XINYI GLASS HOLDINGS LIMITED
信義玻璃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00868)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017

HIGHLIGHTS

- The total sales of the Group in 2017 amounted to HK$14,727.5 million, representing an increase of 14.6% as compared with the sales in 2016.
- The net profit attributable to equity holders of the Company for 2017 reached HK$4,013.8 million, representing an increase of 24.9% as compared with the net profit attributable to equity holders of the Company for 2016.
- Basic earnings per share for 2017 were 101.14 HK cents.
- The Directors propose a final cash dividend of 28.0 HK cents per share for 2017.

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The board of directors (the "**Directors**") of Xinyi Glass Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2017, as follows:

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	**2017**	**2016**
Revenue	4	**14,727,542**	12,848,400
Cost of sales		**(9,283,428)**	(8,189,150)
Gross profit		**5,444,114**	4,659,250
Other income		**377,476**	341,925
Other gains - net		**316,881**	158,902
Selling and marketing costs		**(675,195)**	(620,022)
Administrative and other operating expenses		**(1,369,887)**	(1,202,372)
Operating profit		**4,093,389**	3,337,683
Finance income		**54,514**	50,826
Finance costs		**(151,133)**	(127,663)
Share of profits of associates		**699,662**	562,605
Profit before income tax		**4,696,432**	3,823,451
Income tax expense	5	**(682,413)**	(607,288)
Profit for the year		**4,014,019**	3,216,163
Profit attributable to:			
– equity holders of the Company		**4,013,764**	3,213,428
– non-controlling interests		**255**	2,735
Profit for the year		**4,014,019**	3,216,163
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in Hong Kong cents per share)			
– Basic	6	**101.14**	82.78
– Diluted	6	**99.92**	81.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	**2016**
Profit for the year	**4,014,019**	3,216,163
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit and loss:		
Changes in value of available-for-sale financial assets	**14,458**	(46,385)
Impairment of available-for-sale financial assets transferred to consolidated income statement	**—**	44,976
Currency translation differences	**1,549,019**	(1,071,903)
Share of other comprehensive income of investments accounted for using the equity method	**325,389**	(200,989)
Total comprehensive income for the year	**5,902,885**	1,941,862
Total comprehensive income attributable to:		
Equity holders of the Company	**5,902,005**	1,939,344
Non-controlling interests	**880**	2,518
Total comprehensive income for the year	**5,902,885**	1,941,862

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	**2017**	**2016**
ASSETS			
Non-current assets			
Leasehold land and land use rights		**3,426,887**	1,121,020
Property, plant and equipment		**12,929,470**	11,830,637
Investment properties		**1,204,983**	546,709
Prepayments for property, plant and equipment and land use rights		**299,803**	608,191
Intangible assets		**69,721**	71,703
Available-for-sale financial assets		**—**	557
Investments in associates		**4,415,663**	3,257,782
Loans to an associate		**26,920**	49,199
		22,373,447	17,485,798
Current assets			
Inventories		**1,697,566**	1,320,513
Loans to an associate		**52,421**	33,059
Trade and other receivables	8	**3,072,045**	2,376,953
Available-for-sale financial assets		**52,409**	37,951
Pledged bank deposits		**2,526**	4,975
Fixed deposits		**5,982**	—
Cash and bank balances		**3,048,604**	2,763,072
		7,931,553	6,536,523
Total assets		**30,305,000**	24,022,321
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**401,766**	389,177
Share premium		**534,201**	1,360,624
Other reserves		**2,102,235**	(30,973)
Retained earnings		**15,199,009**	11,462,103
		18,237,211	13,180,931
Non-controlling interests		**68,981**	65,959
Total equity		**18,306,192**	13,246,890

	Note	**2017**	**2016**
LIABILITIES			
Non-current liabilities			
Bank and other borrowings		**6,398,683**	4,509,073
Deferred income tax liabilities		**335,096**	218,125
Other payables	9	**108,198**	48,000
		6,841,977	4,775,198
Current liabilities			
Trade and other payables	9	**2,554,181**	2,296,932
Current income tax liabilities		**534,948**	537,936
Bank and other borrowings		**2,067,702**	3,165,365
		5,156,831	6,000,233
Total liabilities		**11,998,808**	10,775,431
Total equity and liabilities		**30,305,000**	24,022,321

Notes to the Consolidated Financial Statements
(All amounts in Hong Kong dollar thousands unless otherwise stated)

1 GENERAL INFORMATION

Xinyi Glass Holdings Limited and its subsidiaries were principally engaged in the production and sales of float glass, automobile glass and architectural glass, which were carried out internationally, through the production complexes located in Mainland China (the "PRC") and Malaysia in 2017.

