Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

XINGYE COPPER INTERNATIONAL GROUP LIMITED
興業銅業國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 505)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "Board") of Xingye Copper International Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 together with comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015
(Expressed in RMB)

	Note	2015 RMB'000	2014 RMB'000
Revenue	3(a)	**2,942,663**	3,370,976
Cost of sales		**(2,684,335)**	(3,101,539)
Gross profit		**258,328**	269,437
Other income	4	**57,010**	35,746
Distribution expenses		**(26,992)**	(26,205)
Administrative expenses		**(204,364)**	(169,821)
Other expenses	5	**(11,319)**	(43,601)

	Note	**2015** RMB'000	2014 RMB'000
Profit from operations		**72,663**	65,556
Finance income		**6,655**	10,459
Finance costs		**(53,176)**	(47,245)
Net finance costs	*6*	**(46,521)**	(36,786)
Share of loss of associate		**–**	(34)
Profit before taxation		**26,142**	28,736
Income tax	*7*	**(5,293)**	(9,186)
Profit for the year		**20,849**	19,550
Attributable to:			
Equity shareholders of the Company		**18,848**	18,753
Non-controlling interests		**2,001**	797
Profit for the year		**20,849**	19,550
Earnings per share	*8*		
Basic *(RMB)*		**0.02**	0.03
Diluted *(RMB)*		**0.02**	0.03

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015
(Expressed in RMB)

	Note	**2015** **RMB'000**	2014 RMB'000
Profit for the year		**20,849**	19,550
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas operations		**3,505**	(2,855)
Other comprehensive income for the year		**3,505**	(2,855)
Total comprehensive income for the year		**24,354**	16,695
Attributable to:			
Equity shareholders of the Company		**22,353**	15,898
Non-controlling interests		**2,001**	797
Total comprehensive income for the year		**24,354**	16,695

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015
(Expressed in RMB)

	Note	2015 RMB'000	2014 RMB'000 (Restated) (note 13)
Non-current assets			
Property, plant and equipment		**1,160,914**	1,058,412
Lease prepayments		**14,199**	14,557
Interest in an associate		**–**	6,579
Interest in a joint venture		**–**	–
Available-for-sale investment		**–**	33,908
Deposits for acquisition of property, plant and equipment		**15,973**	12,596
		1,191,086	1,126,052
Current assets			
Inventories	*9*	**424,654**	497,998
Trade and other receivables	*10*	**364,729**	425,647
Loan receivables		**–**	49,334
Derivative financial instruments		**830**	3,809
Available-for-sale investment		**9,000**	–
Pledged bank deposits		**33,298**	222,319
Cash and cash equivalents		**209,915**	123,058
		1,042,426	1,322,165
Current liabilities			
Trade and other payables	*11*	**545,863**	547,444
Interest-bearing borrowings	*12*	**487,662**	840,800
Derivative financial instruments		**1,711**	–
Current income tax payables		**718**	2,568
		1,035,954	1,390,812
Net current assets/(liabilities)		**6,472**	(68,647)
Total assets less current liabilities		**1,197,558**	1,057,405
Non-current liabilities			
Interest-bearing borrowings	*12*	**336,710**	284,691
Deferred income		**50,721**	43,056
Deferred tax liabilities		**7,052**	12,488
		394,483	340,235
Net assets		**803,075**	717,170
Capital and Reserves			
Share capital		**73,687**	64,881
Reserves		**705,085**	615,837
Total equity attributable to equity shareholders of the company		**778,772**	680,718
Non-controlling interests		**24,303**	36,452
Total Equity		**803,075**	717,170

1. REPORTING ENTITY AND BACKGROUND INFORMATION

Xingye Copper International Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 19 July 2007 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 December 2007 (the "Listing Date").

