CHINA GLASS HOLDINGS LIMITED
中國玻璃控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 3300)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of China Glass Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013 together with the comparative figures for the corresponding year in 2012.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2013
(Expressed in Renminbi ("RMB"))

	Note	**2013** *RMB'000*	2012 *RMB'000*
Turnover	5	**2,760,373**	2,550,175
Cost of sales		**(2,223,219)**	(2,340,121)
Gross profit	5	**537,154**	210,054
Other revenue	6	**25,575**	55,655
Other net loss	6	**(3,170)**	(3,196)
Distribution costs		**(76,564)**	(90,191)
Administrative expenses		**(259,066)**	(254,570)
Profit/(loss) from operations		**223,929**	(82,248)
Share of (losses)/profits of associates		**(70)**	70
Net gain from disposal of equity interests in an associate		**963**	–
Finance costs	7(a)	**(114,540)**	(106,793)
Profit/(loss) before taxation	7	**110,282**	(188,971)
Income tax	8	**(25,636)**	3,633
Profit/(loss) for the year		**84,646**	(185,338)
Attributable to:			
Equity shareholders of the Company		**81,648**	(173,587)
Non-controlling interests		**2,998**	(11,751)
Profit/(loss) for the year		**84,646**	(185,338)
Earnings/(loss) per share (RMB cent)			
Basic	9(a)	**5.30**	(11.32)
Diluted	9(b)	**5.27**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013
(Expressed in RMB)

	2013	2012
	RMB'000	*RMB'000*
Profit/(loss) for the year	**84,646**	(185,338)
Other comprehensive income for the year (before and after tax):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation into presentation currency	**(9,539)**	(5,696)
Total comprehensive income for the year	**75,107**	(191,034)
Attributable to:		
Equity shareholders of the Company	**72,109**	(179,283)
Non-controlling interests	**2,998**	(11,751)
Total comprehensive income for the year	**75,107**	(191,034)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013
(Expressed in RMB)

	Note	**2013** **RMB'000**	2012 RMB'000
Non-current assets			
Property, plant and equipment		**3,545,171**	3,600,602
Lease prepayments		**272,154**	279,531
Intangible assets		**38,587**	53,505
Interests in associates		**600**	70
Receivables from related companies		**–**	4,473
Available-for-sale investment		**1,000**	1,000
Deferred tax assets		**124,824**	107,676
		3,982,336	4,046,857
Current assets			
Inventories		**403,256**	433,663
Trade and other receivables	10	**664,699**	895,684
Prepaid income tax		**7,534**	17,654
Cash and cash equivalents		**467,918**	324,265
		1,543,407	1,671,266
Current liabilities			
Trade and other payables	11	**1,580,216**	1,676,108
Bank and other loans		**1,193,357**	1,227,817
Unsecured notes	12	**–**	148,500
Income tax payable		**58,636**	57,851
		2,832,209	3,110,276
Net current liabilities		**(1,288,802)**	(1,439,010)
Total assets less current liabilities		**2,693,534**	2,607,847
Non-current liabilities			
Bank and other loans		**173,728**	248,005
Amounts due to a related company		**–**	7,380
Unsecured notes	12	**95,027**	–
Deferred tax liabilities		**29,482**	31,721
		298,237	287,106
NET ASSETS		**2,395,297**	2,320,741
CAPITAL AND RESERVES			
Share capital		**74,553**	74,553
Reserves		**2,072,331**	2,000,421
Total equity attributable to equity shareholders of the Company		**2,146,884**	2,074,974
Non-controlling interests		**248,413**	245,767
TOTAL EQUITY		**2,395,297**	2,320,741

NOTES

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

The Company was incorporated in Bermuda on 27 October 2004 as an exempted company with limited liability under the Bermuda Companies Act 1981. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 June 2005. The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in an associate. The Group is principally involved in the production, marketing and distribution of glass and glass products, and the development of glass production technology.

2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2013 comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- *Annual improvements to HKFRSs 2009-2011 Cycle*
- Amendments to HKFRS 7 – *Disclosure – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impact of the adoption of new or amended HKFRSs are discussed below.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in the financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in the financial statements.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Annual improvements to HKFRSs 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 16, *Property, plant and equipment,* has been amended to clarify that spare parts, stand-by equipment and servicing equipment should be accounted for in accordance with HKAS 16 if they meet the definition of property, plant and equipment i.e. if they are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period. Otherwise, such items are classified as inventory. The adoption of the amendments does not have any material impact on classification of the Group's property, plant and equipment.

Amendments to HKFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on the financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

5 TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are the production, marketing and distribution of glass and glass products, and the development of glass production technology.

Turnover represents the sales value of goods supplied to customers, net of value added tax.

The Group's customer base is diversified and has no customer with whom transactions have exceeded 10% of the Group's turnover for the years ended 31 December 2013 and 2012.

Further details regarding the Group's principal activities are disclosed below.

(b) Segment reporting

The Group manages its businesses by products. In a manner consistent with the way in which the information reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four operating segments. No operating segments have been aggregated to form the following reportable segments:

- Clear glass products: this segment produces, markets and distributes clear glass products.

- Painted glass products: this segment produces, markets and distributes painted glass products.

- Coated glass products: this segment produces, markets and distributes coated glass products.

- Energy saving and new energy glass products: this segment produces, markets and distributes energy saving and new energy glass products, such as ultra clear glass, low-emission coated glass and photovoltaic battery module products.