The Company is a limited liability company incorporated in the Cayman Islands. The shares of the Company are listed on The Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 26 February 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets and investment properties, which are measured at fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in accounting policy and disclosures

(a) The following new and amended standards are mandatory for accounting periods beginning on or after 1 January 2017. The adoption of these new and amended standards does not have any significant impact to the results and financial position of the Group:

		Effective for accounting periods beginning on or after
HKAS 7 (Amendment)	Disclosure Initiative	1 January 2017
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities	1 January 2017

(b) New standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted:

		Effective for accounting periods beginning on or after
Annual Imrovements Project	Annual Improvdements 2014 – 2016 Cycle	1 January 2018
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures	1 January 2018
HKAS 40 (Amendment)	Transfers of Investment Property	1 January 2018
HKFRS 1 (Amendment)	First Time Adoption of HKFRS	1 January 2018
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendment)	Insurance Contracts	1 January 2018 or when the entity first applies HKFRS 9
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contract	1 January 2021
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019

HKFRS 9 “Financial Instruments”

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has undertaken a detailed assessment of the classification and measurement of financial assets and does not consider the new guidance to have a significant impact on the classification and measurement of its financial assets. The financial assets currently held by the Group include equity instruments currently classified as available-for–sale financial assets which would continue to be measured at fair value through other comprehensive income (“FVOCI”). However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to the consolidated income statement on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 “Revenue from Contracts with Customers”, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect significant increase or decrease in the loss allowance for trade debtors.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The impacts on the Group’s financial results and position upon the adoption of HKFRS 9 are not expected to be material. The new standard is not expected to be applied by the Group until the financial year ending 31 December 2018.

HKFRS 15 "Revenue from Contracts with Customers"

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

(i) Identify the contract(s) with a customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to each performance obligation; and

(v) Recognise revenue when each performance obligation is satisfied.

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group had assessed the impact of adopting HKFRS 15 on the Group's consolidated financial statements, by identifying the separate performance obligations in the contracts with customers and allocating the transactions price, and considered the new guidance does not significantly affect the timing of the Group's revenue recognition.

HKFRS 16 "Leases"

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. The Group does not foresee any material impact on the net profit of the Group as a result of adoption of HKFRS 16. Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16. The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

Other than HKFRS 9 "Financial Instrument", HKFRS 15 "Revenue from Contracts with Customers" and HKFRS 16 "Leases", management is in the process of making an assessment on the impact of these new standards and amendments to existing standards and considered on a preliminary basis that, these new standards and amendment to standards will not result in any substantive changes of the Group's existing accounting policies and presentation of the consolidated financial statements.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions.

The executive directors consider the business from an operational perspective. Generally, the executive directors consider the performance of business of each operating segment within the Group separately. Thus, each business within the Group is an individual operating segment.

Among these operating segments, they are aggregated into three segments based on the products sold: (1) float glass; (2) automobile glass and (3) architectural glass.

The executive directors assess the performance of the operating segments based on a measure of gross profit. The Group does not allocate operating costs to its segments as this information is not reviewed by the executive directors.

Sales between segments are carried out at terms mutually agreed by both parties. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated income statement.

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2017 is as follows:

	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Segment revenue	**9,775,908**	**3,910,000**	**2,800,632**	**—**	**16,486,540**
Inter-segment revenue	**(1,758,998)**	**—**	**—**	**—**	**(1,758,998)**
Revenue from external customers	**8,016,910**	**3,910,000**	**2,800,632**	**—**	**14,727,542**
Cost of sales	**(5,473,884)**	**(2,074,352)**	**(1,735,192)**	**—**	**(9,283,428)**
Gross profit	**2,543,026**	**1,835,648**	**1,065,440**	**—**	**5,444,114**
Depreciation charge of property, plant and equipment	**613,142**	**103,148**	**123,624**	**5,711**	**845,625**
Amortisation charge					
– leasehold land and land use rights	**20,125**	**4,211**	**2,549**	**45,894**	**72,779**
– intangible assets	**—**	**2,154**	**—**	**—**	**2,154**
(Reversal of provision for)/ provision for impairment of trade receivables, net	**(8,272)**	**(558)**	**2,086**	**—**	**(6,744)**
Share of profits of associates	**—**	**—**	**—**	**699,662**	**699,662**

	Assets and liabilities				
	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Total assets	**11,734,734**	**5,478,944**	**2,818,690**	**10,272,632**	**30,305,000**
Total assets included:					
Investments in associates	**—**	**—**	**—**	**4,415,663**	**4,415,663**
Loans to associates	**—**	**—**	**—**	**79,341**	**79,341**
Investment properties	**25,045**	**55,471**	**—**	**1,124,467**	**1,204,983**
Additions to non-current assets (other than available-for-sale financial assets)	**853,816**	**204,994**	**55,976**	**2,695,932**	**3,810,718**
Total liabilities	**2,142,120**	**722,567**	**318,212**	**8,815,909**	**11,998,808**

The segment information provided to the executive directors for the reportable segments as at and for the year ended 31 December 2016 is as follows:

	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Segment revenue	7,965,530	3,748,394	2,590,203	—	14,304,127
Inter-segment revenue	(1,455,727)	—	—	—	(1,455,727)
Revenue from external customers	6,509,803	3,748,394	2,590,203	—	12,848,400
Cost of sales	(4,718,764)	(1,912,529)	(1,557,857)	—	(8,189,150)
Gross profit	1,791,039	1,835,865	1,032,346	—	4,659,250
Depreciation charge of property, plant and equipment	570,778	98,771	124,457	3,032	797,038
Amortisation charge					
– leasehold land and land use rights	19,743	4,432	2,533	—	26,708
– intangible assets	931	2,159	—	—	3,090
Provision for/(reversal of provision for) impairment of trade receivables, net	—	36,722	(2,775)	—	33,947
Share of profits of associates	—	—	—	562,605	562,605