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are the manufacture and sales of high precision copper plates and strips, trading of raw materials, and provision of processing services.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which collective term includes all applicable individual International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and related Interpretations, issued by the International Accounting Standards Board (IASB), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. None of these developments are relevant to the Group's operation and therefore have not significantly impacted on the financial position and results of the Group, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacture and sales of high precision copper plates and strips, trading of raw materials, and provision of processing services.

Sales of copper products represent the manufacture and sales of high precision copper plates and strips products.

Revenue from processing services represents the provision of processing services relating to high precision copper plates and strips products.

Revenue from trading of raw materials represents the sales of raw materials relating to copper products.

The amount of each significant category of revenue recognised during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of high precision copper plates and strips	**2,560,790**	2,662,546
Trading of raw materials	**239,169**	557,021
Processing service fee	**142,704**	151,409
	2,942,663	3,370,976

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the processing and sales of copper related products.

As the assets and liabilities by segment is not a measure used by the Group's chief operating decision maker to allocate resources and assess performance, the segment assets and liabilities of the Group are not reported to the Group's chief operating decision maker regularly. As a result, reportable segment assets and liabilities have not been presented in the consolidated financial statements.

Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	2015	2014
	RMB'000	*RMB'000*
Revenue		
PRC	**2,516,045**	2,851,187
Others	**426,618**	519,789
	2,942,663	3,370,976

The Group's revenue from customers is decentralised, therefore, no major customers contributed over 10% of the total revenue of the Group during the years ended 31 December 2015 and 2014.

Based on the physical location of the assets (in the case of property, plant and equipment), the location of the operations to which the assets are allocated (in the case of intangible assets), and the location of operations (in the case of interests in associates and joint venture), the Company's specified non-current assets (excluding financial assets and deferred tax assets) are all located in one geographical area, being mainland China.

4. OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Government grants	**31,605**	10,348
Gain on sale of lease prepayment	**–**	1,111
Gains from derivate financial instruments	**19,678**	22,039
Others	**5,727**	2,248
	57,010	35,746

Government grants represented unconditional government grants of RMB30,360,000 (2014: RMB9,631,000) awarded to the Group as a recognition of the Group's contribution to the development of the local economy, and the amortisation of deferred government grants of RMB1,245,000 during the year ended 31 December 2015 (2014: RMB717,000).

5. OTHER EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Impairment loss on property, plant and equipment	**–**	19,795
Loss on sale of property, plant and equipment	**4,776**	14,187
Loss on disposal of interest in an associate	**2,629**	–
Loss on disposal of investment in a subsidiary	**426**	–
Write-off of loan receivables from a third party	**–**	7,844
Others	**3,488**	1,775
	11,319	43,601

6. NET FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest income on bank deposits	**5,825**	7,212
Interest income on loans to a third party	**–**	3,247
Unrealised gain from foreign exchange forward contracts	**830**	–
	6,655	10,459
Interest expenses	**(53,622)**	(57,727)
Less: interest expense capitalised*	**15,127**	12,761
Net interest expense recognised in profit or loss	**(38,495)**	(44,966)
Net foreign exchange loss	**(14,681)**	(2,279)
Finance costs	**(53,176)**	(47,245)
Net finance costs	**(46,521)**	(36,786)

* The borrowing costs were capitalised at a rate of 1.02%~6.9%per annum in 2015 (2014: 1.23%~6.6% per annum).

7. INCOME TAXES IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2015	2014
	RMB'000	*RMB'000*
Current tax		
Provision for PRC Corporate Income Tax	**12,479**	15,558
Over-provision in respect of prior year	**(1,750)**	(7,251)
PRC withholding tax	**–**	7,330
	10,729	15,637
Deferred tax		
Origination and reversal of temporary differences	**(5,917)**	(6,343)
PRC withholding tax	**481**	–
Effect of change in tax rate	**–**	(108)
	5,293	9,186

(i) Pursuant to the tax rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) No provision for Hong Kong Profits Tax has been made for the subsidiaries incorporated in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2015 (2014: nil).

