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 2015

The board of directors (the "Board") of China Glass Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 together with the comparative figures for the corresponding year in 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

(Expressed in Renminbi ("RMB"))

	Note	**2015**	2014
		RMB'000	*RMB'000*
Revenue	5	**1,968,857**	2,489,369
Cost of sales		**(1,890,567)**	(2,117,120)
Gross profit	5	**78,290**	372,249
Other income	6	**29,063**	217,625
Distribution costs		**(73,218)**	(77,346)
Administrative expenses		**(397,117)**	(292,134)
Other expenses	7(c)	**(62,563)**	(18,620)
(Loss)/profit from operations		**(425,545)**	201,774
Share of losses of an associate		**(43)**	(64)
Finance costs	7(a)	**(130,386)**	(136,088)
(Loss)/profit before taxation	7	**(555,974)**	65,622
Income tax	8	**75,876**	(52,463)
(Loss)/profit for the year		**(480,098)**	13,159
Attributable to:			
Equity shareholders of the Company		**(426,389)**	1,807
Non-controlling interests		**(53,709)**	11,352
(Loss)/profit for the year		**(480,098)**	13,159
(Loss)/earnings per share (RMB cent)			
Basic	9(a)	**(23.56)**	0.12
Diluted	9(b)	**(23.56)**	0.12

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

(Expressed in RMB)

	2015	2014
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(480,098)**	13,159
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	**15,781**	(551)
Total comprehensive income for the year	**(464,317)**	12,608
Attributable to:		
Equity shareholders of the Company	**(410,608)**	1,256
Non-controlling interests	**(53,709)**	11,352
Total comprehensive income for the year	**(464,317)**	12,608

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

(Expressed in RMB)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**3,407,633**	3,504,510
Lease prepayments		**248,767**	249,512
Intangible assets		**–**	23,669
Interest in an associate		**493**	536
Available-for-sale investments		**1,495**	1,000
Deferred tax assets		**200,348**	117,282
		3,858,736	3,896,509
Current assets			
Inventories		**385,701**	481,937
Trade and other receivables	10	**607,022**	968,242
Prepaid income tax		**18,926**	16,012
Cash and cash equivalents		**775,217**	802,234
		1,786,866	2,268,425
Current liabilities			
Trade and other payables	11	**1,647,105**	1,609,257
Bank and other loans		**1,132,943**	1,095,114
Obligations under finance leases		**26,567**	24,993
Income tax payable		**65,006**	65,741
		2,871,621	2,795,105
Net current liabilities		**(1,084,755)**	(526,680)
Total assets less current liabilities		**2,773,981**	3,369,829

	2015	2014
	RMB'000	*RMB'000*
Non-current liabilities		
Bank and other loans	**506,736**	629,586
Obligations under finance leases	**106,142**	119,211
Deferred tax liabilities	**30,502**	31,373
	643,380	780,170
NET ASSETS	**2,130,601**	2,589,659
CAPITAL AND RESERVES		
Share capital	**84,867**	84,867
Reserves	**1,840,819**	2,245,268
Total equity attributable to equity shareholders of the Company	**1,925,686**	2,330,135
Non-controlling interests	**204,915**	259,524
TOTAL EQUITY	**2,130,601**	2,589,659

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 2015 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 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 (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 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 that are first effective for the current accounting period of the Group:

- Amendments to HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

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

The Group's customer base is diversified and includes only one customer with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2015 (2014: Nil). For the year ended 31 December 2015, revenue from sales of glass products to this customer amounted to approximately RMB240.1 million (2014: RMB230.9 million).

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 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 2015 and 2014. 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 2015 and 2014 is set out below.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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	**788,606**	911,397	**414,817**	631,051	**616,563**	748,864	**148,871**	198,057	**1,968,857**	2,489,369
Reportable segment gross (loss)/profit	**(53,941)**	47,848	**39,534**	104,614	**84,797**	197,039	**7,900**	22,748	**78,290**	372,249

(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	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The People's Republic of China (the "PRC") (including Hong Kong) (place of domicile)	**1,397,079**	1,870,276	**3,646,698**	3,778,227
Middle East	**156,211**	149,883	**–**	–
South Korea	**120,085**	75,224	**–**	–
Nigeria	**75,821**	58,559	**10,195**	–
Bangladesh	**28,197**	37,699	**–**	–
Thailand	**20,626**	9,173	**–**	–
Columbia	**13,197**	116,041	**–**	–
Ecuador	**10,102**	14,340	**–**	–
Philippines	**7,513**	10,208	**–**	–
Other countries	**140,026**	147,966	**–**	–
	571,778	619,093	**10,195**	–
	1,968,857	2,489,369	**3,656,893**	3,778,227