(i) *Segment results*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred for the years ended 31 December 2013 and 2012. The Group's other operating expenses, such as distribution costs and administrative expenses, and assets and liabilities, including the sharing of technical know-how, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers and reportable segment revenue	**1,087,064**	945,694	**790,095**	727,790	**710,115**	585,328	**173,099**	291,363	**2,760,373**	2,550,175
Reportable segment gross profit	**212,802**	58,689	**85,158**	45,817	**208,359**	55,676	**30,835**	49,872	**537,154**	210,054

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, lease prepayments, intangible assets, goodwill and interests in associates (together as the "specified non-current assets"). The geographical location of customers is determined based on the location at which the goods were delivered. The geographical location of the specified non-current assets is determined based on the physical location of the assets, in the case of property, plant and equipment and lease prepayments, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates.

	Revenue from external customers		**Specified non-current assets**	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The People's Republic of China (the "PRC") (including Hong Kong) (place of domicile)	**2,158,594**	2,005,318	**3,856,512**	3,933,708
Middle East	**339,759**	255,392	**–**	–
Nigeria	**56,874**	6,807	**–**	–
South Korea	**48,385**	55,203	**–**	–
Columbia	**36,297**	17,136	**–**	–
Philippines	**18,729**	5,779	**–**	–
Malaysia	**9,887**	6,767	**–**	–
Brazil	**8,933**	20,475	**–**	–
Taiwan	**7,742**	8,866	**–**	–
Other countries	**75,173**	168,432	**–**	–
	601,779	544,857	**–**	–
	2,760,373	2,550,175	**3,856,512**	3,933,708

6 OTHER REVENUE AND NET LOSS

	2013	2012
	RMB'000	*RMB'000*
Other revenue		
Interest income	**9,548**	16,023
Government grants	**9,510**	18,733
Others	**6,517**	20,899
	25,575	55,655
Other net loss		
Net (loss)/gain from sale of raw and scrap materials	**(2,110)**	4,744
Net loss on disposal of property, plant and equipment	**(1,060)**	(7,940)
	(3,170)	(3,196)

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2013	2012
	RMB'000	*RMB'000*
Interest on bank advances and other borrowings wholly repayable within five years	**101,792**	117,357
Bank charges and other finance costs	**34,508**	20,020
Total borrowing costs	**136,300**	137,377
Less: amounts capitalised into property, plant and equipment*	**(16,828)**	(28,561)
Net borrowing costs	**119,472**	108,816
Net foreign exchange gain	**(4,932)**	(2,023)
	114,540	106,793

* The borrowing costs have been capitalised at 6.71% per annum for the year ended 31 December 2013 (2012: 6.39% per annum).

(b) Staff costs#:

	2013	2012
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**231,387**	239,645
Contributions to defined contribution retirement plans	**30,289**	31,639
Equity-settled share-based payment expenses in respect of share award scheme *(see Note 13(b))*	**12,053**	23,959
	273,729	295,243

(c) Other items:

	2013	2012
	RMB'000	*RMB'000*
Cost of inventories #	**2,223,219**	2,340,121
Auditors' remuneration – audit services	**6,600**	7,000
Depreciation and amortisation #	**257,974**	248,153
Impairment losses on trade and other receivables	**568**	4,552
Operating lease charges in respect of		
– land	**196**	168
– plant and buildings	**6,716**	7,989
– motor vehicles	**2,486**	2,586
Research and development costs (other than capitalised costs and related amortisation)	**859**	6,218

Cost of inventories includes RMB380.3 million (2012: RMB386.7 million) for the year ended 31 December 2013, relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2013	2012
	RMB'000	*RMB'000*
Current taxation – PRC Corporate Income Tax		
– Provision for the year	**44,432**	24,438
– Under-provision in respect of prior years	**591**	1,746
	45,023	26,184
Deferred taxation		
– Origination and reversal of temporary differences	**(8,034)**	(46,156)
– Write-down of deferred tax assets	**4,242**	16,339
– Recognition of prior years' unused tax losses previously not recognised	**(15,595)**	–
	(19,387)	(29,817)
	25,636	(3,633)

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2013	2012
	RMB'000	*RMB'000*
Profit/(loss) before taxation	**110,282**	(188,971)
Expected tax on profit/(loss) before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned *(Notes (i), (ii) and (iii))*	**23,525**	(34,774)
Tax effect of non-deductible expenses	**2,823**	7,698
Tax effect of unused tax losses not recognised	**10,643**	5,783
Tax concessions *(Notes (iv), (v), (vi) and (vii))*	**(593)**	(425)
Tax effect of recognition of prior years' unused tax losses previously not recognised *(Note (viii))*	**(15,595)**	–
Tax effect of write-down of deferred tax assets *(Note (viii))*	**4,242**	16,339
Under-provision in respect of prior years	**591**	1,746
Income tax	**25,636**	(3,633)

Notes:

(i) The Hong Kong Profits Tax rate for the year ended 31 December 2013 is 16.5% (2012: 16.5%). No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiary of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2013 (2012: RMBNil).

(ii) The Company and the subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong) are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% (2012: 25%).

(iv) Certain subsidiaries of the Group established in the PRC are registered as foreign investment enterprises, and according to the relevant income tax rules and regulations applicable to enterprise with foreign investment in the PRC, these subsidiaries obtained approval from the respective tax bureaux that they are entitled to a 100% relief from PRC Corporate Income Tax in the first and second years and 50% relief for the third to fifth years, commencing from the first profitable year after the offset of deductible losses incurred in prior years, if any, or if the subsidiary is entitled but has not commenced in enjoying the tax holiday, the tax holiday must commence immediately in 2008 under the new tax law mentioned in Note 8(b)(v) below.