(iii) The provision for PRC income tax is based on the respective Corporate Income Tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

For the year ended 31 December 2015, the standard income tax rate for all companies established in the PRC was 25%, except for Ningbo Xingye Shengtai Group Limited ("Xingye Shengtai"), which was granted the status of High and New-Technology Enterprise by the local authorities and is entitled to a reduced tax rate of 15% for the three years from 2014 to 2016.

(iv) Pursuant to the Corporate Income Tax Law of the PRC, a 5% withholding tax is levied on foreign investors in respect of dividend distributions arising from the profits of foreign investment enterprises in the PRC earned after 1 January 2008, provided that the Company is the "beneficial owner" and holds 25% or more of the equity interest of a foreign investment enterprise in the PRC under the tax arrangement between the PRC and Hong Kong Special Administration Region. As at 31 December 2015, deferred tax liabilities of RMB1,500,000 (2014: RMB 1,019,000) have been recognised in connection with the withholding tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries.

(b) Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following item:

	2015	2014
	RMB'000	*RMB'000*
Tax losses of subsidiaries (i)	**60,043**	40,375
Retained earnings of PRC subsidiaries not expected to be distributed outside of the PRC in the foreseeable future (ii)	**91,716**	52,190

(i) Deferred tax assets have not been recognised in respect of the tax losses of certain subsidiaries of the Group because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(ii) Deferred tax liabilities in relation to withholding tax have not been recognized for the above retained earnings from PRC subsidiaries as the Company controls the timing and amounts of distribution and does not expect to incur such liabilities in the foreseeable future.

8. BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB18,848,000 (2014: RMB18,753,000) and the weighted average of 755,733,950 ordinary shares (2014: 699,501,950) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2015	2014
Ordinary shares in issue at 1 January	**699,501,950**	699,501,950
Effect of share option exercised	**1,275,000**	–
Effect of shares issued	**54,957,000**	–
Weighted average number of ordinary shares in issue at 31 December	**755,733,950**	699,501,950

(b) **Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB18,848,000 (2014: RMB18,753,000) and the weighted average number of ordinary shares of 755,733,950 shares (2014: 699,674,950), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2015	2014
Weighted average number of ordinary shares at 31 December (basic)	**755,733,950**	699,501,950
Effect of deemed issue of share options	**–**	173,000
Weighted average number of ordinary shares at 31 December (diluted)	**755,733,950**	699,674,950

9. INVENTORIES

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Raw materials	**71,910**	145,994
Work in progress	**273,076**	240,205
Finished goods	**79,214**	111,162
Others	**454**	637
	424,654	497,998

Provisions of RMB12,739,000 (2014: RMB18,982,000) were made against those inventories with net realisable value lower than carrying value as at 31 December 2015. Except for the above, none of the inventories as at 31 December 2015 was carried at net realisable value (2014: Nil).

Certain inventories with aggregate carrying amount of RMB272,916,000 were pledged as securities for bank loans at 31 December 2015 (2014: RMB338,000,000).

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Trade and bill receivables	**234,234**	277,460
Amount due from a joint venture	**–**	5,308
Deposits for metal future contracts	**15,005**	10,141
VAT recoverable	**81,257**	62,407
Prepayments	**19,240**	66,726
Banks' wealth investment products	**10,000**	–
Others	**4,993**	3,605
	364,729	425,647

Credit terms granted to customers ranged from 7 to 90 days depending on the customer's relationship with the Group, its creditworthiness and past settlement records.

As at 31 December 2015, the Group discounted certain bank acceptance bills to banks for cash proceeds and endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis, with an amount of RMB7,866,000 (2014: RMB17,008,000). In the opinion of the directors, the Group has not transferred the substantial risks and rewards relating to these bank acceptance bills, and accordingly, it continued to recognise the full carrying amounts of these bills receivable and the associated trade payables settled, and has recognised the cash received on the transfer as a cash advances under discounted bills.