6 OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Interest income	**11,301**	9,710
Government grants	**8,886**	18,424
Net gain/(loss) from sale of raw and scrap materials	**3,137**	(970)
Net gain on relocation of a production plant (Note (i))	**–**	184,768
Net (loss)/gain on disposal of property, plant and equipment	**(263)**	512
Others	**6,002**	5,181
	29,063	217,625

Note:

(i) The amount represented 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 RMB107.5 million.

7 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2015	2014
	RMB'000	*RMB'000*
Interest on bank advances and other borrowings wholly repayable within five years	**112,271**	111,612
Finance charges on obligations under finance leases	**17,922**	12,806
Bank charges and other finance costs	**32,401**	30,058
Total borrowing costs	**162,594**	154,476
Less: amounts capitalised into property, plant and equipment*	**(17,319)**	(19,921)
Net borrowing costs	**145,275**	134,555
Net foreign exchange (gain)/loss	**(14,889)**	1,533
	130,386	136,088

* The borrowing costs have been capitalised at 6.65% per annum for the year ended 31 December 2015 (2014: 6.70% per annum).

(b) Staff costs#:

	2015	2014
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**232,674**	236,159
Contributions to defined contribution retirement plans	**30,311**	28,891
Equity-settled share-based payment expenses in respect of share option scheme (Note 12(a))	**6,159**	–
Equity-settled share-based payment expenses in respect of share award scheme (Note 12(b))	**–**	278
	269,144	265,328

(c) Other expenses

	2015	2014
	RMB'000	*RMB'000*
Impairment losses on property, plant and equipment	**52,531**	18,620
Impairment losses on intangible assets	**10,032**	–
	62,563	18,620

(d) Other items:

	2015	2014
	RMB'000	*RMB'000*
Cost of inventories#	**1,890,896**	2,117,120
Auditors' remuneration – audit services	**5,900**	6,200
Depreciation and amortisation#	**274,858**	276,968
Impairment losses on trade and other receivables	**65,703**	29,326
Operating lease charges in respect of		
– land	**196**	196
– plant and buildings	**5,986**	8,213
– motor vehicles	**2,868**	2,346
Research and development costs (other than capitalised costs and related amortisation)	**1,193**	1,758

Cost of inventories includes RMB343.2 million (2014: RMB401.0 million) for the year ended 31 December 2015, 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:

	2015	2014
	RMB'000	*RMB'000*
Current taxation – PRC Corporate Income Tax		
– Provision for the year	**7,601**	41,423
– Under-provision in respect of prior years	**460**	1,607
	8,061	43,030
Deferred taxation		
– Origination and reversal of temporary differences	**(102,953)**	(7,609)
– Write-down of deferred tax assets	**19,016**	14,990
– Effect on deferred tax balances at 1 January resulting from a change in tax rate	**–**	2,052
	(83,937)	9,433
	(75,876)	52,463

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

	2015	2014
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(555,974)**	65,622
Expected tax on (loss)/profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	**(136,051)**	19,289
Tax effect of non-deductible expenses	**8,713**	1,644
Tax effect of unused tax losses and temporary differences not recognised	**33,531**	16,051
Tax concessions (Notes (v) and (vi))	**(1,545)**	(3,170)
Tax effect of write-down of deferred tax assets (Note (vii))	**19,016**	14,990
Effect on deferred tax balances at 1 January resulting from a change in tax rate	**–**	2,052
Under-provision in respect of prior years	**460**	1,607
Income tax	**(75,876)**	52,463

Notes:

(i) The Hong Kong Profits Tax rate for the year ended 31 December 2015 is 16.5% (2014: 16.5%). No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2015 (2014: RMBNil).

(ii) The Company and the subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong) and Nigeria 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% (2014: 25%).

(iv) The subsidiaries of the Group established in Nigeria are subject to Nigeria Corporate Income Tax rate of 30%.

(v) A subsidiary of the Group established in Nigeria is established in one of Nigerian Export Processing Zones and exempted from all Federal, State and Local Government taxes and levies.