(v) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "new tax law") which takes effect on 1 January 2008. According to the new tax law, the applicable income tax rate of the subsidiaries of the Group established in the PRC has changed to 25% with effect 1 January 2008; or gradually increase to 25% over a five-year period if the subsidiary was previously enjoying a preferential tax rate of below 25%.

(vi) One of the subsidiaries of the Group established in the PRC obtained an approval from the tax bureau that it is entitled to tax benefits applicable to entity under the Second Phase of the Western Region Development Plan of the PRC, and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% (2012: 15%).

(vii) Certain subsidiaries of the Group established in the PRC obtained approvals from the respective tax bureaux to be taxed as enterprises with advanced and new technologies, and therefore enjoy a preferential PRC Corporate Income Tax rate of 15% for a period of three years, commencing from the year of which the approval is obtained.

(viii) The Group recognised previously unrecognised tax losses of RMB15.6 million (2012: RMBNil) and wrote down previously recognised tax losses of RMB4.2 million (2012: RMB16.3 million), as the utilisation of these unused tax losses have changed due to changes were made to the estimates of the future operating results of certain subsidiaries of the Group.

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share for the year ended 31 December 2013 is based on the profit attributable to ordinary equity shareholders of the Company of RMB81,648,000 (2012: loss attributable to ordinary equity shareholders of the Company of RMB173,587,000) and the weighted average of 1,539,338,000 ordinary shares (2012: 1,533,485,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2013	2012
	'000	*'000*
Issued ordinary shares at 1 January	**1,550,147**	1,536,511
Effect of shares purchased and/or vested under a share award scheme *(Note 13(b))*	**(10,809)**	(3,026)
Weighted average number of ordinary shares at 31 December	**1,539,338**	1,533,485

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2013 was based on the profit attributable to ordinary equity shareholders of the Company of RMB81,648,000 and the weighted average of 1,549,762,000 ordinary shares in issue during the year ended 31 December 2013, calculated as follows:

	2013
	'000
Weighted average number of ordinary shares at 31 December	**1,539,338**
Effect of deemed issue of shares under the share award scheme *(Note 13(b))*	**10,424**
Weighted average number of ordinary shares (diluted) at 31 December	**1,549,762**

There were no dilutive potential ordinary shares during the year ended 31 December 2012.

10 TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables from:		
– Third parties	**231,970**	260,651
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**24,226**	19,148
– Companies under common significant influence	**5,425**	7,514
Bills receivables	**200,741**	237,613
	462,362	524,926
Less: allowance for doubtful debts	**(26,074)**	(24,892)
	436,288	500,034
Amounts due from related companies:		
– Equity shareholders of the Company and their affiliate	**280**	1,023
– A then associate of the Group	**–**	4,935
– Companies under common significant influence	**3,116**	8,224
	3,396	14,182
Less: allowance for doubtful debts	**(1,784)**	(3,051)
	1,612	11,131
Prepayments, deposits and other receivables:		
– Prepayments for the purchase of inventories	**44,709**	60,185
– Prepayments for the purchase of property, plant and equipment and land use rights	**31,933**	31,127
– Value added tax refundable	**52,054**	57,987
– Advances to third parties	**66,285**	182,900
– Receivable for disposal of land use rights	**12,129**	27,079
– Others	**27,751**	32,650
	234,861	391,928
Less: allowance for doubtful debts	**(8,062)**	(7,409)
	226,799	384,519
	664,699	895,684

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year. Cash before delivery is generally required for all customers. Credit terms of three to six months from the date of billing or separately negotiated repayment schedules may be granted to customers, depending on credit assessment carried out by management on an individual customer basis.

Included in trade and other receivables are trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
Within 1 month	**101,778**	148,495
More than 1 month but less than 3 months	**117,173**	97,225
More than 3 months but less than 6 months	**86,514**	110,487
Over 6 months	**130,823**	143,827
	436,288	500,034

11 TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**520,489**	520,635
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**550**	550
– Companies under common significant influence	**2,234**	3,177
Bills payables	**310,780**	233,225
	834,053	757,587
Amounts due to related companies:		
– An equity shareholder of the Company	**2,458**	3,621
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**10,540**	15,540
– Companies under common significant influence	**15,775**	16,383
	28,773	35,544
Accrued charges and other payables:		
– Payables for construction and purchase of property, plant and equipment and land use rights	**388,722**	527,124
– Payables for staff related costs	**86,451**	86,745
– Payables for acquisitions of non-controlling interests in subsidiaries of the Group	**40,092**	40,468
– Payables for miscellaneous taxes	**34,263**	35,576
– Payables for transportation expenses	**14,688**	15,327
– Others	**63,760**	74,971
	627,976	780,211
Financial liabilities measured at amortised cost	**1,490,802**	1,573,342
Advances received from customers	**89,414**	102,766
	1,580,216	1,676,108

All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

Included in trade and other payables are trade and bills payables with the following ageing analysis (based on the maturity date) as of the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
Due within 1 month or on demand	**668,173**	570,067
Due after 1 month but within 6 months	**165,880**	187,520
	834,053	757,587