	Assets and liabilities				
	Float glass	Automobile glass	Architectural glass	Unallocated	Total
Total assets	10,290,073	4,479,919	2,555,209	6,697,120	24,022,321
Total assets included:					
Investments in associates	—	—	—	3,257,782	3,257,782
Loans to associates	—	—	—	82,258	82,258
Investment properties	—	51,160	—	495,549	546,709
Additions to non-current assets (other than available-for-sale financial assets)	932,255	156,895	56,794	1,366,154	2,512,098
Total liabilities	1,935,590	823,828	289,879	7,726,134	10,775,431

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

	2017	2016
Segment gross profit	**5,444,114**	4,659,250
Unallocated:		
Other income	**377,476**	341,925
Other gains - net	**316,881**	158,902
Selling and marketing costs	**(675,195)**	(620,022)
Administrative and other operating expenses	**(1,369,887)**	(1,202,372)
Finance income	**54,514**	50,826
Finance costs	**(151,133)**	(127,663)
Share of profits of associates	**699,662**	562,605
Profit before income tax	**4,696,432**	3,823,451

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

	Assets		Liabilities	
	2017	2016	2017	2016
Segment assets/(liabilities)	**20,032,368**	17,325,201	**(3,182,899)**	(3,049,297)
Unallocated:				
Leasehold land and land use rights	**2,391,488**	132,636	**—**	—
Property, plant and equipment	**1,548,274**	1,148,580	**—**	—
Investment properties	**1,124,466**	495,549	**—**	—
Prepayments for property, plant and equipment and land use rights	**6,366**	492,681	**—**	—
Available-for-sale financial assets	**52,409**	38,508	**—**	—
Investments in associates	**4,415,663**	3,257,782	**—**	—
Balances with associates	**79,341**	82,258	**—**	—
Prepayments, deposits and other receivables	**346,271**	311,758	**—**	—
Cash and bank balances	**308,354**	737,368	**—**	—
Other payables	**—**	—	**(538,595)**	(375,664)
Current income tax liabilities	**—**	—	**(95,296)**	(160,685)
Deferred income tax liabilities	**—**	—	**(328,224)**	(212,630)
Bank and other borrowings	**—**	—	**(7,853,794)**	(6,977,155)
Total assets/(liabilities)	**30,305,000**	24,022,321	**(11,998,808)**	(10,775,431)

The amounts provided to the executive directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

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

	2017	2016
Sales of float glass	**8,016,910**	6,509,803
Sales of automobile glass	**3,910,000**	3,748,394
Sales of architectural glass	**2,800,632**	2,590,203
Total	**14,727,542**	12,848,400

The Group's revenue is mainly derived from customers located in Greater China (including Hong Kong and the PRC), North America and Europe whilst the Group's business activities are conducted predominately in Greater China. An analysis of the Group's sales by geographical area of its customers is as follows:

	2017	2016
Greater China	**10,774,385**	9,419,811
North America	**1,489,496**	1,296,000
Europe	**434,091**	355,423
Other countries	**2,029,570**	1,777,166
	14,727,542	12,848,400

An analysis of the Group's non-current assets other than available-for-sale financial assets (there are no deferred income tax assets) by geographical area in which the assets are located is as follows:

	2017	2016
Greater China	**21,127,344**	16,774,967
North America	**8,802**	6,494
Malaysia	**1,235,211**	698,863
Other countries	**2,090**	4,917
	22,373,447	17,485,241

None of a single customer accounted for 10% or more of the Group's revenue for the year ended 31 December 2017 (2016: None).

5 INCOME TAX EXPENSE

	2017	2016
Current income tax		
– Hong Kong profits tax *(Note (a))*	**17,207**	36,046
– PRC corporate income tax *(Note (b))*	**543,767**	512,975
– Overseas income tax *(Note (c))*	**1,136**	(3)
– Over/(under) provision in prior years	**9,215**	(929)
Deferred income tax		
– Origination of temporary differences	**111,088**	59,199
	682,413	607,288

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year.

(b) PRC corporate income tax ("CIT")

CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the year, calculated in accordance with the relevant tax rules and regulations.

The applicable CIT rates for major subsidiaries located in Shenzhen, Wuhu, Dongguan, Tianjin, Jiangmen, Sichuan and Yingkou are 25% (2016: 25%). Twelve (2016: Eleven) major subsidiaries in Shenzhen, Wuhu, Dongguan, Tianjin, Jiangmen, Sichuan and Yingkou enjoy high-tech enterprise income tax benefit and the applicable tax rate is 15% (2016: 15%).

(c) Overseas income tax

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

6 EARNINGS PER SHARE

BASIC:

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (after taking into account the effect of the issuance of new shares and share repurchased and cancellation) during 2017 and 2016.

