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CHINA GLASS HOLDINGS LIMITED
中國玻璃控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 3300)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014 together with the comparative figures for the corresponding year in 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014
(Expressed in Renminbi ("RMB"))

	Note	**2014**	2013
		RMB'000	*RMB'000*
Turnover	5	**2,489,369**	2,760,373
Cost of sales		**(2,117,120)**	(2,223,219)
Gross profit	5	**372,249**	537,154
Other revenue	6	**33,315**	25,575
Other net income/(loss)	6	**165,690**	(3,170)
Distribution costs		**(77,346)**	(76,564)
Administrative expenses		**(292,134)**	(259,066)
Profit from operations		**201,774**	223,929
Share of losses of an associate		**(64)**	(70)
Net gain from disposal of equity interests in an associate		**–**	963
Finance costs	7(a)	**(136,088)**	(114,540)
Profit before taxation	7	**65,622**	110,282
Income tax	8	**(52,463)**	(25,636)
Profit for the year		**13,159**	84,646
Attributable to:			
Equity shareholders of the Company		**1,807**	81,648
Non-controlling interests		**11,352**	2,998
Profit for the year		**13,159**	84,646
Earnings per share (RMB cent)			
Basic	9(a)	**0.12**	5.30
Diluted	9(b)	**0.12**	5.27

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014
(Expressed in RMB)

	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**13,159**	84,646
Other comprehensive income for the year (before and after tax):		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency	**(551)**	(9,539)
Total comprehensive income for the year	**12,608**	75,107
Attributable to:		
Equity shareholders of the Company	**1,256**	72,109
Non-controlling interests	**11,352**	2,998
Total comprehensive income for the year	**12,608**	75,107

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

(Expressed in RMB)

	Note	**2014** **RMB'000**	2013 RMB'000
Non-current assets			
Property, plant and equipment		**3,504,510**	3,545,171
Lease prepayments		**249,512**	272,154
Intangible assets		**23,669**	38,587
Interest in an associate		**536**	600
Available-for-sale investment		**1,000**	1,000
Deferred tax assets		**117,282**	124,824
		3,896,509	3,982,336
Current assets			
Inventories		**481,937**	403,256
Trade and other receivables	10	**968,242**	664,699
Prepaid income tax		**16,012**	7,534
Cash and cash equivalents		**802,234**	467,918
		2,268,425	1,543,407
Current liabilities			
Trade and other payables	11	**1,609,257**	1,580,216
Bank and other loans		**1,095,114**	1,193,357
Obligations under finance leases		**24,993**	–
Income tax payable		**65,741**	58,636
		2,795,105	2,832,209
Net current liabilities		**(526,680)**	(1,288,802)
Total assets less current liabilities		**3,369,829**	2,693,534

	Note	2014 RMB'000	2013 RMB'000
Non-current liabilities			
Bank and other loans		**629,586**	173,728
Obligations under finance leases		**119,211**	–
Unsecured notes		**–**	95,027
Deferred tax liabilities		**31,373**	29,482
		780,170	298,237
NET ASSETS		**2,589,659**	2,395,297
CAPITAL AND RESERVES	13		
Share capital		**84,867**	74,553
Reserves		**2,245,268**	2,072,331
Total equity attributable to equity shareholders of the Company		**2,330,135**	2,146,884
Non-controlling interests		**259,524**	248,413
TOTAL EQUITY		**2,589,659**	2,395,297

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 2014 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

These 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"), and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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 these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2014 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 the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company.

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of new or amended HKFRSs, which are relevant to the Group's financial statements, are discussed below:

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash generating unit ("CGU") whose recoverable amount is based on fair value less costs of disposal. These amendments do not have an impact on these financial statements as the recoverable amount of impaired assets or CGU of the Group is not based on fair value less costs of disposal.

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

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 2014 and 2013.

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 is 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 reportable 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 2014 and 2013. 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 2014 and 2013 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	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	**911,397**	1,087,064	**631,051**	790,095	**748,864**	710,115	**198,057**	173,099	**2,489,369**	2,760,373
Reportable segment gross profit	**47,848**	212,802	**104,614**	85,158	**197,039**	208,359	**22,748**	30,835	**372,249**	537,154

(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 and interest in an associate (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 the location of operations, in the case of interest in an associate.