(vi) 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% (2014: 15%).

(vii) The Group wrote down previously recognised tax losses of RMB19.0 million (2014: RMB15.0 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 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share for the year ended 31 December 2015 is based on the loss attributable to ordinary equity shareholders of the Company of RMB426,389,000 (2014: profit attributable to ordinary equity shareholders of the Company of RMB1,807,000) and the weighted average of 1,810,147,058 ordinary shares (2014: 1,560,557,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2015	2014
	'000	*'000*
Issued ordinary shares at 1 January	**1,810,147**	1,538,977
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
Weighted average number of ordinary shares at 31 December	**1,810,147**	1,560,557

(b) Diluted earnings per share

There are no dilutive potential ordinary shares during the year ended 31 December 2015.

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

	2014
	'000
Weighted average number of ordinary shares at 31 December	1,560,557
Effect of deemed issue of shares under the share award scheme (Note 12(b))	275
Weighted average number of ordinary shares (diluted) at 31 December	1,560,832

10 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables from:		
– Third parties	**218,207**	272,715
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**16,280**	16,166
– Companies under common significant influence	**12,961**	20,485
Bills receivables	**116,454**	95,820
	363,902	405,186
Less: allowance for doubtful debts	**(74,760)**	(52,070)
	289,142	353,116
Amounts due from related companies:		
– Equity shareholders of the Company and their affiliate	**298**	280
– Companies under common significant influence	**8,603**	11,768
	8,901	12,048
Less: allowance for doubtful debts	**(1,784)**	(1,784)
	7,117	10,264
Prepayments, deposits and other receivables:		
– Prepayments for the purchase of inventories	**46,650**	56,129
– Prepayments for the purchase of property, plant and equipment and land use rights	**48,307**	43,565
– Value added tax refundable	**54,047**	57,323
– Advances to third parties	**93,530**	62,961
– Receivable for disposal of land use rights	**5,129**	8,129
– Receivable for relocation of a production plant	**77,435**	345,098
– Others	**37,430**	40,813
	362,528	614,018
Less: allowance for doubtful debts	**(51,765)**	(9,156)
	310,763	604,862
	607,022	968,242

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:

	2015	2014
	RMB'000	*RMB'000*
Within 1 month	**110,437**	121,858
More than 1 month but less than 3 months	**29,698**	59,078
More than 3 months but less than 6 months	**33,510**	49,591
Over 6 months	**115,497**	122,589
	289,142	353,116

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:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**121,776**	115,179
Less than 1 month past due	**20,002**	63,900
More than 1 month but less than 3 months past due	**17,011**	32,892
More than 3 months but less than 6 months past due	**14,856**	18,556
More than 6 months past due	**115,497**	122,589
	167,366	237,937
	289,142	353,116

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

	2015	2014
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**580,002**	574,063
– An affiliate of a non-controlling equity holder of a subsidiary of the Group	**599**	550
– Companies under common significant influence	**3,375**	9,478
Bills payables	**381,640**	311,350
	965,616	895,441
Amounts due to related companies:		
– An equity shareholder of the Company	**73**	1,258
– Companies under common significant influence	**166,427**	93,516
	166,500	94,774
Accrued charges and other payables:		
– Payables for construction and purchase of property, plant and equipment and land use rights	**231,992**	298,297
– Payables for staff related costs	**95,845**	87,826
– Payables for acquisitions of non-controlling interests in subsidiaries of the Group	**5,120**	5,905
– Payables for miscellaneous taxes	**30,381**	27,457
– Payables for transportation expenses	**7,296**	14,816
– Advances from third parties	**26,893**	46,948
– Others	**49,613**	48,685
	447,140	529,934
Financial liabilities measured at amortised cost	**1,579,256**	1,520,149
Advances received from customers	**67,849**	89,108
	1,647,105	1,609,257

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:

	2015	2014
	RMB'000	*RMB'000*
Due within 1 month or on demand	**643,976**	618,936
Due after 1 month but within 6 months	**321,640**	276,505
	965,616	895,441

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.

The Company granted share options to certain directors and employees on 29 February 2008 with contractual life of 7.25 years under the share option scheme. The share options granted in 2008 have lapsed on 29 May 2015 and no one has exercised the share options during its contractual life.