12 UNSECURED NOTES

	2013	2012
	RMB'000	*RMB'000*
Unsecured notes at 4.95% due in 2013	**–**	148,500
Unsecured notes at 9.50% due in 2015	**95,027**	–
	95,027	148,500
Less: current portion of unsecured notes	**–**	(148,500)
	95,027	–

13 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Share option scheme

The Company has a share option scheme which was adopted on 30 May 2005 whereby the directors of the Company are authorised, at their discretion, to invite (i) any executive director or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity"); (ii) any non-executive directors (including independent non-executive directors) of the Company, any member of the Group or any Invested Entity; (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity, to take up share options at HK$1.00 as consideration to subscribe for shares in the Company. For the share options granted, 40% will vest after one year from the date of grant; another 30% will vest after two years from the date of grant; and the remaining 30% will vest after three years from the date of grant. The share options will lapse on 29 May 2015. Each share option gives the holder the right to subscribe for one ordinary share in the Company.

(i) *The terms and conditions of the grants are as follows:*

	Number of instruments	Vesting conditions	Contractual life of options
Share options granted to directors:			
– on 29 February 2008	4,280,000	One year from the date of grant	7.25 years
– on 29 February 2008	3,210,000	Two years from the date of grant	7.25 years
– on 29 February 2008	3,210,000	Three years from the date of grant	7.25 years
Share options granted to employees:			
– on 29 February 2008	11,720,000	One year from the date of grant	7.25 years
– on 29 February 2008	8,790,000	Two years from the date of grant	7.25 years
– on 29 February 2008	8,790,000	Three years from the date of grant	7.25 years
Total share options granted	40,000,000		

(ii) *The number and weighted average exercise price of share options are as follows:*

	2013 and 2012	
	Weighted average exercise price	**Number of options** ***'000***
Outstanding at the beginning and the end of the year	**HK$1.75**	**38,600**
Exercisable at the end of the year	**HK$1.75**	**38,600**

The share options outstanding at 31 December 2013 had an exercise price of HK$1.75 (31 December 2012: HK$1.75) and a weighted average remaining contractual life of 1.42 years (31 December 2012: 2.42 years).

(b) Share award scheme

On 12 December 2011 (the "Adoption Date"), the directors of the Company adopted a share award scheme (the "Share Award Scheme") as a mean of rewarding and retaining employees of the Group and to attract suitable personnel for further development with the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the trust may purchase shares of the Company from the Stock Exchange with cash contributed by the Group, and to hold such shares until they are vested.

The directors of the Company may, from time to time, at its discretion select any employee of the Group for participation in the Share Award Scheme and grant such number of awarded shares to any selected employee of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued service within the Group after the award) with respect to the vesting of the awarded shares. In addition, the selected employee shall not transfer or dispose of more than 50% of the awarded shares during the period of one year after the date of vesting of such awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the directors of the Company.

(i) Details of the shares held under the Share Award Scheme are set out below:

	2013			2012		
	Average purchase price *HK$*	**No. of shares held**	**Value** *RMB'000*	Average purchase price *HK$*	No. of shares held	Value *RMB'000*
At 1 January		**–**	**–**	1.26	13,636,000	13,936
Shares purchased during the year	**1.39**	**11,170,000**	**12,604**	1.25	4,024,000	4,091
Shares vested during the year		**–**	**–**		(17,660,000)	(18,027)
At 31 December		**11,170,000**	**12,604**		–	–

On 18 January 2013, 11,170,000 ordinary shares held under the Share Award Scheme were awarded to certain directors and employees of the Group with a fair value per share of HK$1.36 (equivalent to approximately RMB1.10 per share). The fair value of these awarded shares is determined by reference to the closing price of the Company's ordinary shares on 18 January 2013. All of the awarded shares have been vested on or before 17 February 2014.

14 DIVIDENDS/DISTRIBUTIONS

(a) Distributions payable to equity shareholders of the Company attributable to the year

	2013	2012
	RMB'000	*RMB'000*
Final distribution proposed after the end of the reporting period of HK$0.01 per ordinary share (2012: HK$Nil per ordinary share)	**12,187**	–

(b) Dividends/distributions payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

	2013	2012
	RMB'000	*RMB'000*
Final dividend/distribution in respect of the previous financial year, approved and paid during the year, of HK$Nil per ordinary share (2012: HK$0.01 per ordinary share)	**–**	12,567

15 NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Pursuant to a resolution passed by the directors of the Company on 17 March 2014, the Company proposed to transfer HK$136.2 million (equivalent to approximately RMB111.7 million) from the share premium account to the accumulated losses account in a view to set off prior years' losses accumulated up to 31 December 2013 at the Company's level.

Upon completion of the above transfer, which is subject to approval by the equity shareholders at the Company's forthcoming Annual General Meeting, the directors of the Company expect that the current accumulated losses position of the Company will be reduced.

(b) On 17 March 2014, the directors of the Company have proposed a final distribution. Further details are disclosed in Note 14(a).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2013, the demand for the downstream glass industry was increasing. Buoyed by property developers' new construction areas that achieved 2,012,080 thousand square meters, which albeit showed a small increase of 13.5%, and the annual car sales that reached 21,984.1 thousand cars, which went up by 13.9%, both on a year-on-year basis, the overall glass industry returned to a positive growth.