As at 31 December 2015, the Group discounted certain bank acceptance bills to banks for cash proceeds and endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and the payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the balance sheet date. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

As at 31 December 2015, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to banks or suppliers in respect of the discounted bills and endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB38,860,000 (2014: RMB21,313,000).

Ageing analysis

As of the balance sheet date, the ageing analysis of trade and bill receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts is as follows:

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Within 3 months	**198,341**	245,043
Over 3 months but less than 6 months	**35,408**	30,550
Over 6 months but less than 1 year	**116**	1,100
Over 1 year	**369**	767
	234,234	277,460

As at 31 December 2015, the Group's bill receivables with a carrying value of approximately RMB46,035,000 (2014: RMB59,056,000) has been pledged for issuance of bank acceptance bills.

As at 31 December 2015, trade receivables of RMB15,146,000 (2014: RMB6,934,000) that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance in 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

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Trade and bill payables	**430,279**	424,298
Amount due to a joint venture	**–**	54
Advances received from customer	**35,506**	31,395
Staff benefit payable	**14,927**	16,514
Payables for purchase of property, plant and equipment	**56,073**	60,910
Accrued expense and others	**9,078**	14,273
	545,863	547,444

As of the balance sheet date, the ageing analysis of trade and bill payables (which is included in trade and other payables), based on the invoice date, is as follows:

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**361,791**	396,642
Over 3 months but within 6 months	**64,575**	22,069
Over 6 months but within 1 year	**946**	2,745
Over 1 year	**2,967**	2,842
	430,279	424,298

12. INTEREST-BEARING BORROWINGS

At 31 December 2015, the interest-bearing borrowings were repayable based on scheduled repayment dates set out in the loan agreements as follow:

	2015	2014
	RMB'000	*RMB'000*
Current		
Short-term secured bank loans	**332,500**	607,887
Unsecured bank loans	**78,584**	88,898
Bank advances under discounted bills	**42,850**	132,015
Current portion of non-current secured bank loans	**33,728**	12,000
	487,662	840,800
Non-Current		
Secured bank loans	**336,710**	284,691
	824,372	1,125,491

(i) The Group's long-term bank loans were repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**33,728**	12,000
Over 1 year but less than 2 years	**236,710**	119,719
Over 2 years but less than 5 years	**100,000**	64,972
Over 5 years	**–**	100,000
	336,710	284,691
	370,438	296,691

(ii) The Group's interest-bearing borrowings with amount of RMB100,000,000 are subject to the fulfilment of financial covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. As at 31 December 2015 none of the covenants relating to drawn down facilities was breached.

(iii) The secured bank loan as at 31 December 2015 bore interest at rates ranging from 1.02% to 8.4% (2014: 1.23% to 7.5%) per annum and were pledged by the following assets:

	2015	2014
	RMB'000	*RMB'000*
Carrying amounts of assets:		
Inventories	**272,916**	338,000
Property, plant and equipment	**686,926**	273,446
Lease prepayments	**8,326**	8,538
Pledged bank deposits	**–**	159,054
	968,168	779,038

(iv) Unsecured bank loan as of 31 December 2015 bore interest at rates ranging from 1.02% to 1.17% (2014: 1.23% to 2.36%) per annum.

13. CORRECTION OF PRIOR YEAR ERRORS

During year 2015, the directors of the Company corrected two accounting errors on the consolidated statement of financial position as at 31 December 2014 in respect of overstatement of trade and other receivables and trade and other payables by RMB104,400,000, respectively, due to an error made in elimination of inter-company balances; and understatement of inventory and trade and other payables by RMB77,708,000, respectively, due to raw materials purchase cut off error. The effect of corrections on the consolidated statement of financial position as at 31 December 2014 is set out as below:

	Impact of correction of errors		
	As previously reported	**Adjustment**	**As restated**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	1,126,052	–	1,126,052
Inventories	420,290	77,708	497,998
Trade and other receivables	530,047	(104,400)	425,647
Others	398,520	–	398,520
Current assets	1,348,857	(26,692)	1,322,165
Trade and other payables	574,136	(26,692)	547,444
Others	843,368	–	843,368
Current liabilities	1,417,504	(26,692)	1,390,812
Net current liabilities	68,647	–	68,647
Total assets less current liabilities	1,057,405	–	1,057,405
Non-current liabilities	340,235	–	340,235
Net Assets	717,170	–	717,170

The error had no impact on the profit for the year ended 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2015, prices of global bulk commodities decreased significantly under the pressure from falling prices of crude oil. Prices of certain nonferrous metals even decreased to a level lower than the prices during the financial crisis in 2008. Although the international prices of copper were slightly higher than those of other commodities, there was still a relatively large decline at the end of 2015 as compared to that of the beginning of 2015. With the start of the cycle of increasing interest rate in the U.S. in 2015, strong US Dollar has returned to the international monetary system, thus it is hard for dollar-denominated copper prices to perform well.

INDUSTRY REVIEW

In 2015, the Chinese government vigorously promoted the new economic pattern of internet plus and positively encouraged the transformation and upgrade of enterprises; meanwhile, the government proposed the theme of the supply-side reform, which brought significant impact on the traditional economic growth pattern. The economic growth of China slowed down significantly in 2015, and China's GDP growth rate recorded a new low in recent 25 years, posing major challenges to the copper processing industry and worsening the situation of structural excess production capacity in the copper plates and strips processing industry. According to a report issued by Antaike, a consultancy institution in the nonferrous industry, in September 2015, the average utilization rate of production capacity in the industry was only around 62%, while homogeneous competition was extremely fierce, certain copper plates and strips enterprises in the PRC were forced to restructure their businesses and sought to develop in new industries. Under the irreversible trend of slowdown in the economic growth, there were also adjustment in industrial structure and reshuffle in the copper processing industry.

BUSINESS REVIEW

Sales of precision copper plates and strips

During the year under review, the revenue of sales of high precision copper plates and strips was RMB2,560.8 million, which decreased by 3.8% from RMB2,662.5 million of the previous year. The decrease was mainly due to the decline of copper price. The volume of sales of high precision copper plates and strips were 66,619 tonnes, which increased by 13.6% from 58,619 tonnes of the last corresponding year. The Group continuously offer competitive prices to customers to maintain its market shares, and as at the end of 2015, the Group continued to be a leading manufacturer of high precision copper plates and strips in mainland China.

Trading of raw materials

During the year under review, the revenue of trading of raw materials was RMB239.2 million, which decreased by 57.1% from RMB557.0 million of the previous year. The decrease is mainly due to the Group had significantly reduced its raw material trading business. The gross volume of sales of raw materials were 8,545 tonnes, which decreased by 17.7% from 10,389 tonnes of the previous year.

Processing services

During the year under review, the revenue of processing service was RMB142.7 million, which decreased by 5.7% from RMB151.4 million of the previous year. The volume of processing services were 27,799 tonnes, which decreased by 7.4% from 30,024 tonnes of last year.

Business Development

Continuous R&D and innovations

In 2015, the Group made more efforts in research and development ("**R&D**") and innovations. A kind of copper strips used for manufacturing currencies (coins) realized mass production successfully, thereby the main operating subsidiary, Ningbo Xingye Shengtai ("**Shengtai**") becoming a major supplier of domestic mint companies. In addition, Shengtai was the only company in Hangzhouwan New Economic Zone, which was granted the independent innovation award by the local government. In 2015, Shengtai obtained two national invention patents, namely "A Kind of Copper Alloy at Low Cost Connecting Plug-in And Its Processing Method" (《一種低成本接外掛程式用銅合金及其加工方法》) and "Copper-silver Alloy Materials Used for Motor Commutator and Its Preparation Method" (《電機整流轉子用銅銀合金材料及其製備方法》); led in drafting the national standard of "Copper and Copper Alloy Strips Used for Connectors" (《端子連接器用銅及銅合金帶材》), participated in revising three national standards, and obtained the first and third class awards of the National Nonferrous Metals Industrial Technology. In the same year, Shengtai established the provincial-level corporate technology center and the post-doctorate work station.