	2017	**2016**
Profit attributable to equity holders of the Company (HK$'000)	**4,013,764**	3,213,428
Weighted average number of ordinary shares in issue (thousands)	**3,968,504**	3,881,944
Basic earnings per share (HK cents per share)	**101.14**	82.78

DILUTED:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options and convertible bonds. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

	2017	2016
Earnings		
Profit attributable to equity holders of the Company (HK$'000)	**4,013,764**	3,213,428
Interest expense on convertible bonds (net of tax) (HK$'000)	**7,653**	29,053
Share of profit of an associate as a result of diluted earnings at associate level	**(23)**	(318)
Profit used to determine diluted earnings per share (HK$'000)	**4,021,394**	3,242,163
Weighted average number of ordinary shares in issue (thousands)	**3,968,504**	3,881,944
Adjustments for:		
Share options (thousands)	**19,820**	823
Assumed conversion of convertible bonds (thousands)	**36,334**	110,517
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**4,024,658**	3,993,284
Diluted earnings per share (HK cents per share)	**99.92**	81.19

7 DIVIDENDS

	2017	2016
Interim dividend paid of HK$0.20 (2016: HK$0.17) per share *(Note a)*	**800,787**	660,859
Specific dividend, by way of distribution of shares of Xinyi Automobile Glass Hong Kong Enterprises Limited ("Xinyi HK") *(Note b)*	**—**	66,277
Proposed final dividend of HK$0.28 (2016: final dividend of HK$0.23) per share *(Note c)*	**1,125,033**	919,845
	1,925,820	1,646,981

Notes:

(a) An interim dividend of HK$0.20 per share (2016: HK$0.17 per share) was paid to shareholders whose names appeared on the Register of Members of the Company on 18 August 2017 (2016: 19 August 2016).

(b) On 17 May 2016, the board of directors of the Company declared a conditional special interim dividend by way of distribution of 100% of Xinyi HK shares held by subsidiary of the Company to the Company's shareholders in proportion to their shareholdings in the Company. On 11 July 2016, a total of 485,112,212 Xinyi HK share, representing 100% of the total number of shares in issue were distributed to the owners of the Company. The corresponding share in net assets value of Xinyi HK upon the Spin-off was approximately HK$66,277,000.

(c) A final dividend in respect of the financial year ended 31 December 2017 of HK$0.28 per share (2016: HK$0.23 per share), amounting to a total dividend of HK$1,125,033,000(2016: HK$919,845,000), is to be proposed at the forthcoming Annual General Meeting. The amount of 2017 proposed final dividend is based on 4,017,976,647 shares in issue as at 31 January 2018 (2016: 3,999,324,647 shares in issue as at 23 June 2017). These financial statements do not reflect this dividend payable.

8 TRADE AND OTHER RECEIVABLES

	2017	**2016**
Trade receivables *(Note (a))*	**1,281,277**	1,082,906
Less: provision for impairment of trade receivables *(Note (b))*	**(38,507)**	(46,554)
	1,242,770	1,036,352
Bills receivables *(Note (d))*	**980,558**	492,644
Trade and bills receivables — net	**2,223,328**	1,528,996
Prepayments, deposits and other receivables	**1,148,520**	1,456,148
	3,371,848	2,985,144
Less: non-current portion		
Prepayments for property, plant and equipment and land use rights	**(299,803)**	(608,191)
Current portion	**3,072,045**	2,376,953

Notes:

(a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 31 December 2017 and 2016, the ageing analysis of the Group's trade receivables based on invoice date was as follows:

	2017	2016
0 - 90 days	**982,889**	829,210
91 - 180 days	**185,597**	150,979
181 - 365 days	**65,889**	40,685
1 - 2 years	**13,550**	45,871
Over 2 years	**33,352**	16,161
	1,281,277	1,082,906

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

	2017	2016
RMB	**726,949**	678,224
HKD	**2,708**	4,957
USD	**493,766**	366,218
Other currencies	**57,854**	33,507
	1,281,277	1,082,906

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

	2017	2016
At 1 January	**46,554**	17,205
Currency translation differences	**699**	(430)
(Reversal of provision for)/provision for impairment of trade receivables, net	**(6,744)**	33,947
Receivables written off during the year	**(2,002)**	(4,168)
At 31 December	**38,507**	46,554

The provision for impaired receivables has been included in "administrative and other expenses" in the consolidated income statement. The amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) As at 31 December 2017, trade receivables of approximately HK$209,619,000 (2016: HK$147,092,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables based on due date was as follows:

	2017	2016
0 - 90 days	**135,051**	90,512
91-180 days	**30,653**	28,690
181-365 days	**36,595**	20,602
1-2 years	**6,151**	1,963
Over 2 years	**1,169**	5,325
	209,619	147,092

As at 31 December 2017, trade receivables of approximately HK$42,751,000 (2016: HK$64,651,000) were impaired and partially provided for. The individually impaired receivables are related to customers in unexpected financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, a total provision for doubtful debts of approximately HK$38,507,000 (2016: HK$46,554,000) was recognised. The Group does not hold any collateral over these balances.