	Revenue from external customers		Specified non-current assets	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000
The People Republic of China (the "PRC") (including Hong Kong) (place of domicile)	**1,870,276**	2,158,594	**3,778,227**	3,856,512
Middle East	**149,883**	339,759	**–**	–
Columbia	**116,041**	36,297	**–**	–
South Korea	**75,224**	48,385	**–**	–
Nigeria	**58,559**	56,874	**–**	–
Bangladesh	**37,699**	–	**–**	–
Peru	**24,554**	423	**–**	–
Philippines	**10,208**	18,729	**–**	–
Brazil	**7,253**	8,933	**–**	–
Other countries	**139,672**	92,379	**–**	–
	619,093	601,779	**–**	–
	2,489,369	2,760,373	**3,778,227**	3,856,512

6 OTHER REVENUE AND NET INCOME/(LOSS)

	2014	2013
	RMB'000	*RMB'000*
Other revenue		
Interest income	**9,710**	9,548
Government grants	**18,424**	9,510
Others	**5,181**	6,517
	33,315	25,575
Other net income/(loss)		
Net gain on relocation of a production plant *(Note (i))*	**184,768**	–
Net gain/(loss) on disposal of property, plant and equipment	**512**	(1,060)
Impairment loss on property, plant and equipment	**(18,620)**	–
Net loss from sale of raw and scrap materials	**(970)**	(2,110)
	165,690	(3,170)

Note:

(i) The amount represents a gain of RMB184.8 million arising from the expropriation of the land use rights of a PRC subsidiary of the Group by the local government during the year ended 31 December 2014 due to the change of the local city development plan, after netting off disposal loss of a production plant amounting to RMB52.8 million and impairment loss of certain machinery and equipment amounting to RMB107.45 million, respectively.

7 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2014	2013
	RMB'000	*RMB'000*
Interest on bank advances and other borrowings wholly repayable within five years	**111,612**	101,792
Finance charges on obligations under finance leases	**12,806**	–
Bank charges and other finance costs	**30,058**	34,508
Total borrowing costs	**154,476**	136,300
Less: amounts capitalised into property, plant and equipment*	**(19,921)**	(16,828)
Net borrowing costs	**134,555**	119,472
Net foreign exchange loss/(gain)	**1,533**	(4,932)
	136,088	114,540

* The borrowing costs have been capitalised at 6.70% per annum for the year ended 31 December 2014 (2013: 6.71% per annum).

(b) Staff costs#:

	2014	2013
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**236,159**	231,387
Contributions to defined contribution retirement plans	**28,891**	30,289
Equity-settled share-based payment expenses in respect of share award scheme *(Note 12(b))*	**278**	12,053
	265,328	273,729

(c) **Other items:**

	2014	2013
	RMB'000	*RMB'000*
Cost of inventories#	**2,117,120**	2,223,219
Auditors' remuneration – audit services	**6,200**	6,600
Depreciation and amortisation#	**276,968**	257,974
Impairment losses on trade and other receivables	**29,326**	568
Impairment losses on property, plant and equipment	**126,072**	–
Operating lease charges in respect of		
– land	**196**	196
– plant and buildings	**8,213**	6,716
– motor vehicles	**2,346**	2,486
Research and development costs (other than capitalised costs and related amortisation)	**1,758**	859

\# Cost of inventories includes RMB401.0 million (2013: RMB380.3 million) for the year ended 31 December 2014, 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:**

	2014	2013
	RMB'000	*RMB'000*
Current taxation – PRC Corporate Income Tax		
– Provision for the year	**41,423**	44,432
– Under-provision in respect of prior years	**1,607**	591
	43,030	45,023
Deferred taxation		
– Origination and reversal of temporary differences	**(7,609)**	(8,034)
– Write-down of deferred tax assets	**14,990**	4,242
– Recognition of prior years' unused tax losses previously not recognised	**–**	(15,595)
– Effect on deferred tax balances at 1 January resulting from a change in tax rate	**2,052**	–
	9,433	(19,387)
	52,463	25,636

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

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation	**65,622**	110,282
Expected tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned *(Notes (i), (ii) and (iii))*	**19,289**	23,525
Tax effect of non-deductible expenses	**1,644**	2,823
Tax effect of unused tax losses and temporary differences not recognised	**16,051**	10,643
Tax concessions *(Notes (iv) and (v))*	**(3,170)**	(593)
Tax effect of recognition of prior years' unused tax losses previously not recognised	**–**	(15,595)
Tax effect of write-down of deferred tax assets *(Note (vi))*	**14,990**	4,242
Effect on deferred tax balances at 1 January resulting from a change in tax rate *(Note (v))*	**2,052**	–
Under-provision in respect of prior years	**1,607**	591
Income tax	**52,463**	25,636

Notes:

(i) The Hong Kong Profits Tax rate for the year ended 31 December 2014 is 16.5% (2013: 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 2014 (2013: 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% (2013: 25%).

