信義玻璃控股有限公司

XINYI GLASS HOLDINGS LIMITED

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Dear Shareholders

On behalf of the board (the "Board") of directors (the "Directors") of Xinyi Glass Holdings Limited (the "Company"), I am pleased to announce the interim unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015.

In comparison with the same period in 2014, turnover of the Group increased by approximately 4.9% to approximately HK$5,282.8 million during the six months ended 30 June 2015. The net profit attributable to equity holders of the Company for the review period increased by approximately 24.1%, to approximately HK$944.9 million. Basic earnings per Share were 24.10 HK cents, as compared with 19.43 HK cents for the same period in 2014.

The Board considers that the Group has achieved a reasonable level of profitability in a volatile market environment. Hence, the Board is pleased to declare an interim dividend of 9.5 HK cents per Share.

I present below an overview of the business of the Group for the six months ended 30 June 2015 and key development highlights for the coming half year.

## BUSINESS REVIEW

The PRC experienced slow economic growth during the six months period ended 30 June 2015. The operating results of the construction glass and the float glass segments of the Group encountered equally difficult business environments. Nonetheless, the overseas sales of the Group's automobile glass recorded a stable growth for the six months ended 30 June 2015.

The increasing demand for the energy-saving Low-E glass in the construction industry in the PRC has resulted in a moderate increase in the revenue of the Group's construction glass segment, even though the overall property market in the PRC experienced a slow performance during the six months ended 30 June 2015 amidst the relaxation of both property and monetary policies in the PRC. The cancellation of the restrictions on second house purchasing and the lower People's Bank of China's Reserve Ratio Requirement (" ") and lending interest rates have yet to improve the market liquidity. Therefore, the momentum for the building industry is still moderate.

Due to the slow construction glass demand in the PRC, the demand for float glass has also been affected since the second quarter of 2014. The excess float glass capacity in the PRC is becoming more manageable as the tight restrictions on new float glass production lines in the PRC take effect. The Group's better production cost control helped maintaining the gross profit margin of its float glass business.

In light of the less favourable market conditions, the Group has implemented flexible and proactive marketing strategies for its automobile glass business. Most notable among these are the addition of new products suitable for new car models and exploration of new overseas customers and opportunities to maintain the sales volume of its automobile glass products. Currently, the Group sells its automobile glass products in more than 130 countries.

As a leader in the world's global glass industry, the Group strengthened its market leading position and enhanced economies of scale through strategic and timely expansion of the production capacity for different product segments and the construction of new production complexes with streamlined production process at different locations. The Group has also implemented a series of enhanced control measures on the consumption level of the raw materials, improved production processes and logistics, the recycling of principal raw materials and the use of solar power and residual heat for energy generation. To maintain its competitiveness, the Group has successfully developed and launched a wide range of high value-added glass products and adopted proactive pricing and flexible marketing policies to take advantage of the supportive policies under the PRC government's Twelfth Five-Year Plan.

The Group's strength in operational management, combined with the continuous improvements in the production process and well-planned equipment maintenance programs, have enhanced its productivity and yield, which in turn have reduced the overall production and energy costs in the first half of 2015. The Group's economies of scale have enabled significant savings in the production and the fixed costs, minimized the wastage and increased efficiency in fuel consumption. To further control the cost of energy, the Group is using environmentally-friendly clean energy, such as in-house rooftop solar power systems and low-temperature recycling residual heat power co-generation systems. Using natural gas as the fuel for our high quality float glass production can also reduce the carbon emission levels and improve the energy cost structure of the Group.

During the period under review, the revenue generated from the Group's automobile glass, construction glass and high-quality float glass businesses achieved a growth at rates generally above the market averages. This performance demonstrates that the Group's diversified business and high value-added product mix can mitigate the operational pressure in any individual business segment within a volatile market environment.

## BUSINESS OUTLOOK

The Group will continue to adopt flexible production arrangements and using high-level automation to further improve operational efficiency to maintain its leadership and competitiveness amongst the world's glass manufacturers.

The PRC government has continued to tighten the policy on new float glass production lines and phase out the outdated production lines in keeping with higher environmental standards on emissions. The Group is embarking on prudent and flexible strategies in response to the current float glass market in the PRC. The current low international crude oil price mitigates the pressure on the price of natural gas in Guangdong Province. The Group is optimistic that the float glass market will improve in the future.

On the other hand, the Directors are optimistic about the continuing good performance of the automobile glass segment in the global market and the increase demand for energy-saving and double-glazed Low-E glass segments in the future.