The ageing analysis of these impaired and partially provided for receivables based on invoice date is as follows:

	2017	2016
0 - 90 days	**—**	10,072
91-180 days	**234**	1,742
181-365 days	**4,431**	8,010
1-2 years	**6,993**	39,140
Over 2 years	**31,093**	5,687
	42,751	64,651

The top five customers and the largest customer accounted for approximately 34.3% (2016: 27.0%) and 20.9% (2016: 12.9%) of the trade receivables balance as at 31 December 2017, respectively. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The other classes within trade and other receivables do not contain impaired assets.

(d) All bills receivables are issued by licensed banks in the PRC with maturities ranging within 6 months (2016: 6 months).

(e) The carrying amounts of trade and other receivables approximate their fair values.

(f) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

9 TRADE PAYABLES AND OTHER PAYABLES

	2017	2016
Trade payables *(Note (a))*	**922,721**	789,341
Bills payable	**97,511**	158,950
	1,020,232	948,291
Other payables	**1,642,147**	1,396,641
Less: non-current portion		
Other payables	**(108,198)**	(48,000)
Current portion	**2,554,181**	2,296,932

Note:

(a) At 31 December 2017 and 2016, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	2017	2016
0 - 90 days	**817,616**	706,238
91-180 days	**47,535**	43,109
181-365 days	**9,686**	20,420
1-2 years	**31,899**	9,015
Over 2 years	**15,985**	10,559
	922,721	789,341

10 FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At the meeting of the board of Directors held on 26 February 2018, the Directors proposed a final cash dividend (the "**Final Dividend**") of 28.0 HK cents per share for 2017. The declaration and the payment of the Final Dividend are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on or before 7 June 2018. If so approved by the shareholders, it is expected that the Final Dividend will be paid on or about Wednesday, 4 July 2018 to shareholders whose names appear on the register of members of the Company on Friday, 15 June 2018.

The register of members of the Company will be closed from Wednesday, 13 June 2018 to Friday, 15 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 12 June 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The Group is engaged in the production and sales of a wide range of glass products, including automobile glass, energy-saving architectural glass, high quality float glass and other glass products for different commercial and industrial applications. These glass products are manufactured at the production facilities strategically located in the PRC at Shenzhen, Dongguan and Jiangmen in Guangdong Province, Wuhu in Anhui Province, Tianjin, Yingkou in Liaoning Province, Deyang in Sichuan Province and Malacca in Malaysia. In addition, the Group also produces rubber and plastic components for automobiles.

The Group's glass products are sold to customers in over 140 countries and territories, including the PRC, Hong Kong, the United States, Canada, Australia, New Zealand and countries in Asia, the Middle East, Europe, Africa, and Central and South America. Its customers include companies in the business of automobile glass manufacturing, wholesale and distribution, automobile repair, motor vehicle manufacturing, curtain wall engineering and installation, architectural and furniture glass manufacturing, and float glass wholesale and distribution.

Business Review

The Group has continued to maintain its leading position in the global glass industry in 2017 by tapping the strong demand for high quality float glass in the PRC and automobile glass in global markets. In 2017, the sales and the net profit attributable to equity holders of the Company amounted to HK$14,727.5 million and HK$4,013.8 million, respectively, representing an increase of 14.6% and a significant increase of 24.9%, compared with HK$12,848.4 million and HK$3,213.4 million, respectively in 2016. The compound annual growth rate of the Group's sales for the five-year period including 2017 was 10.3%.

In 2017, the Group's high-quality float glass enjoyed a strong revenue growth driven by providing a wide range of product specifications with a significant increase of average selling price which also improved its net profit.

Operational Review

Sales

The sales of the Group in 2017 increased by 14.6%, principally due to the strong growth in the sales of float glass products in the PRC market.

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

	Financial Year Ended 31 December			
	2017		**2016**	
	HK$'000	*%*	*HK$'000*	*%*
By Product				
Float glass products	**8,016.9**	**54.5**	6,509.8	50.6
Automobile glass products *(Note) (a))*	**3,910.0**	**26.5**	3,748.4	29.2
Architectural glass products	**2,800.6**	**19.0**	2,590.2	20.2
	14,727.5	**100.0**	12,848.4	100.0

Note:

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

	Financial Year Ended 31 December			
	2017		2016	
	HK$'000	*%*	*HK$'000*	*%*
By Geographical Region				
Greater China *(Note (a))*	**10,774.4**	**73.2**	9,419.8	73.3
North America	**1,489.4**	**10.1**	1,296.0	10.1
Europe	**434.1**	**2.9**	355.4	2.8
Others *(Note (b))*	**2,029.6**	**13.8**	1,777.2	13.8
	14,727.5	**100.0**	12,848.4	100.0

Notes:

(a) China and Hong Kong.

(b) Australia, New Zealand, Africa, the Middle East, Central America, South America and other countries.

Cost of Sales

The average material costs increased mainly due to the supply side reform in the PRC during 2017. However, through the improved production efficiency, cost control measures and use of cost-effective renewable energy, the cost of sales in 2017 increased 13.4 % to HK$9,283.4 million, as compared with HK$8,189.2 million in 2016. Increase in the cost of sales was proportionately less than increase of the sales of the Group indicating a strong growth in gross profit.

