171	359,169
Other currencies	<u>33,102</u>	<u>17,497</u>
	<u><u>1,153,149</u></u>	<u><u>1,048,218</u></u>

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

	<b>2015</b>	<b>2014</b>
At 1 January	<b>20,199</b>	11,919
Currency translation differences	<b>(1,139)</b>	297
(Reversal of provision for)/provision for impairment of trade receivables, net	<b>(1,264)</b>	9,065
Receivables written off during the year	<b>(591)</b>	(1,082)
	<hr/>	<hr/>
At 31 December	<b><u>17,205</u></b>	<b><u>20,199</u></b>

The provision for impaired receivables has been included in “administrative and other 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) As at 31 December 2015, trade receivables of approximately HK\$290,530,000 (2014: HK\$220,063,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables based on due date is as follows:

	<b>2015</b>	<b>2014</b>
0 - 90 days	<b>160,072</b>	111,244
91-180 days	<b>83,872</b>	59,113
181-365 days	<b>34,532</b>	39,630
1-2 years	<b>7,745</b>	6,616
Over 2 years	<b>4,309</b>	3,460
	<hr/>	<hr/>
	<b><u>290,530</u></b>	<b><u>220,063</u></b>

As at 31 December 2015, trade receivables of approximately HK\$36,059,000 (2014: HK\$29,142,000) were impaired and partially provided for. The individually impaired receivables are related to customers in unexpected financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, a total provision for doubtful debts of approximately HK\$17,205,000 (2014: HK\$20,199,000) was recognised. The Group does not hold any collateral over these balances.

The ageing analysis of these receivables based on invoice date is as follows:

	<b>2015</b>	<b>2014</b>
0 - 90 days	<b>4,812</b>	469
91-180 days	<b>5,934</b>	1,822
181-365 days	<b>6,082</b>	5,680
1-2 years	<b>6,504</b>	14,709
Over 2 years	<b>12,727</b>	6,462
	<hr/> <b>36,059</b> <hr/>	<hr/> 29,142 <hr/>

The top five customers and the largest customer accounted for approximately 9.6% (2014: 15.7%) and 5.6% (2014: 10.5%) of the trade receivables balance as at 31 December 2015, 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) The maturity of the bills receivables is within 6 months (2014: 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.

### 13 TRADE PAYABLES AND OTHER PAYABLES

	<b>2015</b>	<b>2014</b>
Trade payables ( <i>Note (a)</i> )	<b>739,943</b>	723,541
Bills payable ( <i>Note (b)</i> )	<b>225,740</b>	79,641
	<hr/> <b>965,683</b>	803,182
Other payables ( <i>Note (c)</i> )	<b>1,209,886</b>	1,282,302
Less: non-current portion		
Other payables	<b>(63,104)</b>	(107,294)
	<hr/> <b>2,112,465</b> <hr/>	<hr/> 1,978,190 <hr/>
Current portion		

*Notes:*

- (a) At 31 December 2015 and 2014, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	<b>2015</b>	<b>2014</b>
0 - 90 days	<b>701,454</b>	685,332
91-180 days	<b>22,455</b>	17,448
181-365 days	<b>6,441</b>	8,365
1-2 years	<b>3,029</b>	5,558
Over 2 years	<b>6,564</b>	6,838
	<b>739,943</b>	723,541

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

	<b>2015</b>	<b>2014</b>
RMB	<b>665,760</b>	672,645
HKD	<b>996</b>	904
USD	<b>72,578</b>	49,604
Other currencies	<b>609</b>	388
	<b>739,943</b>	723,541

- (b) Bills payable have maturities ranging within 6 months.
- (c) Nature of other payables is as follows:

	<b>2015</b>	<b>2014</b>
Payables for property, plant and equipment	<b>366,711</b>	485,605
Payables for employee benefits and welfare	<b>171,746</b>	203,354
Payables for value-added tax	<b>158,938</b>	178,119
Payables for utilities	<b>54,674</b>	48,003
Receipt in advance from customers	<b>245,416</b>	200,923
Others	<b>212,401</b>	166,298
	<b>1,209,886</b>	1,282,302