On 13 May 2015, the Company granted new share options to a director and certain employees of the Group under the share option scheme. Each share option gives the holder the right to subscribe for one ordinary share in the Company.

(i) The terms and conditions of the share options granted in 2015 are as follows:

	Exercise price	Number of options	Vesting conditions	Contractual life of options
Options granted to a director:				
– on 13 May 2015	HK$1.25	1,920,000	One year from the date of grant	7 years
– on 13 May 2015	HK$1.25	1,440,000	Two years from the date of grant	7 years
– on 13 May 2015	HK$1.25	1,440,000	Three years from the date of grant	7 years
Options granted to employees:				
– on 13 May 2015	HK$1.25	11,428,000	One year from the date of grant	7 years
– on 13 May 2015	HK$1.25	8,571,000	Two years from the date of grant	7 years
– on 13 May 2015	HK$1.25	8,571,000	Three years from the date of grant	7 years
Total share options granted		33,370,000		

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

	2015		2014	
	Weighted average exercise price	**number of options** ***'000***	Weighted average exercise price	number of options *'000*
Outstanding at the beginning of the year	**HK$1.75**	**38,600**	HK$1.75	38,600
Lapsed during the year	**HK$1.75**	**(38,600)**		–
Granted during the year	**HK$1.25**	**33,370**		–
Outstanding at the end of the year	**HK$1.25**	**33,370**	HK$1.75	38,600
Exercisable at the end of the year	**HK$1.25**	**–**	HK$1.75	38,600

(iii) The fair value and assumptions of the share options issued in 2015:

Fair value of share options and assumptions	**Share options granted on 13 May 2015**
Fair value at measurement date	HK$0.5100 to HK$0.7102
Share price	HK$1.25
Exercise price	HK$1.25
Expected volatility	65.19%
Option life	7 years
Expected dividends	0.32%
Risk-free interest rate	
(based on Exchange Fund Notes of Hong Kong)	1.24%

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Model. The expected life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the Binomial Model.

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There was no market conditions associated with the share options granted.

(b) Share award scheme

On 12 December 2011, 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.

No shares were awarded to directors and employees of the Group during the year ended 31 December 2015 under the Share Award Scheme. During the year ended 31 December 2014, 11,170,000 shares previous awarded to certain directors and employees were vested.

13 DIVIDENDS/DISTRIBUTIONS

(a) The directors of the Company do not propose final dividends after 31 December 2015 (2014: HK$Nil).

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

	2015	2014
	RMB'000	*RMB'000*
Final dividends/distributions in respect of the previous financial year, approved and paid during the year, of HK$Nil per ordinary share (2014: HK$0.01 per ordinary share)	**–**	12,187

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

(a) Issuance of convertible bonds

On 9 November 2015, the Company announced that it has entered into a Strategic Cooperation Agreement with China-Africa Development Fund and a Subscription Agreement with its wholly-owned subsidiary, namely China-Africa Manufacturing Investment Co., Limited (the "Bondholder") pursuant to which the Bondholder has conditionally agreed to subscribe in cash for, and the Company conditionally agrees to issue, convertible bonds in the aggregate principal amount of US$10.0 million (the "Convertible Bonds").

On 4 February 2016, the Company announced that the issuance of the Convertible Bonds has been completed on the same date.

(b) Adoption of new share option scheme

On 29 January 2016, the Company announced that the board of the Company proposes to adopt a new share option scheme (the "New Share Option Scheme") in view that the old share option scheme was expired on 22 June 2015. The New Share Option Scheme will be valid and effective for a period of 10 years commencing from the date on which the New Share Option Scheme is deemed to take effect in accordance its terms.

The New Share Option Scheme has been approved by a special general meeting of shareholders of the Company on 19 February 2016.

(c) Entering into connected transactions

On 16 December 2015, the Company announced that certain subsidiaries of the Company has entered into various construction and design contracts with certain affiliates of Triumph Technology Group Company, a substantial shareholder of the Company, with an aggregate contract amount of RMB216.6 million.

The above transactions constitute connected transactions and have been approved by a special general meeting of shareholders of the Company on 19 February 2016.

15 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation to facilitate comparison.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2015, the economic growth in China decelerated further during the period of the “new normal” pattern, characterized by the ongoing process of “capacity reduction, destocking and deleveraging” as well as the lack of economic growth momentum.