Strengthening information-based management

Under the guidelines of the development plan of Made in China 2025 (《中國製造2025》) and Industry 4.0 (工業4.0) promulgated by the State Council in 2015, the Group strengthened the establishment of information-based management, vigorously enhanced the establishment and optimization of production and information-based financial systems, strengthened the integration of informatization and industrialization. Furthermore, the Group planned to establish the office of informatization-industrialization integration in the second half of 2015 and pushed forward such integration in a focused and efficient manner, so as to satisfy the demand for industrial transformation and upgrade. In addition, Shengtai has become a model enterprise of Ningbo City for full integration of informatization and industrialization in 2015.

Deepening the establishment of corporate culture

In 2015, the Group placed a focus on the establishment of Happy Working Life in Xingye (興業幸福家園), launched a series of activities such as employees development program and employees family care program, and developed training courses for young employees. Meanwhile, Shengtai organized training courses with the Jiangxi University of Science and Technology to improve the quality and professional standards of the employees and help them set a reasonable career plan for facilitating their personal growth. These kinds of activities enhanced the unity of the Group and sense of belonging of the employees, thus laying a solid foundation for the stable and sustainable development of the enterprise.

The Group will deepen the establishment of corporate culture pertaining to the theme of the employees' happiness, customers' delight and the shareholders' satisfaction, in order to foster the employees with Xingye's spirit and serve the customers with corporate philosophy, dedicating to becoming a respected enterprise with a long history.

Pushing forward the progress of establishing new production lines

2015 was a critical year for the Group to establish new production lines of copper plates and strips, all of which were entered the phases of trial and operation. The Group concentrated resources to ensure accurate test and early operation of such production lines. With the efforts made by all employees and cooperative units, new lines were put into production on schedule, and contributed to the double-digit growth of the Group's sales volume of copper plates and strips under adverse circumstances in 2015, laying a more solid foundation for the Group to fulfill its vision of becoming a world-leading manufacturer of copper plates and strips.

OUTLOOK

Against the backdrop of an increase in the US dollar interest rates and the reform of supply side in China, the macro economy environment is still expected to be in turmoil. In light of such uncertainties, the Group formulated a working direction of "Enhancing Production, Increasing Revenue while Reducing Expenditure, and Stablizing Development" (加大產出、增收節支、穩健發展) for 2016, with an aim to push forward the progress of new lines to meet their production target, continue to adhere to the concept of development and innovations, speed up the R&D and market promotion of new products, actively encourage the promotion and guidance of improvement of craftsmanship, securing the leading position of the Group in the manufacturing sector of high-precision copper plates and strips in China.

In 2016, on the basis of strengthening principal businesses, the Group will strive to expand its business in order to create new room for development to the enterprise and bring greater value to shareholders of the Group.

FINANCIAL REVIEW

Revenue and gross profit

For the year ended 31 December 2015, the Group recorded a total sales revenue of RMB2,942.7 million, of which revenue from sales of precision copper plates and strips, processing services and revenue of trading of raw materials amounted to RMB2,560.8 million, RMB142.7 million and RMB239.2 million respectively. The total revenue of the Group decreased by 12.7% from RMB3,371.0 million of last year. The decrease in sales revenue was mainly due to the decrease in the sales of trading of raw materials, and the decline of copper price during 2015. Sales of raw materials decreased by RMB317.9 million compared to that of the previous year, because the Group has reduced the raw material trading volume.