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

## 14 INTERESTS IN AND BALANCES WITH ASSOCIATES

	2015	2014
Investments in associates		
At 1 January	2,242,739	2,071,234
Currency translation differences	(900)	(4,821)
Capital injection	—	23,751
Gain on dilution of share in an associate <i>(Note(a))</i>	228,000	100,195
Disposal of interest in associate <i>(Note(b))</i>	(4,957)	—
Share of profits of associates	317,251	137,560
Dividend received	(129,413)	(62,750)
Share of other comprehensive income	(118,069)	(22,430)
	<u>2,534,651</u>	<u>2,242,739</u>
At 31 December	<u>2,534,651</u>	<u>2,242,739</u>
	2015	2014
Loans to associates <i>(Note (c))</i>		
– Current portion	7,577	7,709
– Non-current portion	29,294	33,625
	<u>36,871</u>	<u>41,334</u>

### Notes:

- (a) The Group recognised a gain on dilution of equity interest in an associate of HK\$228,000,000 as a result of share allotments in March 2015 and October 2015 by Xinyi Solar Holdings Limited (“Xinyi Solar”) by way of placing in which the Group did not participate.
- (b) The Group disposed of the interest in an associate for a cash consideration of RMB4,500,000 in 2015.
- (c) The loans to associates are unsecured, interest-free and are repayable by installments up to 2020.
- (d) The carrying amounts of balances with associates approximate their fair values.

The following is a list of the principal associates as at 31 December 2015:

<b>Name</b>	<b>Particulars of registered share capital</b>	<b>Principal activities and place of operation</b>	<b>Interest held</b>
Xinyi Solar (Note)	Authorisd capital of HK\$8,000,000,000 with total paid up of 6,748,800,000 ordinary shares of HK\$0.1 each	Production and sales of solar glass products in the PRC, and development and operation of solar farms and the engineering procurement and construction services	26.54%
Beihai Yiyang Mineral Company Limited	Registered and paid up capital of RMB25,454,500	Exploration, mining and trading of silica in the PRC	45%
Dongyuan County Xinhuali Quartz Sand Company Limited	Registered and paid up capital of RMB10,500,000	Exploration, mining and trading of silica in the PRC	20%
Tianjin Wuqing District Xinke Natural Gas Investment Company Limited	Registered and paid up capital of RMB10,000,000	Provision of natural gas in the PRC	25%

*Note:*

In May 2014, the Company purchased 12,500,000 Xinyi Solar's shares at the unit price of HK\$1.90 per share. Subsequent to this purchase, the Company and its subsidiary hold 1,791,209,301 Xinyi Solar's shares, representing 31.4% of the 5,700,000,000 Xinyi Solar's shares in May 2014. In August 2014, Xinyi Solar allotted and issued 380,000,000 shares by way of placing and the total number of Xinyi Solar's issued shares increased to 6,080,000,000. As at 31 December 2014, the Company and its subsidiary's shareholding in Xinyi Solar decreased to 29.5%.

In March and October 2015, Xinyi Solar allotted and issued 500,000,000 and 168,800,000 shares respectively by way of placing to certain private investors. The total number of Xinyi Solar's issued shares increased to 6,748,800,000. The Company did not participate in these private placings, which led to the Company and its subsidiary's shareholding in Xinyi Solar decreased to approximately 26.5%.

As at 31 December 2015, the fair value of the Group's interest in Xinyi Solar, which is listed on the Main Board of the Hong Kong Stock Exchange, was HK\$5,678,133,000 (2014:HK\$3,833,188,000) and the carrying amount of the Group's interest was HK\$2,498,059,000 (2014: HK\$2,201,296,000).

There are no contingent liabilities relating to the Group's interests in the associates.

## **15 FINAL DIVIDEND**

Subject to the approval by the Shareholders at the forthcoming annual general meeting, the final dividend of 17.0 HK cents per Share will be payable on or before Tue, 5 July 2016 to the Shareholders whose names appear on the register of members of the Company at the closure day of register of members. The closure day for cash dividend will be disclosed in the notice of Annual General Meeting.