Having been hit by a number of factors such as the decelerated rate of growth in real estate investment and development as well as the continuous introduction of stringent environmental regulations since 2015, the glass industry remained weak during the adjustment last year as the industry’s overall capacity utilization rate further declined, the imbalance between supply and demand did not improve and the profitability of the industry continued to deteriorate. The float glass industry as a whole in 2015 could be summarized as having decline in capacity, falling demand, low prices and insufficient confidence.

When compared with 2014, the price trends in the glass market in 2015 operated in a relatively low range as a whole, whereas float glass spreads narrowed in various places throughout the country. The price hit the lowest of the year in the third quarter, while the market bottomed out amid volatility.

Moreover, hit by the overcapacity and insufficient demand in China, many Chinese enterprises modified their strategies to increase exports, resulting in exceptionally intense competition in the export market. Meanwhile, as the world economic recovery was weak and the demand was not boosted in the conventional places of export for Chinese enterprises, the industry’s overall export performance remained unsatisfactory as well.

BUSINESS REVIEW

Overview

The Group currently has 17 glass production lines, of which 14 are float glass production lines and 3 production lines for solar power ultra-clear photovoltaic rolled glass, carrying a daily melting capacity of 7,630 tonnes. As at 31 December 2015, the Group had 9 float glass production lines in operation, while those production lines not in operation were temporarily suspended due to cold repair, technological renovation or other reasons. The 3 rolled 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 prices, and production costs

Raw material and fuel prices fell slightly in 2015. Due to the weakness in the downstream industry, overall soda ash prices had been going down since the second quarter. Petroleum coke prices rose within a narrow range in the second quarter for a limited duration and showed a downward trend as a whole during the year. Coal prices continued to decline from the downward trend in 2014. Prices of coal tar ended high after initial falling in the first half and then continued to decline in the second half. Prices of other raw materials such as silica sand, dolomite and limestone remained stable. In summary, the Group's overall procurement costs of raw materials and fuels fell in 2015.

Production, sales and selling price

In 2015, the Group produced an aggregate amount of 33.06 million weight cases of glass, decreased by 18% as compared with the previous year, whereas sales volume decreased by 12% as compared with the previous year. Average selling price of the Group's glass products decreased by 11% in 2015 as compared with the previous year.

Profitability analysis

In 2015, the Group recorded revenue of RMB1,969 million, representing a decrease of 21% compared with the previous year. The decline in revenue was mainly due to the decline in both sales volume and average selling price. The Group's gross margin decreased significantly from 15% in 2014 to 4% in 2015, which was mainly due to a number of factors such as overcapacity in the industry, low glass price and significant decrease in export price as a result of the competition among domestic enterprises looking for opportunities abroad, as well as some abnormal factors of production during the year which had an impact on the overall profitability of the Group: (1) certain production bases carried out more stringent environmental upgrade measures to meet local government's requirement of improving regional environment, including one-off increase in investments in environmental protection facilities and even carrying out the cold repair to production lines ahead of schedule, which on one hand increased the environmental cost of production cost, on the other hand, had certain impact on the Group's implementation of the plan for the production and operation of high value-added products during the year; and (2) in order to open new market space, Wuhai base conducted research and development of new types of high value-added products during industry's recession period, which affected the Group's profitability as well.

MAJOR ACHIEVEMENTS IN 2015

Facing the challenges from the severe overcapacity problem of the industry, sluggish market demand and increased downside pressure, the Group endeavoured at all levels to overcome various difficulties by actively strengthening the research, development and promotion of new products, improving the construction of environmental protection facilities, continuing to proceed with the "go abroad" strategy and completing the coordination and planning for industrial chain extension and transformation and upgrading of the Group.

1. **Making aggressive efforts on stabilizing production, improving environmental protection facilities and reducing energy consumption**

   In 2015, the Group further optimized the technological process of melting, molding and annealing so that product quality improved significantly on the basis of stable production compared with 2014. It aggressively implemented the new energy consumption standards for the glass industry by launching more energy-saving and consumption-reducing activities at each base, as well as supervising and coordinating each base in improving its environmental protection facilities. As at the end of 2015, all production bases were equipped with desulfurization, denitrification and dedusting systems, and met emission standards. All production bases received a 4-in-1 certification in quality management system, environmental management system, occupational health and safety management system and food safety management system, assuring management standards and enhancement.