The China State Council's promulgation of expediting the phase out of obsolete production facilities, and the nation's call for energy saving and clean production, slowed down the positive growth of the industry's production capacities in 2013. According to the statistics of the Glass Information Website, as at the year ended 2013, the nation had 29 newly added glass production lines while those float glass production lines under suspension and overhaul aggregated to a number of 72 and those lines in operation were 242. The annual total production volume of flat glass of the flat glass manufacturing enterprises was 779 million weight cases, representing an increase of 11.21% compared with last year. Market prices were in general stably increasing and the industry's overall performance turned positive.

BUSINESS OVERVIEW

Overview

The Group currently have 17 glass production lines, comprising a total of 14 float glass production lines and 3 patterned glass production lines for solar power ultra-clear photovoltaic glass, while daily melting capacity amounted to 7,630 tonnes. As at the year ended 31 December 2013, the Group had 10 production lines in operation, while each of the float glass production lines in Beijing and Weihai, the 2 float glass production lines in Suqian, and the 3 pattern glass production lines in Nanjing were suspended for overhaul or technical transformation.

In addition, the Group owned one offline low-emission coated ("Low-E") glass production line with production capacity of 3 million square meters per annum, and one amorphous silicon thin-film battery production line with production capacity of 12MW per annum.

Raw material and fuel prices, and production costs

According to the statistics concerning the glass industry's major raw materials and fuel prices as provided by the associated mainstream glass manufacturers, in 2013, the prices of fuel like coat tar, petroleum powder, etc. which went up in the beginning of the year but decreased by year-end, decreased by 7.82% compared with last year. Coal price was relatively stable while the price of natural gas went up significantly as a result of the adjustment of national policy. Soda ash increased moderately during the year by 3.70% compared with last year.

Production, sales and selling price

In 2013, the Group produced an aggregate amount of 40.49 million weight cases of glass, representing an increase of 14% while sales volume went up by 7% compared with last year. Average selling price of the Group's glass products in 2013 was RMB68 per weight case, representing an increase of 5% compared with last year.

Profit analysis

In 2013, the Group recorded revenue of RMB2,760 million, representing an increase of 8% compared with 2012, which was attributed to the general recovery of the industry. As a result of the increasing demand for glass, both of the Group's production capacity, sales volume and average selling price recorded positive increase. The Group's gross profit increased by a tremendous rate of 156% compared with 2012, mainly due to the increase in glass prices, lower raw material and fuel costs, the overall improvement in the Group's fuel structure as well as the significant improvement in its cost control.

The Group recorded a net profit of RMB84.65 million in 2013, compared with a net loss of RMB185.34 million in the same period of 2012.

Improvement in product mix and the optimization of sales mechanism

In 2013, the Group continued to enhance and rationalize its technical process, and strengthen its production quality control, in order to maintain high yet stable production of quality products.

The research work of Low-E glass and its mass production progressed smoothly. While continuing to improve our existing product mix, we had developed a series of new products to form a product mix that commands both offline and online products, multi-varieties and multi-specifications of Low-E series of products. At the same time, we closely monitored the market trend, and expanded the production volumes of our high-end products and their promotion.

In response to the development changes of the product market and by capitalizing on the niche characteristics of our products, we marketed with creative marketing models and maximized our marketing mechanism. We continued to deploy the innovative marketing model in order to increase our market shares and market influence in the industry.

Adjusting the production layout

In 2013, the Group carried out a comprehensive analysis of the nation's glass industry in the areas of development prospect and social environment. Based on the study, the relocated production line in Wuhai's production base went into production smoothly in accordance with the design requirements. The adjustment of production lines in Beijing, Nanjing and Suqian bases were closely expounded and proved, and moved forward.

Technology upgrade, energy saving and emission reduction

The Group continued to increase its investment in the development of new technology and industrialization in order to maintain its avant-garde position in the glass industry, at the same time, exerted great emphasis on the implementation of environmental energy saving strategy and continued to improve technology transformation in order to increase production efficiency, lower energy wastage of the production, and reduce pollution emission. Our existing float glass production lines have deployed or installed the thermo-power generation system. In addition, based on the system of desulfurization and vacuum dust cleaning, and our increased investment in denitration facilities, we strived to be an environment protection paragon for the glass industry.

OUTLOOK AND TRADE PROSPECTS

Looking ahead into 2014, urbanization, agricultural modernization and infrastructure construction will continue to be the drivers of the industry's development and demand growth. Nevertheless, production overcapacity will remain to constrain the industry's improvement in efficiency, especially the compulsory constraints of upgrading requirements on environmental protection will continue to coerce changes in the industry as follows:

1. As constrained by the state policy, the industry's production capacity may see a small scale of increase with a slowdown in its momentum, hence resulting in a equilibrium in supply and demand that should be beneficial to the industry's profitability recovery; 2. The adjustment of product mix will expedite, high value-added products will become the mainstream products in the market, and production facilities that fall behind in production efficiency will be eliminated; 3. Investment in energy saving and emission reduction will be increased and those enterprises that choose to neglect their social responsibility in environmental conservation will be phased out and the cost of environmental conservation will escalate; and 4. As a result of increasing fuel prices, as well as labor and environmental protection costs, the production cost of the industry will return to normal.

Glass market demand forecast

It is forecasted that the market demand in the glass industry will continue to increase. With the exception of the traditional demand for glass products, green construction and construction renovation of energy saving will drive the upward demand for energy saving glass. In the future, the industry will develop green construction material as a foundation for technology transformation upgrades in order to promote a stable operation environment for the industry that will reduce overcapacity, promote transformation and encourage upgrading. It is expected that the market demand in the industry in 2014 will grow by approximately 6-7%.