## **16 SUBSEQUENT EVENT**

Spin-off and listing by way of introduction of Xinyi Automobile Glass Hong Kong Enterprises Limited, a wholly-owned subsidiary, on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM”) has been announced by the Board of Directors on 28 July 2015 and the listing application was submitted to The Stock Exchange of Hong Kong Limited on 16 December 2015. The listing application is under detailed vetting process carried out by The Stock Exchange of Hong Kong Limited. Management is in the process of making an assessment of the impact of the Spin-Off and the Listing and is not yet in a position to state the impact on the Group’s results of operations and financial position.



## 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 construction glass, high quality float glass and other glass products for different commercial and industrial applications. These glass products are manufactured at the production facilities strategically located in the PRC at Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, Tianjin, Yingkou in Liaoning Province and Deyang in Sichuan Province. In addition, the Group also produces automobile rubber and plastic components.

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

### Business review

The Group continued to maintain its leading position in the global glass industry in 2015 by tapping the stable demand for high quality float glass and energy-saving low-emission (“**Low-E**”) construction glass in the PRC and automobile glass in global markets. In 2015, the sales and the net profit attributable to equity holders of the Company amounted to HK\$11,460.3 million and HK\$2,113.1 million, respectively, representing an increase of 5.5% and a significant increase of 55.0%, compared with HK\$10,861.1 million and HK\$1,363.7 million, respectively in 2014. If the one-off gain of HK\$228.0 million (2014: HK\$100.2 million) arising from the non-cash dilution gain in equity interests of Xinyi Solar in March and October 2015 is excluded, the net profit attributable to equity holders of the Company represents an increase of 49.2%. The compound annual growth rate of the Group's sales for the five-year period including 2015 was 8.6%.

In 2015, the Group's high quality float glass enjoyed a steady revenue growth and increased its market share in the PRC by providing a wide range of product specifications. The Group has captured the opportunity of decreasing national capacity of the float glass industry in the PRC caused by the strict national environmental protection regulations. The improved demand for the aftermarket automobile glass in certain overseas markets also contributed to the stable growth of the Group's automobile glass sales in 2015.

## Operational review

### Sales

The sales of the Group in 2015 increased by 5.5%, principally due to the stable growth in the sales of different glass products in the global markets, especially the sales of float glass in the PRC and the sales of automobile glass products internationally.

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

	Financial Year Ended 31 December			
	2015		2014	
	HK\$'000	%	HK\$'000	%
<b>By Product</b>				
Float glass products	5,022,196	43.8	4,712,375	43.4
Automobile glass products ( <i>Note (a)</i> )	3,786,597	33.0	3,593,171	33.1
Construction glass products	2,651,470	23.2	2,555,536	23.5
	<u>11,460,263</u>	<u>100.0</u>	<u>10,861,082</u>	<u>100.0</u>

*Note:*

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

	Financial Year Ended 31 December			
	2015		2014	
	HK\$'000	%	HK\$'000	%
<b>By Geographical Region</b>				
Greater China ( <i>Note (a)</i> )	8,058,476	70.3	7,643,015	70.4
North America	1,343,660	11.7	1,288,010	11.8
Europe	364,784	3.2	486,516	4.5
Others ( <i>Note (b)</i> )	1,693,343	14.8	1,443,541	13.3
	<u>11,460,263</u>	<u>100.0</u>	<u>10,861,082</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*

The material costs and energy costs decreased due to a weak market environment in 2015. With the improved production efficiency, cost control measures and use of cost-effective renewable energies, the cost of sales in 2015 was HK\$8,327.6 million, representing an increase of 2.5% as compared with HK\$8,127.6 million in 2014. The percentage increase in the cost of sales was lower than the percentage increase of the sales of the Group in 2015.

### *Gross profit*

The Group's gross profit in 2015 was HK\$3,132.7 million, representing an increase of 14.6%, as compared with HK\$2,733.4 million in 2014. The overall gross profit margin of the Group increased from 25.2% to 27.3% principally due to the decreases in the material costs and energy costs and improved production efficiency.