2. **Enhancing R&D of new products to provide technical support for the Group's strategic development**

   The Group consistantly adheres to its development strategy of "leveraging on technology innovation to support the development of differentiation and to escalate core competitiveness", and commits resources to the technical aspect. A special laboratory was completed at the Group's technology center to continue the research and development of new glass films, while tracking technology in the passive housing sector, with a focus placed on the research on "passive building technology adaptable to all climatic zones in China". The Group was among the first batch of glass enterprises recommended by the Ministry of Housing and Urban-Rural Development of the PRC to be selected as a passive house product glass provider. It completed the certification in glass products for passive houses at the beginning of the year, and joined the alliance of passive low-energy buildings led by the Ministry of Housing and Urban-Rural Development of the PRC. The Group is the principal drafter in the formulation of national standard for "flat glass", and industrial standards for the "Technical Guidelines for Doors and Windows of Building Systems" and "Use of Glass in the Transparent Portions of Passive Houses".

The Group was developing new products with its self-developed online Sun-EⓉ technology, which were cost-effective than similar products and well-received by the market following their launch. With production of online Low-E and online Sun-EⓉ becoming stable, costs were reduced and yield was increased significantly compared with 2014. The Group was also carrying out further research and development of online energy-saving Sun-R coated glasses. The production cost was further reduced as a result of the maturing production technology. The production technology and process tests for high transmittance glass were in line with expectations, superior product rate was further increased as well. This series of products featured by "high transmittance", "low rate of explosive" and "ultraviolet-proof" will lead architectural glass into an era of "high transmittance".

3. **"Go abroad" strategy proceeding steadily as planned**

The Group's "go abroad" strategy was proceeding steadily as planned. The projects in Nigeria and Egypt were being implemented steadily according to the project schedule. In the first half of 2015, two overseas trading companies were established to conduct business and became profitable immediately during the year. In November 2015, the Group brought in, by entering into the subscription agreement for the issue of convertible bonds of the Company which was completed in February 2016, China-Africa Development Fund as a partner for the projects in Africa, and signed a strategic cooperation agreement with a view to jointly investing in and developing projects in Africa in future. In early 2016, one of the Group's Nigerian subsidiaries appointed an affiliate of China National Building Material Group to provide procurement of equipments and materials, installation and debugging of the production lines as well as staff training and other appropriate engineering services for the construction of the production lines in Nigeria. Relevant matters have been approved at a special general meeting of shareholders.

4. **Focusing on new product promotion and the market structure**

The marketing department was proactively integrating marketing channels and optimizing management models to create a synergistic effect. In 2015, the Group devoted greater effort to the sales of special products of "three kinds of reflective glass and one high transmittance float glass". Moreover, targeted marketing was carried out and a variety of product mixes were launched based on product features and regions, a move that was widely recognised by the market.

THE GLASS MARKET OUTLOOK

2016 marks the start of the "13th Five-year Plan". The glass industry will be further differentiated and adjusted as the process to cut excessive industrial capacity will continue further. It is an indisputable fact that the growth in demand for ordinary float glass from the downstream industry will slow down, while prices are expected to remain at a low level. The market energy conservation and new energy products will be opened up gradually as China improves the quality of the ecological environment, continues the policy requirements for green development and further strengthen the supervision of environmental protection. These will make a new profit driver for glass enterprises.

Glass enterprises should proactively adjust their own development strategies and product mixes to follow the coordinated development trends with economic and environmental indicators. They should take advantage of the opportunity arising from the supply-side structural reform to work together actively on adjusting the overcapacity situation of the industry, facilitating industrial restructuring and upgrading as well as improving the level of profitability.

Forecast of movements in prices of raw materials and fuels, and production costs

As to raw materials, it is expected to be difficult for the soda ash industry to improve the operating pressure in 2016, and it is highly probable that soda enterprises will continue to close down outdated facilities. However, taking into account of staff placement and sufficient cash flow of most enterprises, soda ash production volumn will not decline substantially, and soda ash prices are anticipated to remain volatile at a low level in 2016.

China's increased environmental remediation efforts and further control over excessive capacity are bound to increase the costs of production of mineral-based raw materials. These increased production costs will be passed on to the downstream glass industry, so the prices of mineral-based raw materials such as silica sand, dolomite and limestone are expected to rise steadily in 2016.