(iv) A subsidiary 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% (2013: 15%).

(v) Certain subsidiaries of the Group established in the PRC obtained approvals from the tax bureau 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, from the year in which the approval is obtained. One of those subsidiaries did not obtain approvals to extend its qualification as enterprises with advanced and new technologies in 2014, and is therefore subject to PRC Corporate Income Tax rate of 25% from year 2014 onwards (2013:15%).

(vi) The Group wrote down previously recognised tax losses of RMB15.0 million (2013: RMB4.2 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 PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2014 is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,807,000 (2013: RMB81,648,000) and the weighted average of 1,560,557,000 ordinary shares (2013: 1,539,338,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2014	2013
	’000	*’000*
Issued ordinary shares at 1 January	**1,538,977**	1,550,147
Effect of shares issued on 17 December 2014	**10,685**	–
Effect of shares purchased and/or vested under a share award scheme *(Note 12(b))*	**10,895**	(10,809)
Weighted average number of ordinary shares at 31 December	**1,560,557**	1,539,338

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2014 is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,807,000 (2013: RMB81,648,000) and the weighted average of 1,560,832,000 ordinary shares (2013: 1,549,762,000 ordinary shares) in issue during the year, calculated as follows:

	2014	2013
	’000	*’000*
Weighted average number of ordinary shares at 31 December	**1,560,557**	1,539,338
Effect of deemed issue of shares under the share award scheme *(Note 12(b))*	**275**	10,424
Weighted average number of ordinary shares (diluted) at 31 December	**1,560,832**	1,549,762

10 TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables from:		
– Third parties	**272,715**	231,970
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**16,166**	24,226
– Companies under common significant influence	**20,485**	5,425
Bills receivables	**95,820**	200,741
	405,186	462,362
Less: allowance for doubtful debts	**(52,070)**	(26,074)
	353,116	436,288
Amounts due from related companies:		
– Equity shareholders of the Company and their affiliate	**280**	280
– Companies under common significant influence	**11,768**	3,116
	12,048	3,396
Less: allowance for doubtful debts	**(1,784)**	(1,784)
	10,264	1,612
Prepayments, deposits and other receivables:		
– Prepayments for the purchase of inventories	**56,129**	44,709
– Prepayments for the purchase of property, plant and equipment and land use rights	**43,565**	31,933
– Value added tax refundable	**57,323**	52,054
– Advances to third parties	**62,961**	66,285
– Receivable for disposal of land use rights	**8,129**	12,129
– Receivable for relocation of a production plant	**345,098**	–
– Others	**40,813**	27,751
	614,018	234,861
Less: allowance for doubtful debts	**(9,156)**	(8,062)
	604,862	226,799
	968,242	664,699

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 seperately 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:

	2014	2013
	RMB'000	*RMB'000*
Within 1 month	**121,858**	101,778
More than 1 month but less than 3 months	**59,078**	117,173
More than 3 months but less than 6 months	**49,591**	86,514
Over 6 months	**122,589**	130,823
	353,116	436,288

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired based on due date is as follows:

	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**115,179**	207,208
Less than 1 month past due	**63,900**	61,575
More than 1 month but less than 3 months past due	**32,892**	23,626
More than 3 months but less than 6 months past due	**18,556**	13,712
More than 6 months past due	**122,589**	130,167
	237,937	229,080
	353,116	436,288

Receivables that were neither past due nor impaired relate to bills receivables from the issuing banks and customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11 TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**574,063**	520,489
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**550**	550
– Companies under common significant influence	**9,478**	2,234
Bills payables	**311,350**	310,780
	895,441	834,053
Amounts due to related companies:		
– An equity shareholder of the Company	**1,258**	2,458
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**–**	10,540
– Companies under common significant influence	**93,516**	15,775
	94,774	28,773
Accrued charges and other payables:		
– Payables for construction and purchase of property, plant and equipment and land use rights	**298,297**	388,722
– Payables for staff related costs	**87,826**	86,451
– Payables for acquisitions of non-controlling interests in subsidiaries of the Group	**5,905**	40,092
– Payables for miscellaneous taxes	**27,457**	34,263
– Payables for transportation expenses	**14,816**	14,688
– Advances from third parties	**46,948**	8,969
– Others	**48,685**	54,791
	529,934	627,976
Financial liabilities measured at amortised cost	**1,520,149**	1,490,802
Advances received from customers	**89,108**	89,414
	1,609,257	1,580,216