After years of expanding production facilities, the Group is exploring overseas opportunities which offer a more attractive market environment, lower production and energy costs, better tax structure and incentive programs. The Group's first overseas project is in Malacca, Malaysia, and the selection of which would affect our future growth pattern as well as certain transactions.

The Group will build one high quality float glass production line and one Low-E glass production line at the phase one project in Malacca, Malaysia where we can more effectively serve our customers in ASEAN countries through the preferential import duty and an appropriate pricing strategy and a shorter transportation distance. We will also build the Group's first wind farm project in Anhui Province, the PRC in order to capture the growth opportunity presented by the PRC policy on encouraging clean and renewable energy.

The Group will continue to ensure that adequate resources will be allocated to the product research and development capability, enhancing product quality, boosting production efficiency and staff training in order to maintain its competitiveness and boost its profitability.

## CONCLUSION

The Group continues to tackle challenges amidst a slowdown in economic growth in the PRC. The Group is also continuing to optimise its efficiency and improve its profitability through effective management and ongoing collaborations with its customers. The Directors believe that these strategies will enable the Group to maximise the benefits from the emerging business opportunities. The Directors are also optimistic about the Group's long term business development. The Group is also adopting proven business strategies to sustain and strengthen growth. To maintain its industry leading position, the Group is also continuing to expand its presence in the global glass market across a wide spectrum of industries, applications and technologies, expansion of its facilities and geographic reach and explore other opportunities for business cooperation.

*Chairman*
Hong Kong, 28 July 2015

## FINANCIAL REVIEW

During the six months ended 30 June 2015, the reuS0 cs 1 scn/T11 1 Tf 0 Td( )Tj0.386d

## TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's transactions are mainly denominated in Renminbi, US dollars, Euro, Australian dollars, Japanese Yen and Hongkong dollars.

The Company has adopted a share option scheme on 18 January 2005 for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. The Directors may, at their discretion, invite any employees and other selected participants to accept options to be granted by the Group for subscription for the Shares. As at the date of this announcement, 19,699,000 options, 23,841,000 options, 25,008,000 options and 27,988,000 options were granted under the share option scheme on, 23 May 2012, 2 April 2013, 27 February 2014 and 2 March 2015 respectively, and 96,536,000 options were outstanding as at 30 June 2015.

# Condensed Consolidated Balance Sheet

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

| | Note | 5 | 31 December 2014 (Audited) |
|---|---|---|---|
| Share capital | 11 | | 392,161 |
| Share premium | 11 | | |
| – 2015 declared interim dividend | | 5 | { |
| – 2014 proposed final dividend | | — | 235,296 |
| – Others | | 5 | 3,196,663 |
| Other reserves | 12 | 5 | 2,116,333 |
| Retained earnings | | | 6,392,830 |
| | | 5 | |

## Condensed Consolidated Balance Sheet

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

| | Note | 5 | 31 December 2014 (Audited) |
|---|---|---|---|
| rr | | | |
| Trade payables, accruals and other payables | 13 | | 1,978,190 |
| Current income tax liabilities | | | 293,686 |
| Bank and other borrowings | 14 | | 2,529,161 |
| | | 5 5 5 | 4,801,037 |
| | | 5 | 8,698,835 |
| | | 55 55 | 21,034,164 |
| rr | | | 3,839 |
| rr | | 5 | 16,233,127 |

# Condensed Consolidated Income Statement

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

| | Note | 2014 |
|---|---|---|
| | 4 | 5,034,069 |
| Cost of sales | 15 | (3,697,120) |
| | | 1,336,949 |
| Other income | 4 | 3,388 |
| Other gains – net | 16 | 243,345 |
| Selling and marketing costs | 15 | (267,967) |
| Administrative expenses | 15 | (471,875) |
| | | 843,840 |
| Finance income | 17 | 21,404 |
| Finance costs | 17 | (46,273) |
| Share of profits of associates | 8 | 57,459 |
| | | 876,430 |
| Income tax expense | 18 | (114,271) |
| Profit for the period | | 762,159 |
| Profit attributable to: | | |
| – Equity holders of the Company | | 761,711 |
| – non-controlling interest | | 448 |
| Profit for the year | | 762,159 |
| – Basic | 20 | 19.43 |
| – Diluted | 20 | 19.38 |

## Condensed Consolidated Statement of Comprehensive Income

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

| | | 2014 |
|---|---|---|
| | 5 | 762,159 |
| Items that may be reclassified to profit or loss: | | |
| Change in value of available-for-sale financial assets | 5 | 135,400 |
| Currency translation differences | | (142,534) |
| Share of other comprehensive income of investments accounted for using the equity method | | — |
| | | 755,025 |
| Total comprehensive income for the period attributable to: | | |
| – Equity holders of the Company | | 754,294 |
| – Non-controlling interests | | 731 |
| | | 755,025 |