It is hard for the petroleum coke and coal industries to have a substantively positive, with prices of petroleum coke expected to see a slight and steady decline in early 2016 and perhaps to rebound slightly then. The overcapacity problem in the coal industry remains to be a basic pattern, with sufficient supply and prices are expected to remain at a low level.

MAJOR WORK PLANS FOR 2016

1. Continuing with new product research, development and promotion

The Group will step up the research and development of new technology with core competitiveness as well as the promotion of new products, which include the industrialized high-transmittance, energy-saving products and other new products, to enhance its core competitiveness with technological innovation and achieve strategic breakthrough for the Group.

2. Continuing to complete energy conservation and environmental protection and to maintain high-quality, stable production

Based on the emission of flue gases that meets the standards steadily at all bases, the Group will study how to solve the problems regarding the secondary pollution, recycling of solid waste and low-cost operations.

Moreover, the Group adopts standards for its corporate products which are generally more stringent than the national standards, and will continue to strengthen the processing management and exercise stringent quality control for each base in 2016.

3. Focusing on centralized purchasing and marketing

The Group will further improve the new marketing management system, continue to complete brand enhancement, expand brand influence and awareness, complete the marketing plans for new products with high added value to rapidly increase the proportion of revenue from high value-added products, whereby guiding channels customers to transform and upgrade, and helping the Group tap into the top market and down stream of industrial value chain.

The Group will carry out strategic procurement of soda ash and petroleum coke when appropriate, so as to reduce procurement costs and achieve the Group's scale effect.

4. **Assuring steady implementation of "go abroad" projects**

The Group will continue to complete the setup of production lines as well as equipment installation and debugging for the projects in Nigeria, aiming to complete the production lines during the year. Meanwhile, with the active use of national policies combined with the support from government's capital force, the Group will proceed with other overseas production projects, and continue to explore the feasibility of building factories in other countries or regions for opening up new overseas markets in order to carry out its globalized industrial planning.

5. **Strengthening system and management innovation in order to assure the availability of systems for making strategic "breakthroughs"**

To adapt itself to the globalized-production, innovation-driven strategic breakthroughs, the Group will continue to carry out system and management innovation; optimize and improve the Group's organization and management structures; and set up an institutional management system that supports the Group's strategic "breakthroughs" and matches the Group's transformation and upgrade for assuring the availability of systems for the development of the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 21% from RMB2.489 billion for the year ended 31 December 2014 to RMB1.969 billion for the year ended 31 December 2015. The decrease in revenue was mainly attributable to a decrease of 11% 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 12% compared to last year.

	Clear glass products		Painted glass products		Coated glass products		Energy saving and new energy glass products		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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	**788,606**	911,397	**414,817**	631,051	**616,563**	748,864	**148,871**	198,057	**1,968,857**	2,489,369

Cost of sales

The Group's cost of sales decreased by approximately 11% from RMB2.117 billion for the year ended 31 December 2014 to RMB1.891 billion for the year ended 31 December 2015. This was mainly attributable to the combined effect of the decrease of sales volume of 12%, the reduction in raw material and fuel cost and the increase in environmental cost.

Gross profit

The Group's gross profit decreased by approximately 79% from RMB372 million for the year ended 31 December 2014 to RMB78 million for the year ended 31 December 2015. This was mainly attributable to a decrease in gross profit margin. Gross profit margin decreased from 15% in 2014 to 4% in 2015, which was mainly due to a decrease in the average selling price.

Other income

The Group's other income decreased from RMB218 million for the year ended 31 December 2014 to RMB29 million for the year ended 31 December 2015. The other income in 2014 mainly represented a gain arising from the expropriation of the land use rights of a PRC subsidiary of the Group by local government.

Distribution costs

There was no significant fluctuation of the Group's distribution costs for the year ended 31 December 2015 and for the year ended 31 December 2014.

Administrative expenses

The Group's administrative expenses increased by approximately 36% from RMB292 million for the year ended 31 December 2014 to RMB397 million for the year ended 31 December 2015. The increase was mainly attributable to an increase in provision for doubtful debts for trade and other receivables.

Other expenses

The Group's other expenses increased from RMB19 million for the year ended 31 December 2014 to RMB63 million for the year ended 31 December 2015. The increase was mainly attributable to an increase in impairment losses on property, plant and equipment and intangible assets.