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:

	2014	2013
	RMB'000	*RMB'000*
Due within 1 month or on demand	**618,936**	668,173
Due after 1 month but within 6 months	**276,505**	165,880
	895,441	834,053

12 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:

	2014 and 2013	
	Weighted average exercise price	**Number of options**
		'000
Outstanding at the beginning and 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 2014 had an exercise price of HK$1.75 (31 December 2013: HK$1.75) and a weighted average remaining contractual life of 0.42 years (31 December 2013: 1.42 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:

	2014			2013		
	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	**1.39**	**11,170,000**	**12,604**		–	–
Shares purchased during the year		**–**	**–**	1.39	11,170,000	12,604
Shares vested during the year		**(11,170,000)**	**(12,604)**		–	–
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 8 January 2014 and transferred to the selected employees of the Group on 10 January 2014.

13 CAPITAL AND RESERVES

(a) Dividends/distributions

(i) Dividends/distributions payable to equity shareholders of the Company attributable to the year

	2014 *RMB'000*	2013 *RMB'000*
Final dividends/distribution proposed after the end of the reporting period of HK$Nil per ordinary share (2013: HK$0.01 per ordinary share)	**–**	12,187

(ii) Distributions/dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

	2014 *RMB'000*	2013 *RMB'000*
Final distribution/dividend in respect of the previous financial year, approved and paid during the year, of HK$0.01 per ordinary share (2013: HK$Nil per ordinary share)	**12,187**	–

(b) Share capital

(i) Authorised and issued share capital

	2014		2013	
	No. of shares	***HK$'000***	*No. of shares*	*HK$'000*
Authorised:				
At 1 January and 31 December, at HK$0.05 each	**3,600,000,000**	**180,000**	3,600,000,000	180,000

	2014		2013	
	No. of shares	***RMB'000***	*No. of shares*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**1,550,147,058**	**74,553**	1,550,147,058	74,553
Shares issued on 17 December 2014 *(Note (ii))*	**260,000,000**	**10,314**	–	–
At 31 December	**1,810,147,058**	**84,867**	1,550,147,058	74,553

(ii) Issuance of ordinary shares

In a board meeting held on 5 November 2014, the Company's board of directors approved the issuance of 260,000,000 new ordinary shares to the Triumph Technology Group Company (the "Subscription"). Upon completion of the Subscription on 17 December 2014, the proceeds of HK$13.0 million (equivalent to approximately RMB10.3 million) received by the Company, representing the par value, were credited to the Company's share capital. The remaining proceeds received by the Company, net of transaction costs, of HK$231.4 million (equivalent to approximately RMB183.6 million) were credited to the Company's share premium account.

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

On 30 March 2015, the Company made an announcement to disclose that as instructed by local government, one PRC subsidiary of the Group has suspended one of its production lines. The PRC subsidiary will take this opportunity to perform maintenance and equipment upgrade to meet local government environmental protection requirements before resuming production in near future.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2014, the development of the property market was sluggish. Hence, the oversupply situation of the glass market in the country remained unrelieved. According to the data released by the State Statistical Bureau, housing construction starts commanded a total area of 179,592 square meters in 2014, a decline of 10.7% over the previous year. This slowdown in the domestic property market dragged down the demand of glass. Yet the production capacity of glass has not seen any reduction. According to the publication of the Department of Raw Material Industry, flat glass production in the year amounted to 790 million weight cases, representing a 1.1% increase over the previous year. This therefore aggravated the conflict of supply and demand. Furthermore, the capital raising environment of the domestic glass industry remained to be challenging, causing the operating cost to remain high. Even magnifying this vicious competition was that glass manufacturers competed to roll out price-cutting promotion strategies one after another.

Stepping into the second half of 2014, international oil price began to drop significantly, dealing an adverse blow to oil exporting countries that were major exporting markets for China's glass industry. The industry's export became worse. In spite of this, the Group managed to proactively adjust its export product mix and cultivate new exporting countries, thus maintaining a competitive edge in our products in terms of both export price and volume, and therefore the Group's revenue contribution from export continued to grow proportionately.

In the second half of 2014, government policy to curb the overcapacity issue was rolled out. Although production capacity in general did decrease, the overall situation was hardly changed. The glass manufacture industry faced a critical stage of production transformation and structural adjustment, and was affected by environmental protection, market and capital factors. Hence, the need of an industry upgrade was imminent.