# Condensed Consolidated Statement of Changes in Equity

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

| | | Unaudited | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Attributable to equity holders of the Company | | | | | | |
| | Note | Share capital | Share premium | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| | | 392,137 | 4,335,328 | 2,372,564 | 5,107,760 | 12,207,789 | 1,140 | 12,208,929 |
| Profit for the period | | { | { | { | 761,711 | 761,711 | 448 | 762,159 |
| Changes in value of available-for-sale financial assets | | { | { | 135,400 | { | 135,400 | { | 135,400 |
| Currency translation differences | | { | { | (142,817) | { | (142,817) | 283 | (142,534) |
| | | { | { | (7,417) | 761,711 | 754,294 | 731 | 755,025 |
| Employees share option scheme: | | | | | | | | |
| – Proceeds from shares issued | 11(a) | 152 | 7,062 | (1,937) | { | 5,277 | { | 5,277 |
| – Value of employee services | | { | { | 14,641 | { | 14,641 | { | 14,641 |
| – Release on forfeiture of share options | | { | { | (23) | 23 | { | { | { |
| Dividends relating to 2013 | 19 | { | (549,025) | { | { | (549,025) | { | (549,025) |
| Repurchase and cancellation of shares | 11(b) | (128) | (8,339) | 128 | (128) | (8,467) | { | (8,467) |
| | | 24 | (550,302) | 12,809 | (105) | (537,574) | { | (537,574) |
| | | 392,161 | 3,785,026 | 2,377,956 | 5,869,366 | 12,424,509 | 1,871 | 12,426,380 |

# Condensed Consolidated Cash Flow Statement

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

| | Note | 2014 |
|---|---|---|
| Cash generated from operations | | 1,058,800 |
| Interest paid | | (48,993) |
| Income tax paid | | (95,879) |
| | | 913,928 |
| Proceeds from disposal of property, plant and equipment and leasehold-land and land use right | | 96,243 |
| Purchase of land use rights | | { |
| Proceeds from disposal of a subsidiary (Note 24) | | { |
| Purchase of property, plant and equipment | | (1,135,726) |
| Purchase of available-for sale financial assets | | (44,000) |
| Capital injection to associates | | (23,751) |
| Loan advanced to an associate | | { |
| Interests received | | 19,607 |
| Other investing activities | | 4,441 |
| | | (1,083,186) |
| Proceeds from bank borrowings | | 875,500 |
| Repayment of banks borrowings | | (835,019) |
| Other financing activities | | (3,190) |

## Condensed Consolidated Cash Flow Statement

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

| | Note | 5 | 2014 |
|---|---|---|---|
| Net cash | | | |
| Cash and cash equivalents | | | |
| at beginning of the period | | | |

## 1 GENERAL INFORMATION

Xinyi Glass Holdings Limited (the "  ") and its subsidiaries (together, the "  ") is principally engaged in the production and sales of automobile glass, construction glass, float glass and solar glass products through production complexes located in the People's Republic of China (the "  ").

The principal place of business of the Group in Hong Kong is situated at 3rd Floor, Harbour View 2, 16 Science Park East Avenue, Hong Kong Science Park Phase 2, Pak Shek Kok, Tai Po, New Territories, Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated. This unaudited condensed consolidated interim financial information has been approved for issue by the Directors on 28 July 2015.

## 2 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

## 3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2014, as described in 2014 annual financial statements.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2015. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

| | | |
|---|---|---|
| HKAS 19 (2011) (amendment) | Defined benefit plans: employee contribution | 1 July 2014 |
| HKFRSs (amendment) | Annual Improvements to HKFRSs 2010 {2012 Cycle | 1 July 2014 |
| HKFRSs (amendment) | Annual improvements to HKFRSs 2011 {2013 Cycle | 1 July 2014 |

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The Group has not applied any new standards and interpretations that are not effective for current accounting period.

## 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 entity perspective. Generally, the executive Directors consider the performance of business of each entity within the Group separately. Thus, each entity within the Group is an individual operating segment.

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

The executive Directors assess the performance of the operating segments based on a measure of gross profit. The Group does not allocate other 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 the relevant parties. The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the consolidated income statement.