The Group recorded a gross profit of RMB258.3 million in 2015, which decreased by 4.1% as compared with that of 2014. The drop in gross profit is mainly due to the decline in copper price, while it was partly offset by the improvement of production efficiency.

Other income

For the year ended 31 December 2015, the Group recorded other income of RMB57.0 million, which increased by RMB21.3 million as compared to 2014, which was mainly attributable to the increase of government grants.

Other expenses

For the year ended 31 December 2015, the other expenses of the Group was RMB11.3 million, which decreased by RMB32.3 million from RMB43.6 million in 2014. This was mainly attributable to the loss recorded on written-off and impairment loss of property, plant and equipment in previous year.

Distribution expenses

For the year ended 31 December 2015, the distribution expenses of the Group increased by RMB0.8 million from RMB26.2 million of 2014 to RMB27 million, which was mainly attributable to the increase of freight expenses due to the increase of sales volume.

Administrative expenses

For the year ended 31 December 2015, the administrative expenses of the Group increased by RMB34.5 million from RMB169.8 million of 2014 to RMB204.3 million, which was mainly due to the increase of the R&D (research and development) expenses.

Net finance costs

For the year ended 31 December 2015, the Group's net finance costs increased to RMB46.5 million from RMB36.8 million of 2014, which was mainly due to the net loss of foreign exchange of RMB14.7 million.

Income tax

For the year ended 31 December 2015, the Group's income tax expenses decreased by RMB3.9 million to RMB5.3 million from RMB9.2 million of 2014, while the effective tax rate decreased to 20.3% from 32.0% of last year. Such decrease was mainly due to certain subsidiaries had distributed profit to overseas subsidiaries with provision for PRC withholding tax in 2014, and over-provision in respect of prior year's tax annual filing.

Profit attributable to the shareholders of the Company

As a result of the aforementioned factors, during the year, the profit attributable to the shareholders of the Company was RMB18.8 million, which was comparable to RMB18.7 million of 2014.

Liquidity and financial resources

As at 31 December 2015, the Group recorded net current assets of RMB6.5 million, representing an increase of RMB75.1 million from 31 December 2014, which was primarily due to better operating cash inflows from the Group's operations. In addition, the Group was able to obtain additional long-term financing of RMB208.1 million to finance the capital expenditure of RMB192.6 million made during the year so as to reduce the reliance on short-term bank borrowings for capital expenditures. Capital expenditures were used to purchase manufacturing equipment, land and buildings according to the development plan of the Group.

The short-term interest-bearing borrowings represented 59.1% of total interest-bearing borrowings as of 31 December 2015. As at the date of this announcement, the Group had not experienced any difficulty in raising funds by securing and rolling over the short-term loans borrowed from various banks in the PRC, which were renewed on an annual basis in accordance with local market practice.

The Group is able to generate cash from operating activities, has good credit standing and relationships with principal lending banks, and possesses available undrawn banking facilities together with bank deposits of RMB582.6 million (including long term loan facilities amounted to RMB191.6 million effective until 2017) and RMB243.2 million (comprised of pledged deposits of RMB33.3 million and cash and cash equivalents of RMB209.9 million) respectively. Based on the previous experience and the Group's relationships with its principal lending banks, the Board believes that the Group can roll over the existing short-term bank borrowings upon maturity in the coming year. The Board is confident that the Group has adequate financial resources to sustain its working capital requirement and meet its foreseeable debt repayment requirements.

As at 31 December 2015, the Group had outstanding bank loans and other borrowings of approximately RMB487.7 million which shall be repaid within 1 year. As at 31 December 2015, 85.3% of the Group's debts were on secured basis.

The gearing ratio as at 31 December 2015 was 44.1% (31 December 2014: 59.6%), which is calculated as net debt divided by total capital. Net debt is calculated as total debt (including all interest-bearing borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity attributable to equity shareholders of the Company, as shown in the consolidated statement of financial position, plus net debt.