BUSINESS OVERVIEW

Overview

The Group currently has 17 glass production lines, of which 14 are float glass production lines and three are patterned glass production lines for solar power ultra-clear photovoltaic glass. The Group's daily melting capacity amounted to 7,630 tonnes. As at 31 December 2014, the Group had 11 production lines in operation. A float glass production line in Beijing and two float glass production lines in Suqian were suspended for overhaul or technical transformation. The three pattern glass production lines in Nanjing were suspended due to the relocation plan as a result of the local government's expropriation of the land use rights. In addition, the Group has an offline low-emission coated ("Low-E") glass production line and one amorphous silicon thin-film battery production line.

Raw material and fuel price and production cost

Coal tar, petroleum coke, coal, and natural gas are noways the glass industry's major fuels in nowadays. According to the data as publicized by China Construction Materials Information Center, the price of natural gas increased in September 2014 increasing the cost burden of enterprises that use such a fuel, further squeezing the already limited profit margin. As to petroleum coke, the price went down in the beginning and then went up afterwards in the year. The price of coal tar was weak in trend in the first half of 2014, and decreased significantly in the second half.

In 2014, raw materials such as silica sand, dolomite, and linestone were basically stable in price. And packing material for glass production experienced a decline in price in varying degrees.

Production, sales and selling price

In 2014, the Group produced an aggregate amount of 40.54 million weight cases of glass, roughly the same as the previous year. Comparing with the previous year, sales volume for the year came down by about 3% owing to the weakness of the overall industry sentiment. However, our export increased slightly by 2%, as compared with the previous year. Average selling price of the Group's glass products in 2014 was RMB64 per weight case, representing a decrease of 5% as compared with the previous year.

Profit analysis

In 2014, the Group recorded revenue of RMB2,489 million, representing a decrease of 10% compared with the previous year. This was mainly attributed to the decline in both average selling price and sales volume. Gross profit decreased by RMB165 million as compared with 2013. Although cost of sales was down in 2014 as compared with 2013, its extent of decrease was smaller than the extent of decrease in sales revenue, therefore resulting in an overall decline in gross profit.

MAJOR ACHIEVEMENTS IN 2014

Optimisizing internal management to enhance the input for energy saving and environmental protection

In 2014, the Group made a good step forward to enhance its operation control, system construction, and performance appraisal. The Group continued to implement the standardization of its float glass production lines, the revision and improvement of the standardized process of production technology, the improvement of the coporate quality standard and the enhancement of quality control.

According the energy consumption standard for the glass industry as promulgated by the PRC, based on the experience of the leaders, and considering the actual condition of every production line, the Group has reviewed the formulation of kiln heat consumption and comprehensive energy consumption indicators, in order to promote the launch of energy saving and consumption reduction work in various bases. In 2014, the Group installed in every base a waste heat power station that uses waste heat to generate power amounting to 110 million kilowatt-hour, representing 45% of the Group total electric power consumption.

By understanding and learning the State's policies and leveraging an the experience of industry leaders in Time, we have enhanced the enforcement of treating flue gas, and the coordination with bases in expediting the construction of environmental protection projects. During the year, the smoke indicators at the bases such as Dongtai and Wuhai all achieved the required emission standards. As to the bases in such places such as Linyi, due to their deployment of different fuels, has faced difficulties in tackling same nitrogen oxide indicators that have also been faced by other companies in the industry. The Group is cooperating with related environmental protection department to tackle those key technological problems. In order to penetrate those technology hurdles, the Group had invested RMB61 million in technology improvement in 2014.

Enhancing R&D work for new products

In 2014, the Group continued to implement the strategic thinking of "leveraging on technology innovation to support differentiation, and elevate core competitiveness". Based on this strategic thinking, we have rolled out the study of forward-looking technology to organize the implementation of the R&D for new products and technology. We also implemented such policies that cover a project manager responsibilities system, organizing the implementation of new technology, and the commercialization work for new products. Major breakthroughs are summarized as follows:

By further optimizing the online Low-E production technology, cost reduction and extended coating cycle were achieved. As such, our two production lines at the Dongtai base have become the largest single online Low-E production line in the nation.

The online Sun-E, a multi-color spectrum of color coated glass product, have been developed with indicators such as uniformities and rationalization achieving international requirements.

Our production of online easy-to-clean sunlight coated glass has achieved seamless integration with the production of online sunlight coated glass. Coating rate of above 90% was achieved.

We further improved the online TCO glass production technology, and made a new breakthrough in the study of developing new coating layers and a new type of reactor.

Ultra-clear and ultra-white glass was successfully added to our production lines in October 2014.