In fact, the Group's gross profit in 2017 was HK$5,444.1 million, representing an increase of 16.8 %, as compared with HK$4,659.3 million in 2016. The overall gross profit margin of the Group increased from 36.3% to 37.0 % principally due to the increase in the average selling price of float glass along with a wider variety in the product mix.

Other Income

The Group's other income increased to HK$377.5 million, as compared with HK$341.9 million in 2016. The increase was mainly attributable to the increase in income from sales of electricity in 2017.

Other Gains – Net

The Group's net other gains were HK$316.9 million in 2017, as compared with the net other gains of HK$158.9 million in 2016. The increase was principally due to the revaluation gain on investment properties located in the PRC and Hong Kong.

The Group's selling and marketing expenses increased by 8.9 % to HK$675.2 million in 2017, principally due to the increase in transportation costs.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by 13.9% to HK$1,369.9 million in 2017, which was in line with the increase in revenue. The increase was principally due to the rise in research and development expenses.

Finance Costs

The Group's finance costs rose 18.4% to HK$151.1 million in 2017 mainly due to the increase of bank borrowings during the year. A portion of the interest expense incurred on the construction-in-progress and acquisition of plant and machinery at the production complexes in Malaysia was capitalised under construction-in-progress and will be depreciated subsequently when the related production facilities and the new production lines commence commercial operation. An amount of interest expense of HK$32.4 million was capitalised under construction-in-progress in 2017, which was relatively stable compared to the amount of HK$32.8 million in 2016.

Income Tax Expense

The Group's income tax expense increased by 12.4% to HK$682.4 million in 2017. The effective tax rate decreased from 15.9% to 14.5%. The slight decrease in the effective tax rate was mainly due to higher profits generated by subsidiaries qualified for the preferential PRC high-tech enterprise CIT tax rate of 15% and the Malacca factory's qualification for Malaysia's investment tax allowance scheme.

Net profit attributable to equity holders of the Company in 2017 was HK$4,013.8 million, representing an increase of 24.9%, as compared with HK$3,213.4 million in 2016. Net profit margin rose to 27.3% in 2017 primarily due to a higher gross profit margin and higher profit was shared from Xinyi Solar in 2017.

Current Ratio

The Group's current ratio as at 31 December 2017 was 1.54, as compared with 1.09 as of 31 December 2016.

Net Current Assets

As at 31 December 2017, the Group had net current assets of HK$2,774.7 million, as compared with HK$536.3 million as at 31 December 2016. The increase was in line with increase in current ratio.

Financial Resources and Liquidity

In 2017, the Group's primary source of funding included cash generated from its operating activities and the new banking facilities provided by its principal banks in Hong Kong and the PRC. Net cash inflow from operating activities amounted to HK$3,524.9 million (2016: HK$3,565.0 million) as a result of a significant increase of net profit for the year and efficient working capital management generating a net cash surplus from operations. As at 31 December 2017, the Group had cash and bank balances (including fixed deposits and pledged bank deposits) of HK$3,057.1 million (2016: HK$2,768.0 million).

As at 31 December 2017, the Group's bank and other borrowings have increased 10.3% to HK$8,466.4 million as compared with the balance of HK$7,674.4 million as at 31 December 2016.

The Group's net debt gearing ratio as at 31 December 2017 was 29.5% (31 December 2016: 37.0%). This ratio was calculated by dividing the net bank debt, which is calculated as total borrowings less cash, bank balances and pledged bank deposits, by the total equity of the Group as at 31 December 2017.

Pledge of Assets

As at 31 December 2017, a bank balance of HK$2.5 million was pledged as collateral principally for the import duties payable to the US government and for the standby letter of credit issued by a bank in the PRC.

Employees and Remuneration Policy

As at 31 December 2017, the Group had 11,840 full-time employees of whom 11,359 were based in China and 481 were based in Hong Kong and other countries and territories. The Group maintains good relationship with all of its employees. It provides employees with sufficient training in business and professional knowledge including information about the applications of the Group's products and skills in maintaining good client relationship. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administered by the responsible government authorities in the PRC for its employees there. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) have been duly implemented.

Final Dividend and Closure of Register of Members

At the meeting of the board of Directors held on 26 February 2018, the Directors have proposed a final cash dividend (the "Final Dividend") of 28.0 HK cents per share for 2017. The declaration and the payment of the Final Dividend are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on or before 7 June 2018. If so approved by the shareholders, it is expected that the Final Dividend will be paid on or about Wednesday, 4 July 2018 to shareholders whose names appear on the Register of Members of the Company on Friday, 15 June 2018.

The Register of Members of the Company will be closed from Wednesday, 13 June 2018 to Friday, 15 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 12 June 2018.

Treasury Policies and Exposure to Fluctuations in Foreign Exchange Rates

The Group has adopted treasury policies for the purpose of optimising the use of readily-available financial resources for the business needs of its different subsidiaries. The Directors believe that such treasury policies are an integral part of the business operations of the Group and are beneficial to the Group as a whole by reducing the costs and interests that may otherwise be borne by its relevant subsidiaries in arranging the required banking facilities to meet obligations. For example, the Group has adopted a centralised approach in managing the funds available to its headquarters, subsidiaries and branches, including cash, bank deposits, securities, bills and other financial instruments. These assets, such as bills and financial instruments, are managed and arranged amongst subsidiaries of the Group through proper endorsements or transfers to the different subsidiaries so that they can be fully utilized to meet the Group's payment obligations with minimal financing cost. The Group closely monitors the level of use and the value of each of these transactions only represents an immaterial part of its total assets and undertakings. The Directors believe that these policies promote the efficient use of the Group's financial resources.