### *Other income*

The Group's other income increased to HK\$215.2 million, as compared with HK\$178.5 million in 2014. The increase was related to the increase in government grants received by the Group in 2015.

### *Other gains - net*

The Group's net other gains were HK\$379.3 million in 2015, as compared with the net other gains of HK\$219.9 million in 2014. The increase was principally due to the gain on dilution of equity interests in Xinyi Solar of HK\$228.0 million and the exchange gain of HK\$48.1 million during 2015.

### *Selling and marketing costs*

Consistent with the increase in the sales, higher overseas and domestic transportation costs were incurred. As a result, the Group's selling and marketing costs increased by 11.8% to HK\$679.5 million in 2015.

### *Administrative and other operating expenses*

The Group's administrative and other expenses decreased by 9.2% to HK\$935.0 million in 2015, principally due to the decrease of bad debts and donations.

### *Finance costs*

The Group's finance costs maintained stable at HK\$90.2 million in 2015. A portion of the interest expense incurred on the construction-in-progress and acquisition of plant and machinery at the production complexes in Tianjin, Wuhu, Yingkou and Deyang was capitalised, but it will be charged as expenses of the Group when the related production facilities and the new production lines commence commercial operation. An amount of interest expense of HK\$57.6 million was capitalised under construction-in-progress in 2015, representing an increase of 9.7%, as compared with HK\$52.5 million in 2014.

### *Income tax expense*

The Group's income tax expense amounted to HK\$266.0 million in 2015. The effective tax rate decreased by 3.1% to 11.2% as the increase in the gain on dilution of equity interests in Xinyi Solar by HK\$127.8 million and the increase in the share of profits of associates by HK\$179.7 million.

### *EBITDA and net profit for the year*

In 2015, the Company's EBITDA (earnings before interest, taxation, depreciation and amortisation) was HK\$3,264.9 million, representing an increase of 40.2% as compared with HK\$2,328.4 million in 2014. The Company's EBITDA margin, calculated based on turnover in 2015, was 28.5% as compared with 21.4% in 2014.

Net profit attributable to equity holders of the Company in 2015 was HK\$2,113.1 million, representing an increase of 55.0%, as compared with HK\$1,363.7 million in 2014. Net profit margin rose to 18.4% in 2015 primarily due to more profit shared from Xinyi Solar in 2015 and a higher gross profit margin as a result of decreases of material costs and energy costs in 2015.

### **Current ratio**

The Group's current ratio as of 31 December 2015 was 1.01, as compared with 1.00 as of 31 December 2014.

### **Net current assets**

As of 31 December 2015, the Group had net current assets of HK\$36.3 million, as compared with HK\$3.8 million as of 31 December 2014. The increase was in line with increase in current ratio.

## **Financial resources and liquidity**

In 2015, the Group's primary source of funding included cash generated from its operating activities and the new banking facilities provided by the principal banks of the Group in Hong Kong and the PRC. Net cash inflow from operating activities amounted to HK\$2,636.6 million (2014: HK\$1,455.0 million) as a result of efficient working capital management generating a net cash surplus from operations. As of 31 December 2015, the Group had cash and bank balances (including pledged bank deposits) of HK\$1,299.7 million (2014: HK\$832.0 million).

As at 31 December 2015, the Group had bank and other borrowings in the total amount of HK\$6,028.3 million, a similar level to the balance of HK\$6,012.6 million as at 31 December 2014.

The Group's net debt gearing ratio as at 31 December 2015 was 37.2% (31 December 2014: 42.0%). This ratio is calculated by dividing the net bank debt, which is calculated as total borrowings less cash, bank balances and pledged bank deposits, by the total equity of the Group as at 31 December 2015. The decrease was principally due to the increase of net profit and equity in 2015.

## **Pledge of assets**

As at 31 December 2015, a bank balance of HK\$1.4 million was pledged as collateral principally for the import duties payable to the US government and for the standby letter of credit issued by a bank in the PRC.