Enhancing market/sales working force

In 2014, in order to coordinate with the promotion of high value-added energy saving products, the Group started to reform its marketing and sales system. The reform however remained unfinished in the year, and thus our investment in high-end new products fell short of our expectation. Nevertheless, the Group managed to maintain its leading position in the traditional market of coasted glass. And we managed to make some improvements in the sales of "high value-added and high technology" new products. We also made some improvement in product positioning, price setting, and channel management. Building a distribution network for our online sunlight coated products to customers that span across the counties was also rolled out in its initial stage.

The implementation of "go abroad" strategy

In 2014, the Group established it overseas business department responsible for the implementation of the "go abroad" strategy. In the meantime, we have done some comprehensive surveys, analysis and studies on a number of countries and regions, and have basically implemented our initial target of "go abroad" strategy. We will continue to make comprehensive follow-up development.

THE GLASS MARKET OUTLOOK

Stepping into 2015, our nation's economic development has entered a "New Normal" stage, hence there are constraints for the increase in demand of construction material, which relies on the increase in investment. The glass industry, and the construction material industry as a whole, will continue to face a relatively rigorous market environment. The mounting pressure of financial resources, energy resources, and environmental constraints has developed a reverse impact on the development of the industry. This is especially true as the new environmental protection law tends to increase the difficulties of an enterprise's technological breakthrough and the cost of handling such new environmental requirements. This will then increase the industry's overall manufacturing cost and, to a certain extent, will also reduce product supply.

The production of energy-saving glass substrates in the glass industry as represented by Low-E coated glass is highly receptive by the market, which has become a must choice energy-saving product for energy-saving construction. Following the launch of new and upgraded products that command low cost, environmental protection, energy saving, good-looking, etc., the demand for traditional products will unavoidably be reduced and their prices will continue to be under pressure. Contrary to this, the demand for new and upgraded products will increase, production of these products will increase, and the market will hence be opened up. As such, this kind of products will become the growth driver of the profitability of the glass industry in general.

In conclusion, there will be both challenges and opportunities in 2015.

Forecast of price movement of raw materials and fuels

As to raw materials, the soda ash industry has manifested an over capacity in its production. Although the country has restricted the emerge of new production capacity and eliminated production capacity that lags behind, those projects which have finished construction will start producing in this year. Hence, it is expected that the supply of soda ash will continue to be sufficient and its price hike will not be sustainable.

Raw materials such as silica sand, dolomite, and limestone, based on their price changes and trend forecast, will have little room for downward adjustment, but will fluctuate according to the movement of related freight costs. The implementation of the new environmental protection law will not only affect enterprises that manufacture flat glass, but also impact to a larger extent upstream raw material supplying enterprises. These raw material supplying enterprises will also be required to achieve corresponding indicators that prevent and treat pollutions. As such, they will have to pay additional costs in order to solve the issues, and these additional costs will then be transferred to downstream enterprises.

With sufficient supply in the market, and the fact that downstream demand will remain sluggish, it is expected that the price of petroleum coke will decline. The oversupply of the coal industry will basically remain unchanged, and price expectation for 2015 will remain at a low level.

From the perspective of choosing fuels, with the implementation of online surveillance – especially with the implementation of the new environmental protection law, it is expected that the nation will enhance its control on energy saving and low emission requirements, and exert severe penalties on any violation. The pressure on the flat glass industry in respect of energy saving and emission reduction will mount. From a long-term perspective, under the sentiment of solving the overcapacity issue, clean energy will become the mainstay of fuels for the flat glass industry.

MAJOR WORK PLANS FOR 2015

Under this backdrop, the Group has supplemented and adjusted its strategic plan, hence its medium/long-term development directions will be as follows: "**organic growth; mergers and acquisition; and going abroad**".

1. **Continuing the enhancement of new product R&D and mass production**

   The Group will continue to enhance its investment in new product technology R&D. This will include the improvements in technological indicators for online Low-E glass and the increase of its production capacity, the mass production of ultra heat-absorbing glass, the continuing R&D of ultra-white glass, the breakthrough of energy saving and environmental protection technology to reduce the emission of nitrogen oxides and sulfides, and the laboratory research of "new coating layers". Those will be deployed to adapt to the trends of the glass industry in the areas of changing functionality and clearness.

2. **Brand building and creative marketing**

   We would continue to finish the consolidation of the creative marketing work that had not yet been finished in 2014. We will improve such detailed works as customer channels, and establish a new direct sales model, so that the Group can expand its influence at the customer ends. At the same time, we will improve the marketing network for high value-added products so as to increase their sales volume. We will take further steps to escalate our corporate brand image, and to enhance our layout of the e-commerce networking platform.