In addition, the treasury policies of the Group also include mechanisms to mitigate its foreign exchange risks. The Group mainly operates in China with most of its significant transactions denominated and settled in RMB and US Dollars ("USD"). Given the pegged exchange rate between the Hong Kong dollar ("HKD") and the USD, the Directors do not foresee that the Group is subject to significant foreign exchange risks for transactions conducted in HKD or USD. However, exchange rate fluctuations between the RMB and the HKD or the RMB and the USD could affect the Group's performance and asset value. The Group also has float glass production facilities in Malaysia. Exchange rate fluctuations between the Malaysian Ringgit ("MYR") and the HKD could also affect the Group's performance and asset value.

Because of the rebound in the exchange rate between the RMB and the HKD in 2017, the Group reported non-cash translation gains — an increase in the reserve of its consolidated balance sheet — when converting RMB-denominated assets into HKD. For the year ended 31 December 2017, exchanges gains of HK$1,873.8 million were recorded as the foreign currency translations reserve movement. As a result, the balance of the consolidated foreign currency translations reserve account recorded a credit balance of HK$545.9 million as at 31 December 2017 as compared with a debit balance of HK$1,327.9 million as at 31 December 2016.

For the Group's PRC business, the revenue from sales of glass products is denominated in RMB whilst most of the bank borrowings are denominated in HKD. In implementing its treasury policies, the Group maintained a well-designed balance between the currency risk and the interest savings arising from HKD-denominated bank borrowings. As at 31 December 2017, all the bank borrowings of the Group were denominated in HKD.

The Group has not experienced any material difficulties and liquidity issues resulting from currency exchange fluctuations. During the year ended 31 December 2017, the Group has not used any financial instrument for hedging purposes.

BUSINESS REVIEW

The PRC glass industry is gradually consolidating influenced by environmental policy

The growth of the PRC economy has been steady for the year ended 31 December 2017. The Group's operations in the automobile glass, architectural glass and the float glass segments faced different challenges and opportunities. Nonetheless, the Group achieved remarkable operating results primarily attributable to its stringent control in the production costs, the improvement of the PRC float glass market and stronger demand for automobile glass in North America.

The PRC property development and construction market experienced moderate growth for the year ended 31 December 2017 as domestic market demand remained strong and the Renminbi appreciated with stricter enforcement of the foreign exchange restriction. Nevertheless, within the highly competitive PRC energy-saving Low-E glass market in the construction industry the Group's has seen a modest increase in the sales volume of the architectural glass segment.

The float glass sector experienced gradually improving demand. The new product specifications for the Group's double isolation float glass for better heat retention and lamination to address higher safety standards in the architectural glass industry in the PRC, the wider variety of its float glass products and colour mix, the commencement of operation of the new float glass plant in Malaysia, stronger average selling price enabled by supply side reform and stricter environmental policy in the PRC combined to contribute to a remarkable growth in its float glass sales during the year under review. At the same time, the rise in the average selling price also contributed to the improvement in the gross profit margin of the sales of the Group's float glass.

In light of the prevailing favourable global market conditions, the Group has proactively implemented flexible marketing strategies for its automobile glass business, with the addition of new products for applications such as advanced driver assistance system ("ADAS"), head up display ("HUD"), sound proofing and sun roofs which are suitable for new car models. At the same time, the Group has been approaching new overseas customers and strengthening the existing customer base to explore opportunities to increase the sales volume of its new products. Currently, the Group's automobile glass products are sold in more than 140 countries.

As one of the major players in the global glass industry, the Group has secured its market-leading position and enhanced its economies of scale through the strategic and timely expansion of the production capacity of different product segments and the construction of new production complexes incorporating streamlined production processes at different locations both in the PRC and overseas. The Group has also implemented a series of measures enhancing control on the consumption of raw materials, the re-cycling of principal raw materials, the re-engineering of production flow to boost production efficiency and using solar power and low-temperature recycling residual heat to generate electricity and hot water for internal consumption. To maintain its competitiveness, the Group has successfully developed and launched a wide range of high value-added and specialty glass products, and adopted proactive pricing and flexible marketing strategies to take advantage of the supportive measures implemented under the Thirteenth Five-Year Plan of the PRC government.

Improved productivity, technology and economies of scale to enhance production efficiency

The Group's strength in operational management, combined with the continuous improvement in the production process, automation and well-planned equipment maintenance programmes, have enhanced its productivity and yield, which, in turn, have reduced overall labour, production and energy costs during the year under review. Its economies of scale have enabled significant savings in production and fixed costs and increased efficiency in fuel consumption. To further control energy costs, the Group is harnessing clean environmentally-friendly energy through implementing rooftop solar power generation systems and low-temperature recycling residual heat power co-generation systems.