## 4 SEGMENT INFORMATION (Continued)

The unaudited segment information for the period ended 30 June 2015:

| | | | | | |
|---|---|---|---|---|---|
| Segment revenue | 5 | | 5 | — | 5 |
| Inter-segment revenue | | — | — | — | |
| Revenue from external customers | 55 | | 5 | — | 5 |
| Cost of sales | 5 | | | — | |
| Gross profit | | | | — | |
| Depreciation of property, plant and equipment (Note 15) | | 5 | | | 5 |
| Amortisation | | | | | |
| – leasehold land and land use rights (Note 15) | | 5 | | — | |
| – intangible assets (Note 15) | 5 | | — | — | |
| Reversal for impairment of trade and other receivables, net (Note 15) | — | | 5 5 | — | |
| Total assets | 5 5 | | | 5 5 | 55 55 |
| Total assets included: | | | | | |
| Investments in associates | — | — | — | | |
| Loans to associates | — | — | — | 55 | 55 |
| Additions to non-current assets (other than available-for-sale financial assets and deferred income tax assets) | | 5 | 5 | | 5 |
| Total liabilities | | 5 | | | 5 |



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## 4 SEGMENT INFORMATION (Continued)

The unaudited segment revenue for the period ended 30 June 2014 and the audited segment assets and liabilities as at 31 December 2014:

| | Float glass | Automobile glass | Construction glass | Unallocated | Total |
|---|---|---|---|---|---|
| Segment revenue | 2,860,261 | 1,780,627 | 1,078,829 | { | 5,719,717 |
| Inter-segment revenue | (685,648) | { | { | { | (685,648) |
| Revenue from external customers | 2,174,613 | 1,780,627 | 1,078,829 | { | 5,034,069 |
| Cost of sales | (1,986,973) | (1,030,130) | (680,017) | { | (3,697,120) |
| Gross profit | 187,640 | 750,497 | 398,812 | { | 1,336,949 |
| Depreciation of property, plant and equipment (Note 15) | 196,166 | 52,025 | 43,895 | 498 | 292,584 |
| Amortisation | | | | | |
| – leasehold land and land use rights (Note 15) | 8,340 | 2,548 | 1,940 | { | 12,828 |
| – intangible assets (Note 15) | 597 | 1,271 | { | { | 1,868 |
| Provision for impairment of trade and other receivables, net (Note 15) | { | 450 | 11,984 | { | 12,434 |
| Total assets | 10,283,576 | 3,289,988 | 3,035,749 | 4,424,851 | 21,034,164 |
| Total assets included: | | | | | |
| Investments in associates | { | { | { | 2,242,739 | 2,242,739 |
| Loans to associates | { | { | { | 41,334 | 41,334 |
| Additions to non-current assets (other than available-for-sale financial assets and deferred income tax assets) | 1,165,741 | 189,460 | 307,790 | 354,608 | 2,017,599 |
| Total liabilities | 1,299,144 | 789,004 | 426,009 | 6,184,678 | 8,698,835 |

## 4 SEGMENT INFORMATION (Continued)

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

| | | 2014 |
|---|---|---|
| Segment gross profit | | 1,336,949 |
| Unallocated: | | |
| Other income | | 3,388 |
| Other gains - net | | 243,345 |
| Selling and marketing costs | | (267,967) |
| Administrative expenses | | (471,875) |
| Finance income | 5 | 21,404 |
| Finance costs | | (46,273) |
| Share of profits of associates | | 57,459 |
| Profit before income tax | 5 | 876,430 |

## 4 SEGMENT INFORMATION (Continued)

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

| | 2014 |
|---|---|
| Sales of float glass | 2,174,613 |
| Sales of automobile glass | 1,780,627 |
| Sales of construction glass | 1,078,829 |
| Total | 5,034,069 |

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

| | 2014 |
|---|---|
| Greater China | 3,481,673 |
| North America | 498,212 |
| Europe | 244,630 |
| Other countries | 809,554 |
| | 5,034,069 |

## 4 SEGMENT INFORMATION (Continued)

An analysis of the Group's non-current assets other than financial assets (there are no employment benefit assets and rights arising under insurance contracts) by geographical area in which the assets are located is as follows:

| | 31 December 2014 (Audited) |
|---|---|
| Greater China | 16,078,430 |
| North America | 7,915 |
| Other countries | 23,318 |
| | 16,109,663 |

## 5 LEASEHOLD LAND AND LAND USE RIGHTS – GROUP

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

| | 31 December 2014 (Audited) |
|---|---|
| In Hong Kong, held on: | |
| – Lease of between 10 to 50 years | 8,818 |
| Outside Hong Kong, held on: | |
| – Lease of between 10 to 50 years | 1,278,522 |
| | 1,287,340 |