3. **Achieving a solid breakthrough in the "go abroad" strategy**

   In 2015, the Group will stably implement the strategy of "going abroad". By leveraging on the country's promulgation of the "one belt, and one road" and support for capacity transfer policies, we will promote the projects of constructing production lines in Nigeria and Egypt in order to achieve a rapid growth for the Group's overall profit. We will also follow our "prioritizing marketing" principle to establish trading companies in target countries, and to proactively cultivate business. We will also do well in preparing for our marketing work in order to reduce risk. At the sametime, we will study the feasibility of establishing marketing companies and constructing production lines in other countries, so that we can gradually implement the Group's globalization plan.

4. **Stabilizing production, and enhancing the efforts for energy saving and environmental protection**

   We will continue to perfect the technological standards and process for float glass production, including the formulation of such technological standards and processes as the melting molding, and annealing of body tinted glass, and to enhance technology management. While observing the budget, we will lay down our product positions for various production lines, ensure that productions are stable, to satisfy every requirement of our marketing effort.

We will explore new alternative fuels. Focus will be maintained at improving the Dongtai, Linyi, and Wuhai bases in the choices of fuels and system construction. We will follow the glass industry's new standards in energy consumption, promote making further efforts in developing energy saving and reducing wastage in various bases, and strive to achieve meeting the industry standard of energy wastage for all of the Group's float glass production lines in the year. We will keep track, monitor, and implement the environmental protection facilities of our various float glass bases, as well as their operations, and the degree of meeting the emission standards. We will follow the requirements of the environmental protection law, deploy innovative technology, adjust our structure, change our production method, reduce the consumption of energy, and reduce emission, so as to upgrade our overall level of energy saving and reducing emission capability.

FINANCIAL REVIEW

Turnover

The Group's turnover decreased by approximately 10% from RMB2.760 billion for the year ended 31 December 2013 to RMB2.489 billion for the year ended 31 December 2014. The decrease in turnover was mainly attributable to a decrease of 5% in the annual average selling price compared to last year due to a decrease in the market price of glass this year, and a decrease of sales volume of 3% compared to last year.

Cost of sales

The Group's cost of sales decreased by approximately 5% from RMB2.223 billion for the year ended 31 December 2013 to RMB2.117 billion for the year ended 31 December 2014. This was mainly attributable to a decrease of sales volume of 3% and the fruitful result of the Group's strategy in adopting low-cost fuel technology as a substitute.

Gross profit

The Group's gross profit decreased by approximately 31% from RMB537 million for the year ended 31 December 2013 to RMB372 million for the year ended 31 December 2014. This was mainly attributable to a decrease in gross profit margin. Gross profit margin decreased from 19.5% in 2013 to 15.0% in 2014, which was mainly due to a decrease in the average selling price.

Other net income/(loss)

The Group's other net income/(loss) increased from a net loss of RMB3.17 million for the year ended 31 December 2013 to a net income of RMB166 million for the year ended 31 December 2014. The net income in 2014 mainly represents a gain arising from the expropriation of the land use rights of a PRC subsidiary of the Group by local government. The net loss for the year 2013 mainly represents net loss from sales of scraps and disposal of property, plant and equipment.

Distribution costs

There was no significant fluctuation of the Group's distribution costs for the year ended 31 December 2014 and for the year ended 31 December 2013.

Administrative expenses

The Group's administrative expenses increased by approximately 13% from RMB259 million for the year ended 31 December 2013 to RMB292 million for the year ended 31 December 2014. The increase was mainly attributable to an increase in provision for doubtful debts for trade and other receivables.

Finance costs

The Group's finance costs increased by approximately 18% from RMB115 million for the year ended 31 December 2013 to RMB136 million for the year 31 December 2014. This was mainly attributable to an increase in average balance of bank and other loans in the year 2014.

Current assets

The Group's current assets increased by approximately 47% from RMB1.543 billion as at 31 December 2013 to RMB2.268 billion as at 31 December 2014. The increase was mainly attributable to an increase in cash and cash equivalents, and trade and other receivables.

Current liabilities

The Group's current liabilities decreased by approximately 1% from RMB2.832 billion as at 31 December 2013 to RMB2.795 billion as at 31 December 2014. The decrease was mainly attributable to a decrease in short-term bank and other loans.