## **Employees and remuneration policy**

As at 31 December 2015, the Group had 12,746 full-time employees of whom 12,643 were based in China and 103 were based in Hong Kong, other countries and territories. The Group maintains good relationships with all of its employees. It provides the 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 relationships. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be 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 administrated by the responsible government authorities in the PRC for its employees in the PRC. 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.

## **Final dividend**

At the meeting of the Board of Directors held on 15 March 2016, the Directors proposed a final cash dividend of 17.0 HK cents per Share for 2015 for approval by the Shareholders.

Together with the interim cash dividend of HK\$372.6 million for 2015, the total dividends paid and payable in 2015 represent a dividend pay-out ratio of 48.7%. The Directors consider that this dividend level is appropriate after careful consideration of the Group's operating results in 2015.

## **Treasury policies and exposure to fluctuation in exchange rates**

The Group's transactions are mainly denominated in Renminbi, United States dollars, Euro, Australian dollars, Japanese Yen and Hong Kong dollars with principal production activities based in China. As of 31 December 2015, the Group's bank borrowings are denominated in US dollars and Hong Kong dollars bearing interest rates ranging from 1.66% to 1.96% per annum. As the currencies of the Group's borrowings are generally the same as the Group's transactional currencies, the Directors consider that the Group's exposure to foreign exchange fluctuations was minimal. The Group has not experienced any material difficulties and liquidity problems resulting from currency exchange fluctuations and may use financial instruments for hedging purposes as and when required.

## **BUSINESS REVIEW**

### **The PRC glass industry is volatile and undergoing consolidation**

The growth in the PRC economy has slowed down in 2015. The operating results of the construction glass and the float glass segments of the Group faced different, but equally difficult, operating environments. Nonetheless, the overseas sales of the Group's automobile glass recorded a stable growth in the year of 2015.

The highly competitive PRC energy-saving Low-E glass market in the construction industry has led to a slight increase in the revenue of the Group's construction glass segment. This performance was in line with the overall lackluster performance of the PRC property development market in 2015 amidst the relaxation of both property and monetary policies in the PRC. The cancellation of the restrictions on the second house purchasing and the lowering of the People's Bank of China's Reserve Ratio Requirement ("RRR") and lending interest rates have yet to significantly improve the market liquidity. Therefore, the momentum for the construction industry is still modest.

Due to the reduced demand from the construction glass industry in the PRC, the demand for float glass has also been adversely affected since the second quarter of 2014. The national supply of the float glass capacity in the PRC decreased around 3% in 2015 due to the strict environmental regulations on the new float glass production lines. At the same time, the decreases in the material and the energy costs contributed to the improvement in the gross profit margin of the Group's float glass business.

In light of the less favourable market conditions, the Group has proactively implemented aggressive marketing strategies for its automobile glass business, with the addition of new products, such as sun roof, which are suitable for new car models as well as approaching new overseas customers for new opportunities for the purpose of maintaining the sales volume of the Group's automobile glass products. Currently, the Group's automobile glass products are sold to more than 130 countries.

As a leader of the global glass industry, the Group has strengthened its leading position and enhanced its economies of scale through strategic and timely expansion of the production capacity for different types of glass products and the construction of new production complex with streamlined production process at different locations. The Group has also implemented a series of measures to enhance the control on the consumption of raw materials, the recycling of the principal raw materials and the use of solar power and residual heat to reduce the energy cost. To maintain its competitiveness, the Group has successfully developed and launched a wide range of high value-added glass products and adopted proactive pricing and aggressive marketing strategies for additional market share under the supportive measures implemented under the Thirteenth Five-Year Plan of the PRC government.

### **Better productivity, technology and economies of scale to improve production efficiency**

The Group's strength in operational management, combined with the continuous improvement in the production process and well-planned equipment maintenance programs, have enhanced its productivity and yield, which, in turn, have reduced the overall production and the energy cost in 2015. Its economies of scale have enabled significant cost savings in the production process and the fixed costs and increased the efficiency in fuel consumption. To further control the energy cost, the Group increases the use of apparatuses for clean energy, such as rooftop solar power systems and low-temperature recycling residual heat power co-generation systems.