Charge on assets

As at 31 December 2015, the Group pledged assets with an aggregate carrying value of RMB968.2 million (31 December 2014: RMB779.0 million) to secure bank loan facilities.

Capital expenditure

For the year ended 31 December 2015, the Group had invested RMB192.6 million for the purchase of property, plant and equipment. These capital expenditures were largely financed by internal resources and bank loans.

Capital commitments

As at 31 December 2015, the future capital expenditures, for which the Group had contracted but not provided for, amounted to approximately RMB40.5 million.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any significant contingent liabilities.

MARKET RISK

The Group was exposed to various types of market risks, including fluctuation in copper prices and other commodities' prices and changes in interest rates and foreign exchange rates.

EMPLOYEES

As at 31 December 2015, the Group had 1,192 employees. Remuneration policies are reviewed regularly to ensure that the Group is offering competitive employment packages to our employees. Benefits of the employees include salaries, pension, medical insurance scheme and other applicable social insurance. Promotion and salary increments are assessed based on performances. The Group's growth is dependent upon the skills and dedication of the employees. The Group recognizes the importance of human resources in a competitive industry and has devoted resources to train employees. The Group has established an annual training program for our employees so that the new employees can master the skills required to perform their functions and the existing employees can upgrade or improve their skills.

ENVIRONMENTAL AND REGULATORY POLICES

Environmental protection and energy conservation is the foundational standard that pervades our production and operations. The Group has made vigorous endeavors to foster the recycling of resources and has established dedicated recovery plants that recycle the relevant metals and other resources for remanufacturing purposes in order to minimize the impact on the environment. As part of our efforts to cut energy consumption, the Group has renovated certain equipments with high energy consumption. For instance, certain heating and annealing equipments have switched from electricity to natural gas as energy sources so as to reduce the demand for energy. The Group will keep on seeking different ways to lower energy consumption and augment utilization efficiency of energy.

The Group has required the strict compliance of the suppliers with environmental regulations and will return and reject raw materials containing hazardous substances exceeding the recommended limits in terms of concentration or goods for which the certificates, approval and verification issued by relevant regulatory authorities have been obtained.

In 2015, the operating company of the Group in mainland China, Shengtai was honored by the local government as a Clean Production Enterprise of Ningbo City. Shengtai was recognized by the Corporate Social Responsibility Evaluation Center of Ningbo and was awarded the Certificate of Outstanding Performance in Corporate Social Responsibilities as well.

The principal operating companies of the Group are situated in mainland China, whilst the Company was incorporated in the Cayman Islands and its shares are listed in Hong Kong. The Group has complied with all the relevant laws, rules and regulations in mainland China, the Cayman Islands and Hong Kong.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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 during the year. Having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises two independent non-executive Directors namely, Mr. Chai Chaoming, Mr. Mao Xuechang and one non-executive Director, Mr. Dai Jianchun. The audit committee has reviewed the audited financial statements for the year ended 31 December 2015 and has also discussed auditing, internal control and financial reporting matters including accounting practices and principles adopted by the Group.

AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, KPMG, to the amounts set out in the Group's consolidated financial statements for the year.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders of the Company who are entitled to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 25 May 2016 to 27 May 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all Share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 24 May 2016.

PUBLICATION OF 2015 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.xingyecopper.com) and the Stock Exchange's designated website (www.hkexnews.com.hk). The Company's 2015 Annual Report and Notice of annual general meeting will be made available on the above websites of the Company and Stock Exchange and will be despatched to the Company's shareholders in due course.

By order of the Board
Xingye Copper International Group Limited
HU Changyuan
Chairman

Hong Kong, 29 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. HU Changyuan, Mr. HU Minglie, Mr. WANG Jianli, Mr. MA Wanjun and Mr. CHEN Jianhua, the non-executive director of the Company is Mr. DAI Jianchun and the independent non-executive directors of the Company are Mr. MAO Xuechang, Mr. CHAI Chaoming and Dr. LOU Dong.