Non-current liabilities

The Group's non-current liabilities increased by approximately 162% from RMB298 million as at 31 December 2013 to RMB780 million as at 31 December 2014. This was attributable to an increase in long-term bank and other loans by RMB456 million.

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

As at 31 December 2014, the Group's cash and cash equivalents were RMB802 million (31 December 2013: RMB468 million), of which 78% (31 December 2013: 96%) were denominated in RMB, 6% (31 December 2013: 3%) were denominated in United States Dollars ("USD"), and 16% (31 December 2013: 1%) were denominated in Hong Kong dollars ("HK$"). Outstanding bank and other loans were RMB1.725 billion (31 December 2013: RMB1.367 billion), of which 94% (31 December 2013: 90%) were denominated in RMB, and 6% (31 December 2013: 10%) were denominated in USD. Outstanding unsecured notes amounted to RMB Nil (31 December 2013: RMB95 million), all of which were denominated in RMB (31 December 2013:100%).

As at 31 December 2014, the gearing ratio (total interest-bearing debts divided by total assets) was 30% (31 December 2013: 27%). As at 31 December 2014, the Group's current ratio (current assets divided by current liabilities) was 0.81 (31 December 2013: 0.54). The Group recorded net current liabilities amounting to RMB527 million as at 31 December 2014 (31 December 2013: RMB1.289 billion). The assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.58 as at 31 December 2014 (31 December 2013: 0.57).

Material acquisitions and disposal and significant investments

For the year ended 31 December 2014, 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 2014.

Human resources and employees' remuneration

As at 31 December 2014, the Group employed approximately a total of 4,936 employees in the PRC and Hong Kong (31 December 2013: about 5,382 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 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).

Final dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (31 December 2013: HK$15,501,470.58).

Contingent liabilities

As at 31 December 2014, 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 2014, 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 2014 attributed to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	5%
– five largest suppliers combined	19%
Sales	
– the largest customer	9%
– five largest customers combined	15%

During the year ended 31 December 2014, 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 the 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 2014. Details of the share options granted were set out in Note 12(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 2014, 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 2014 and the aggregate price paid by the Company were HK$37,804,917. For the year ended 31 December 2014, no shares were purchased by the Trustee on the market for the purpose of the share award scheme. 11,170,000 shares held under the share award scheme were awarded to the selected employees of the Group at nil consideration on 18 January 2013. All of the awarded shares have been vested on 8 January 2014 and transferred to the selected employees of the Group on 10 January 2014.

Further details of the awards granted under the share award scheme are disclosed in Note 12(b).

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

During the year ended 31 December 2014, 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 12(b).

SHARE CAPITAL

On 5 November 2014, the Company entered into a subscription agreement with Triumph Technology Group Company, (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 260,000,000 subscription shares at the price of HK$0.94 per subscription share for a total consideration of approximately HK$244,400,000 (the "Subscription"). The subscription shares were issued under the general mandate and rank pari passu with all other shares of the Company in all respects. The aggregate nominal value of the subscription shares is HK$13,000,000. The closing price as quoted on the Stock Exchange on 5 November 2014, being the date of the subscription agreement was HK$0.94. Completion of the Subscription took place on 17 December 2014. For the net proceeds from the subscription, part of it has been used for replenishing the Company's production capital and part of it will be used for the Company's overseas investment in constructing new production lines.

Details of the share capital of the Company and its movement during the year ended 31 December 2014 are set out 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 2014, 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 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 2014.

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 2014, 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 as a non-executive director, has not attended the annual general meeting of the Company held on 22 May 2014 due to other work commitments. Despite his absence, Mr. Zhao has designated his alternate Director, Mr. Ning Min 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 enquiries with all the Directors, the Company confirms that all the Directors have complied with the required standard as set out in the Model Code during the financial year ended 31 December 2014.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinaglassholdings.com) respectively. The annual report of the Company for the year ended 31 December 2014 in accordance with the relevant requirements of the Listing Rules will be dispatched to the shareholders of the Company on the same websites in due course.

By Order of the Board
China Glass Holdings Limited
Zhao John Huan
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the directors of the Company are as follows:

Executive Director:
Mr. Cui Xiangdong *(Chief Executive Officer)*

Non-Executive Directors:
Mr. Zhao John Huan *(Chairman)*; Mr. Zhou Cheng *(Honorary Chairman)*; Mr. Peng Shou *(Deputy Chairman)*; and Mr. Guo Wen

Independent Non-Executive Directors:
Mr. Zhang Baiheng; Mr. Zhao Lihua; and Mr. Chen Huachen

* *For identification purpose only*