In addition, using natural gas as the fuel for the production of high quality float glass can reduce carbon emissions for a better air quality environment, improve float glass quality and enhance the energy cost structure of the Group.

Expanded high value-added product mix and global coverage enhances overall competitiveness

During the year under review, the consolidated revenue generated from the Group's automobile glass, architectural glass and high-quality float glass businesses has achieved a satisfactory growth. This performance demonstrates that the Group's combination of its diversified business segments, global market coverage and the expanded high value-added product mix can alleviate the operational pressure in any specific business segment or country within a volatile and competitive market environment.

BUSINESS OUTLOOK

The Group will continue to adopt flexible production and marketing plans and increase the extent of automation at its facilities to further improve operational efficiency in order to maintain its leadership and competitive position at the forefront of the world's glass manufacturers.

The PRC government has continued to tighten the policy on constructing new float glass production lines and phasing out the obsolete and non-compliant float glass production lines because of higher environmental standards on emissions. As a result, the effective PRC float glass production capacity dropped by 4% in 2017. The industry expects the national float glass production capacity will further decrease in 2018. The Group is embarking on prudent and flexible strategies in response to the current situation of the float glass market in the PRC and the global market.

The soda ash price has kept decreasing since December 2017. The industry believes the soda ash price trend would moderate compared with 2017. The Group's overseas network to source soda ash to mitigate price fluctuation serves as its contingency plan. Thus, the Group is optimistic that the float glass market as well as the average selling price will keep improving in the foreseeable future.

At the same time, the Directors are optimistic about the continued good performance of its automobile glass in the global market and the prospects of increased sales in the energy-saving and single and double insulated Low-E glass segments in the future.

After years of expanding its production facilities along the coastal areas of the PRC, the Group is ready to explore acquisitions and more overseas and western PRC expansion opportunities which can provide an attractive and larger market environment, lower production and energy costs, and offer favourable tax treatment and other incentives.

The Group is planning to support the PRC government's economic development plan in western China and has been qualified under the foreign investment scheme in western China to build specialty float glass production lines in Guangxi Zhuang Autonomous Region. Thus it plans to build automobile glass production lines there.

The commencement of the operation of the Group's first float glass production line in Malaysia is its first overseas project, and is paving the way to boost its future growth in the region as well as facilitate specific transactions in the region while also reducing production costs.

The Group is constructing two high quality float glass production lines in its Phase Two project in Malacca, Malaysia. We are also planning to build a Phase Three project in Malaysia. The future new production lines will enable it to better serve ASEAN-based, Indian, Korean and Taiwanese customers through the preferential import duty treatment and appropriate pricing strategy as well as the shorter transport distance that can also benefit customers elsewhere in Asia.

The Group is planning to expand our production network outside Asia. We plan to build two high quality float glass production lines in southern Ontario of Canada in order to expand our product coverage in North America.

The Group will continue to ensure that adequate resources are allocated to product research and development and enhancing product quality as well as for the introduction of new products, exploring new markets, boosting production efficiency and conducting staff training in order to maintain its competitiveness and, ultimately, boost its profitability.

CONCLUSION

The Group continues to tackle the challenges amidst steady economic growth in the PRC and overseas by bolstering its efficiency and increasing its profitability through more effective management across its operations and marketing activities, as well as expansion of its business and continued collaboration with its customers. The Directors believe that these approaches enable the Group to maximise the benefits from the domestic, emerging market and overseas business opportunities alike and are also optimistic about its long-term business development prospects. The Group is continuing to adopt proven business strategies to sustain and strengthen growth. To maintain its industry-leading position, the Group is exploring expanding its presence in the global glass market across a wider spectrum of industries, applications and products as well as other opportunities for business partnership.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors confirm that the Company has complied with the applicable Code Provisions in the Code on Corporate Governance Practices (the "**Code**") set forth in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in 2017.

AUDIT COMMITTEE OF THE BOARD

The Company has established an audit committee, comprising five independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide comment and advice to the Board. The audit committee has reviewed the audited consolidated financial statements of the Company for the year ended and as of 31 December 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set forth in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiry with the Directors and all Directors confirm that they have complied with the Model Code in 2017.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year under review.

SUFFICIENCY OF PUBLIC FLOAT

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

PUBLICATION OF FINAL RESULTS

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

FIGURES IN PRELIMINARY ANNOUNCEMENT AGREED BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2017 have been agreed by the Company's auditor, PricewaterhouseCoopers Hong Kong ("**PwC Hong Kong**"), to the amounts set forth in the Company's audited consolidated financial statements for the year. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**Annual General Meeting**") will be held on or before Friday, 29 June 2018. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company and dispatched to the Shareholders on or about Monday, 30 April 2018.

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

Hong Kong, 26 February 2018

As of the date of this announcement, the executive Directors are Datuk Mr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Datuk TUNG Ching Sai and Mr. LEE Shing Kan; the non-executive Directors are Mr. LI Ching Wai, Mr. SZE Nang Sze, Mr. LI Ching Leung and Mr. NG Ngan Ho; and the independent non-executive Directors are Mr. LAM Kwong Siu, S.B.S, Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S, JP. Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.