Raw material and fuel prices, and manufacturing costs forecast

The price of the major raw material of glass production – soda ash – is poised to increase in 2014 compared with 2013. In the aspect of fuel prices, the price of natural gas may continue to go up while those of coal, coke-oven gas, coal tar and petroleum powder shall remain stable. The Group believes that, under the pressure of environmental protection, the industry's overall production cost in 2014 will see a significant increase, which can be attributed to the following three aspects:

1. The construction and operation of environmental conservation facilities will increase the overall production cost; 2. Cheap fuel resources that do not meet environmental conservation regulations will be restricted in use to be replaced by the higher-cost heavy oil or natural gas; and 3. There will be more restrictions on the exploitation of dolomite and placer, which will destine the production cost of glass in 2014 to be in an upward trend.

The main working plans for 2014

We will see a recovery in the glass industry extending into 2014 in a mild pace. However, looking at it from the perspective of industry competition, just capitalizing on economy of scale will not be as easy to make a success as before. Quality and service will be the name of the game in the arena of market competition. Hence, our working plan in 2014 will be also adjusted correspondingly:

Firstly, "differentiation" enhancement: we will deploy innovative technology to support corporate "differentiation" operation, to further enhance technology innovation, and to increase technology innovation investment. We will emphasize the concerted integration of technology innovation and production to increase the adaptability of innovation so as to effectively transform our avant-garde technology into production profitability;

Secondly, creative marketing enhancement: we will continue to improve our creative branding and marketing models. We will adopt a standardized, scientific and high efficiency marketing mechanism to push ahead the market promotion of our new high products. We will proactively attempt the use of new marketing means such as e-marketing, micro-marketing, etc.

Thirdly, increasing the efficiency of purchasing and logistics: we will expedite the use of strategic purchasing and logistical management convergence to maximize our economy of scale efficiency.

Fourthly, the revamp of production layout: we will closely analyze the existing position of our production capacity and its characteristics, and proactively position ourselves in our production capacities for the domestic and overseas market in accordance with the nation's industry policy through maximization, upgrading and escalating the enterprise's overall competitiveness.

Fifthly, increasing environmental conservation standard: we will reengineer our existing production facilities for such environmental conservation construction as gas purification. We will proactively explore new technology for deploying replacement fuel for production and employ environmental methods to reduce manufacturing and environmental conservation costs.

Sixthly, following the industry's policy change to righteously mend the corporate strategic direction: we will follow the industry's development trend to sternly analyze our strengths and weaknesses to rationalize the overall corporate strategic planning. In addition, we will base on our detailed segmentations of our products and businesses to implement a detailed strategy in order to ensure a sustainable corporate development.

FINANCIAL REVIEW

Turnover

The Group's turnover increased by approximately 8% from RMB2.550 billion for the year ended 31 December 2012 to RMB2.760 billion for the year ended 31 December 2013. This was mainly attributable to an increase of sales volume of 7% compared to last year due to an increase in the production capacity, and an increase of 5% in the annual average selling price compared to the last year due to an increase in the market price of glass this year.

Cost of sales

The Group's cost of sales decreased by approximately 5% from RMB2.340 billion for the year ended 31 December 2012 to RMB2.223 billion for the year ended 31 December 2013. This was mainly attributable to the decrease in the prices of major raw materials and fuel such as soda ash and coke oven gas and the Group's strategy in adopting low-cost fuel technology as a substitution.

Gross profit

The Group's gross profit increased by approximately 156% from RMB210 million for the year ended 31 December 2012 to RMB537 million for the year ended 31 December 2013. This was mainly attributable to the increase in gross profit margin. Gross profit margin increased from 8.2% in 2012 to 19.5% in 2013, which was mainly due to the increase in the average selling price and decrease in unit production cost.

Other net loss

The Group's other net loss decreased from RMB3.196 million for the year ended 31 December 2012 to RMB3.170 million for the year ended 31 December 2013. The net loss in the year of 2012 and 2013 mainly represents net loss from sales of scraps and disposal of property, plant and equipment.

Distribution costs

The Group's distribution costs decreased by approximately 15% from RMB90 million for the year ended 31 December 2012 to RMB77 million for the year ended 31 December 2013. This was mainly attributable to the decrease in the Group's export charges resulted from the decrease of unit export charges.

Administrative expenses

The Group's administrative expenses increased by approximately 2% from RMB255 million for the year ended 31 December 2012 to RMB259 million for the year ended 31 December 2013. There was no significant fluctuation of administrative expenses in 2013 compared with that in 2012.

Finance costs

The Group's finance costs increased from RMB107 million for the year ended 31 December 2012 to RMB115 million for the year ended 31 December 2013. This was mainly attributable to the decrease in capitalised borrowing costs.

Current assets

The Group's current assets decreased by approximately 8% from RMB1.671 billion as at 31 December 2012 to RMB1.543 billion as at 31 December 2013. The decrease was mainly attributable to the decrease in trade and other receivables.

Current liabilities

The Group's current liabilities decreased by approximately 9% from RMB3.110 billion as at 31 December 2012 to RMB2.832 billion as at 31 December 2013. The decrease was mainly attributable to the unsecured notes of RMB149 million had been settled upon maturity in 2013.