Using natural gas as fuel for our high quality float glass production can reduce the carbon emission level and improve the energy cost structure of the Group.

### **High value-added diversified product mix enhances overall competitiveness**

In 2015, the revenue generated from the Group's automobile glass, construction glass and high-quality float glass businesses achieved a growth exceeding the market average. This performance demonstrates that the Group's combination of diversified business and high value-added product mix can alleviate the operational pressure in any individual business segment within a volatile and competitive market environment.

## **BUSINESS OUTLOOK**

The Group will continue to adopt flexible production arrangements and high-level automation to further improve the operational efficiency to maintain its leadership and competitiveness among the world's leading glass manufacturers.

The PRC government has continued to tighten the policy on constructing new float glass production lines and phasing out the obsolete production lines by way of imposing higher environmental protection standards on emissions. The Group is embarking on prudent and flexible strategies in response to the current float glass market in the PRC. The current low international crude oil price mitigates the pressure on the increase in the natural gas prices in Guangdong Province. The two local natural gas price adjustments during April and November 2015 in the PRC have reduced the energy cost of the Group. Thus the Group is optimistic that the float glass market will improve in the foreseeable future.

At the same time, the Directors are generally optimistic on the continuous good performance of the Group's automobile glass in the global market and the increased sales in the energy saving and double-glazed Low-E glass segments in the future.

After years of expanding the production facilities in the PRC, the Group is ready to explore overseas opportunities which can provide an attractive market environment, lower production and energy cost, and lower tax rates and other incentive programs. The construction of a glass production complex in Malaysia is the Group's first overseas project, the operation of which will benefit the future growth of the Group in the region.

The Group is constructing one high quality float glass production line and one Low-E coating glass production line in the first phase of the project in Malacca, Malaysia. The new plant can enable the Group to better serve the ASEAN-based customers through the preferential import duty and appropriate pricing strategy as well as the short transportation distance. The Group is also building its first wind farm project in Anhui Province, the PRC in order to capture the growth potential presented by the PRC policy on encouraging clean and renewable energy.

The Group will continue to ensure that adequate resources will be allocated to product research and development, enhancing product quality, boosting production efficiency and staff training in order to maintain its competitiveness and boost its profit margin.

## **CONCLUSION**

The Group continues to tackle the challenges amidst a slowdown in the economic growth in the PRC by optimising its efficiency and bolstering its profitability through effective management and continued collaboration with its customers. The Directors believe that these strategies enable the Group to maximise the benefits from the emerging business opportunities. The Directors are also optimistic about the Group's long-term business development prospects. The Group is also adopting proven business strategies to sustain and strengthen the growth. To maintain its leading position, the Group is exploring expanding its presence in the global glass market across a wide spectrum of industries, applications and products as well as other opportunities for business cooperation.



## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Directors confirm that the Company has complied with the applicable Code Provisions in the Code on Corporate Governance Practices (the “**Code**”) set forth in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in 2015.

## **AUDIT COMMITTEE OF THE BOARD**

The Company has established an audit committee, comprising five independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide comment and advice to the Board. The audit committee has reviewed the audited consolidated financial statements of the Company for the year ended and as of 31 December 2015.

## **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 confirm that they have complied with the Model Code in 2015.

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

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 ended 31 December 2015.

## **SUFFICIENCY OF PUBLIC FLOAT**

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

## **PUBLICATION OF FINAL RESULTS**

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

The annual report of the Company for the financial year ended 31 December 2015 containing all the information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

## **FIGURES IN PRELIMINARY ANNOUNCEMENT AGREED BY AUDITOR**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Company's auditor, PricewaterhouseCoopers Hong Kong ("**PwC Hong Kong**"), to the amounts set forth in the Company's audited consolidated financial statements for the year. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on or before Tuesday, 30 June 2016. 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 Thursday, 30 April 2016.

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

Hong Kong, 15 March 2016

*As of the date of this announcement, the executive Directors are Datuk Mr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai 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, Mr. WONG Ying Wai, S.B.S., JP. Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.*