Finance costs

There was no significant fluctuation of the Group's finance costs for the year ended 31 December 2015 and for the year ended 31 December 2014.

Current assets

The Group's current assets decreased by approximately 21% from RMB2.268 billion as at 31 December 2014 to RMB1.787 billion as at 31 December 2015. The decrease was mainly attributable to a decrease in inventories, and trade and other receivables.

Current liabilities

The Group's current liabilities increased by approximately 3% from RMB2.795 billion as at 31 December 2014 to RMB2.872 billion as at 31 December 2015. The increase was mainly attributable to an increase in short-term bank and other loans, and trade and other payables.

Non-current liabilities

The Group's non-current liabilities decreased by approximately 18% from RMB780 million as at 31 December 2014 to RMB643 million as at 31 December 2015. This was attributable to a decrease in long-term bank and other loans.

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

As at 31 December 2015, the Group's cash and cash equivalents were RMB775 million (31 December 2014: RMB802 million), of which 93% (31 December 2014: 78%) were denominated in RMB, 6% (31 December 2014: 6%) were denominated in United States Dollars ("USD"), and 1% (31 December 2014: 16%) were denominated in Hong Kong dollars ("HK$"). Outstanding bank and other loans were RMB1.640 billion (31 December 2014: RMB1.725 billion), of which 96% (31 December 2014: 94%) were denominated in RMB, and 4% (31 December 2014: 6%) were denominated in USD.

As at 31 December 2015, the gearing ratio (total interest-bearing debts divided by total assets) was 31% (31 December 2014: 30%). As at 31 December 2015, the Group's current ratio (current assets divided by current liabilities) was 0.62 (31 December 2014: 0.81). The Group recorded net current liabilities amounting to RMB1.085 billion as at 31 December 2015 (31 December 2014: RMB527 million). The assets-liabilities ratio (total liabilities divided by total assets) of the Group was 0.62 as at 31 December 2015 (31 December 2014: 0.58).

Material acquisitions and disposals and significant investments

The Group did not have any material investments or capital assets, or material acquisitions or disposals of subsidiaries and associated companies or significant investments during the year of 2015.

Human resources and employees' remuneration

As at 31 December 2015, the Group employed approximately a total of 4,078 employees in the PRC and Hong Kong (31 December 2014: about 4,936 employees). The decrease in staff number of the Group as at 31 December 2015 as compared to 31 December 2014 was mainly attributable to higher workplace efficiency of the Group and reduced headcount during the cold repair period as several production bases carried out extended environmental upgrade and cold repair to ensure compliance with the environmental requirements issued by the local governments. 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 2015 (31 December 2014: nil).

Contingent liabilities

As at 31 December 2015, 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. The Group's assets, profits and dividends may be affected by the fluctuation of the RMB exchange rate. During the year ended 31 December 2015, 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 2015 attributed to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	7%
– five largest suppliers combined	30%
Sales	
– the largest customer	12%
– five largest customers combined	19%

During the year ended 31 December 2015, 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 (the "Old 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 Old Share Option Scheme. These share options have lapsed on 29 May 2015 and none of these share options were exercised during their contracted life.

On 13 May 2015, the Company granted new share options to a director and certain employees of the Group under the Old Share Option Scheme. Further details of the share options are disclosed in Note 12(a).

On 22 June 2015, the Old Share Option Scheme was expired and a new share option scheme (the "New Share Option Scheme") was approved by a special general meeting of shareholders of the Company on 19 February 2016.

SHARE AWARD SCHEME

The Board approved the adoption of the share award scheme of the Company on 12 December 2011. The share award scheme would operate in parallel with the Old Share Option Scheme adopted on 30 May 2005 and the New Share Option Scheme adopted on 19 February 2016.

No shares were awarded to directors and employees of the Group during the year ended 31 December 2015 under the share award scheme. 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 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SHARE CAPITAL

During the year ended 31 December 2015, there were no changes to the total number of shares or the share capital structure of the Company.

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 2015, 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 2015.

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

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 2015, save as certain Directors abstained from voting on the connected transactions entered into by the Company for better corporate governance practice, 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. Peng Shou as a non-executive director, did not attend the annual general meeting of the Company held on 22 May 2015 due to other work commitments. Despite his absence, Mr. Peng designated his alternate Director, Mr. Cui Xiangdong, 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 2015.

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 2015 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, 29 March 2016

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*