Non-current liabilities

The Group's non-current liabilities increased by approximately 4% from RMB287 million as at 31 December 2012 to RMB298 million as at 31 December 2013. This was mainly attributable to an increase in unsecured notes of RMB95 million issued in 2013 and a decrease in long-term bank and other loans by RMB74 million.

Capital structure, liquidity, financial resources and assets-liabilities ratio

As at 31 December 2013, the Group's cash and cash equivalents were RMB468 million (31 December 2012: RMB324 million), of which 96% (31 December 2012: 94%) were denominated in RMB, 3% (31 December 2012: 3%) were denominated in United States dollars ("USD") and 1% (31 December 2012: 3%) were denominated in Hong Kong dollars ("HK$"). Outstanding bank and other loans were RMB1.367 billion (31 December 2012: RMB1.476 billion), of which 90% (31 December 2012: 89%) were denominated in RMB and 10% (31 December 2012: 11%) were denominated in USD. Outstanding unsecured notes amounted to RMB95 million (31 December 2012: RMB149 million), all of which were denominated in RMB (31 December 2012: 100%).

As at 31 December 2013, the gearing ratio (total interest-bearing debts divided by total assets) was 27% (31 December 2012: 29%). As at 31 December 2013, the Group's current ratio (current assets divided by current liabilities) was 0.54 (31 December 2012: 0.54). The Group recorded net current liabilities amounting to RMB1.289 billion as at 31 December 2013 (31 December 2012: RMB1.439 billion). The assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.57 (31 December 2012: 0.59).

Details of the Group's unsecured notes are set out in Note 12.

Material acquisitions and disposals and significant investments

The Group did not have any material investments or capital assets, or material acquisitions or disposals of subsidiaries and associated companies, or significant investments for the year ended 31 December 2013. As at the date of this announcement, the Group has no plan to make any material investment in or acquisition of capital assets.

Human resources and employees' remuneration

As at 31 December 2013, the Group had employed approximately a total of 5,382 employees in the PRC and Hong Kong (31 December 2012: about 5,963 employees). According to the relevant market situation, the Group's employees' remuneration level is maintained at a competitive level and is adjusted in accordance with the employees' performance.

The employees of the companies in the Group which were established in the PRC and in Hong Kong participate in defined contribution retirement benefit schemes and Mandatory Provident Fund Scheme, respectively. Details of staff costs and pension schemes are set out in Note 7(b).

Proposed Distribution

The Board proposed to make a distribution in an amount of approximately HK$15,501,470.58 and representing HK$0.01 per ordinary share from the contributed surplus account of the Company, payable to the shareholders of the Company whose names appear on the register of members of the Company at close of business on 28 May 2014, subject to approval by the shareholders of the Company of the proposal to reduce the share premium and transfer the credit arising therefrom to the contributed surplus account at the annual general meeting of the Company to be held on 22 May 2014 ("Annual General Meeting") (31 December 2012: Nil).

Contingent liabilities

As at 31 December 2013, the Group did not have any significant contingent liabilities.

Exchange rate risk and related hedging

The Group's transactions and monetary assets were primarily denominated in RMB, HK$, USD and Euros ("EUR"). Operating expenses and domestic sales of the Group's PRC subsidiaries were primarily denominated in RMB, and certain borrowings of the Group were denominated in USD. The Group was of the opinion that the future fluctuation of RMB will be closely related to the development of the PRC economy. Our assets, profits and dividends may be affected by the fluctuation of the RMB exchange rate. During the year ended 31 December 2013, the Group did not adopt any derivatives for hedging purposes.

Major customers and suppliers

The percentage of purchases and sales for the year ended 31 December 2013 attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	5%
– five largest suppliers combined	24%
Sales	
– the largest customer	11%
– five largest customers combined	15%

During the year ended 31 December 2013, no Director or any associates of a Director or any substantial shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) of the Company has any interest in any of the Group's five largest customers and suppliers.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 30 May 2005 in order to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its Shares.

On 29 February 2008, the Directors and certain employees of the Company were granted share options under the share option scheme.

No options were granted by the Group and no options granted were lapsed or cancelled during the year ended 31 December 2013. Details of the share options granted were set out in Note 13(a).

SHARE AWARD SCHEME

The Board has approved the adoption of the share award scheme of the Company on 12 December 2011 (the "Adoption Date"). The share award scheme will operate in parallel with the Company's share option scheme adopted on 30 May 2005.

From the Adoption Date up to 31 December 2013, based on the Company's instruction, 28,830,000 shares were purchased by the trustee of the share award scheme (the "Trustee") on the market for the purpose of the share award scheme, representing approximately 1.86% of the issued share capital of the Company as at 31 December 2013 and the aggregate price paid by the Company were HK$37,804,917. For the year ended 31 December 2013, 11,170,000 shares were purchased by the Trustee on the market for the purpose of the share award scheme, and the aggregate price paid for the purchase of these shares were HK$15,573,851. 17,660,000 shares and 11,170,000 shares held under the share award scheme were awarded to the selected employees of the Group at nil consideration on 16 February 2012 and 18 January 2013, respectively. 17,660,000 shares have been vested to the selected employees of the Group on or before 17 February 2014.

Further details of the awards granted under the share award scheme are disclosed in Note 13(b).

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, other than the shares of the Company purchased by the trustee of the share award scheme as disclosed in Note 13(b).

PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, during the year ended 31 December 2013, the Company has maintained a public float of not less than 25% of the issued share capital of the Company as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

AUDIT COMMITTEE

The audit committee of the Company comprised of one non-executive Director, namely Mr. Zhao John Huan and three independent non-executive Directors, namely Mr. Chen Huachen, Mr. Zhao Lihua and Mr. Zhang Baiheng. The chairman of the audit committee is Mr. Chen Huachen. During the year ended 31 December 2013, the audit committee met twice with the external auditors to discuss and review areas of concerns and internal control without the presence of the management. The audit committee reviewed the interim and annual reports before submission to the Board. The committee focused not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports. The audit committee has reviewed with the Company's management and the external auditors the accounting principles and practices adopted by the Group, and has discussed auditing, internal control and financial reporting matters, including the review of the annual results for the year ended 31 December 2013.

NOMINATION COMMITTEE

The nomination committee of the Company comprised of one non-executive Director, namely Mr. Zhou Cheng and two independent non-executive Directors, namely Mr. Zhang Baiheng and Mr. Zhao Lihua. The chairman of the nomination committee is Mr. Zhou Cheng. The principal responsibilities of nomination committee include examinating the structure, size and composition of the Board, identifying suitable individual qualified to become board members and give advice to the Board, and making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors. The Board shall consider the recommendations made by nomination committee and agree any appointment of its members and recommend appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing Directors. During the year ended 31 December 2013, the nomination committee met twice to consider the re-election of retiring Directors and recommend the appointment of new Chief Executive Officer for Board approval. The Company recognises the importance of diversity to corporate governance and the board effectiveness. The Board Diversity Policy (the "Policy") was adopted by the Board in September 2013 which set out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Board nomination and appointments will continue to be made on merit basis based on the Company's business needs from time to time while taking into account diversity. The nomination committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and shall give adequate consideration to the Policy in the selection of Board candidates. Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to age, cultural and educational background, gender, professional expertise and industry experience.

The nomination committee is responsible for reviewing the Policy, developing and reviewing measurable objectives for implementing the policy and monitoring the progress on achieving these objectives. The nomination committee shall review the Policy and the measurable objectives at least annually to ensure the continued effectiveness of the Board.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprised of one non-executive Director, namely Mr. Zhao John Huan, and two independent non-executive Directors, namely Mr. Zhao Lihua and Mr. Zhang Baiheng. The chairman of the remuneration committee is Mr. Zhao Lihua. The principal responsibilities of remuneration committee include making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, recommending the remuneration packages of all executive Directors and make recommendations to the Board of the remuneration of non-executive Directors, by reference to the Company's goals and objectives. During the year ended 31 December 2013, the remuneration committee met once to review and approve the terms set out in the new directors' service contracts and letters of appointment entered into by the relevant Directors and the Company.

STRATEGY COMMITTEE

The strategy committee of the Company comprised of one executive Director, namely Mr. Cui Xiangdong and two non-executive Directors, namely Mr. Zhao John Huan and Mr. Zhou Cheng. The chairman of the strategy committee is Mr. Zhao John Huan.

The strategy committee is mainly responsible for reviewing the mid-term and long-term strategies of the Company pursuant to its defined terms of reference. The strategy committee meets regularly as when necessary. Mr. Zhang Zhaoheng has resigned and Mr. Cui Xiangdong has been appointed as a member of the strategy committee on 22 November 2013.

INVESTOR RELATIONS AND COMMUNICATIONS

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Company's performance and development.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

For the year under review, the Company has complied with the applicable code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Listing Rules, except for the deviations set out below:

(i) The CG Code A.2.7 requires the chairman of the board to at least annually hold meetings with the non-executive Directors (including independent non-executive Directors) without the executive Directors' presence. During the year 2013, all major decisions of the Company were made by the entire Board with attendance of all Directors, and there were no special circumstances requiring independent discussions with non-executive Directors in the absence of the executive Directors. Therefore, no such meeting with the non-executive Directors was held. Notwithstanding that, the Company has internal policies and arrangements to allow all Directors (including the non-executive Directors) to express their views and raise their concerns in relation to the business of the Company with the Chairman.

(ii) The CG Code A.6.7 requires that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zhao John Huan, a non-executive director, has not attended the annual general meeting of the Company due to personal reasons and work commitments. Despite his absence, Mr. Zhao has designated his alternate Director, Mr. Chen Shuai to attend the annual general meeting on his behalf.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code For Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the Directors. Having made specific enquiry of all the Directors, the Company confirms that all the Directors have complied with the required standard set out in the Model Code during the financial year ended 31 December 2013.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming Annual General Meeting will be held on 22 May 2014. The notice of Annual General Meeting will be published and sent to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote in the Annual General Meeting, the register of members of the Company will be closed from 20 May 2014 to 22 May 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the Company's 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 19 May 2014.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Stock Exchange's and the Company's websites. The annual report of the Company for the year ended 31 December 2013 in accordance with the relevant requirements of the Listing Rules will be dispatched to the shareholders of the Company and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.chinaglassholdings.com) in due course.

By Order of the Board
China Glass Holdings Limited
Zhou Cheng
Chairman

Hong Kong, 17 March 2014

As at the date of this announcement, the Board comprises of Mr. Cui Xiangdong and Mr. Li Ping as executive directors, Mr. Zhou Cheng, Mr. Zhao John Huan, Mr. Ning Min and Mr. Guo Wen as non-executive directors and Mr. Zhang Baiheng, Mr. Zhao Lihua, Mr. Ni Wei and Mr. Chen Huachen as independent non-executive directors.

* *For identification purpose only*