## 5 LEASEHOLD LAND AND LAND USE RIGHTS — GROUP (Continued)

| | 5 | 31 December 2014 (Audited) |
|---|---|---|
| As at 1 January | | 1,390,059 |
| Currency translation differences | | (34,119) |
| Addition | 5 | { |
| Disposal | — | (39,176) |
| Amortisation of prepaid operating lease payment | | (29,424) |
| As at 30 June/31 December | 5 5 | 1,287,340 |

## 6 PROPERTY, PLANT AND EQUIPMENT – GROUP

| | | | | | |
|---|---|---|---|---|---|
| Opening net book amount as at 1 January 2015 | 1,722,379 | 2,455,132 | 7,092,641 | 23,284 | 11,293,436 |
| Currency translation differences | { | (610) | (8) | (9) | (627) |
| Additions | 1,261,293 | 15,643 | 294,839 | 1,505 | 1,573,280 |
| Transfer upon completion | (1,340,360) | 51,966 | 1,283,904 | 4,490 | { |
| Disposals | { | { | (4,845) | { | (4,845) |
| Depreciation | { | (54,335) | (320,539) | (5,899) | (380,773) |
| Closing net book amount as at 30 June 2015 | 1,643,312 | 2,467,796 | 8,345,992 | 23,371 | 12,480,471 |

## 7 INVESTMENT PROPERTIES

| | 5 | 31 December 2014 (Audited) |
|---|---|---|
| As at 1 January | 5 | 498,138 |
| Currency translation differences | — | (6,538) |
| Additions | | 14,391 |
| Fair value gains | — | 44,000 |
| Disposal of a subsidiary (Note 24) | 55 | { |
| As at 30 June/31 December | 5 | 549,991 |

At the year end of 31 December 2014, the Group has an investment property located in Hong Kong and two investment properties in the PRC. On 30 June 2015, the Group disposed 100% shareholding of its wholly owned subsidiary namely XYG (HK) Limited, which is the owner of the investment property located in Hong Kong.

The Group's investment properties were valued at 31 December 2014 by independent professionally qualified valuer who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their curr

## 7 INVESTMENT PROPERTIES (Continued)

The Group's interest in the investment properties at their net book amount is analysed as follows:

| | 5 | As at 31 December 2014 Level 3 |
|---|---|---|
| – Office unit - Hong Kong | — | 255,032 |
| – Commercial building under Construction - Xiamen, the PRC | | 240,959 |
| – Commercial building - Shenzhen, the PRC | 5 | 54,000 |
| | 5 | 549,991 |

There were no transfers between level 1, 2 and 3 during the period.

| | 5 | 31 December 2014 (Audited) |
|---|---|---|
| In Hong Kong, held on: | | |
| – Lease of between 10 and 50 years | — | 255,032 |
| In PRC, held on: | | |
| – Lease of between 10 and 50 years | 5 | 294,959 |

## 8 INTERESTS IN ASSOCIATES

| | | 31 December 2014 (Audited) |
|---|---|---|
| At 1 January | | 2,071,234 |
| Currency translation differences | 5 | (4,821) |
| Capital injection | — | 23,751 |
| Gain on dilution of share in an associate | | 100,195 |
| Share of profits of associates | | 137,560 |
| Dividend receivable/received | 5 5 | (62,750) |
| Share of other comprehensive income | | (22,430) |
| At 30 June/31 December | | 2,242,739 |

## 9 TRADE AND OTHER RECEIVABLES – GROUP

| | | 31 December 2014 (Audited) |
|---|---|---|
| Trade receivables (note (a)) | | 1,048,218 |
| Less: provision for impairment of trade receivables | | (20,199) |
| | | 1,028,019 |
| Bills receivables (note (b)) | 5 | 506,629 |
| Trade and bills receivables { net | 5 | 1,534,648 |
| Prepayments, deposits and other receivables | 5 | 1,576,214 |
| | 5 | 3,110,862 |
| Less non-current portion | | |
| Prepayments for property, plant, equipment and land use rights | | (623,875) |
| | 5 | 2,486,987 |

## 9 TRADE AND OTHER RECEIVABLES – GROUP (Continued)

Notes:

(a) The credit period granted by the Group to its customers is generally from 30 to 90 days. At 30 June 2015 and 31 December 2014 the ageing analysis of the Group's trade receivables was as follows:

| | 31 December 2014 (Audited) |
|---|---|
| 0-90 days | 823,166 |
| 91-180 days | 143,931 |
| 181-365 days | 46,672 |
| 1-2 years | 24,527 |
| Over 2 years | 9,922 |
| | 1,048,218 |

(b) The maturities of bills receivables are ranging within six months.

## 10 CASH AND BANK BALANCES

Cash and bank balances include the following for the purpose of the condensed consolidated cash flows:

| | 31 December 2014 (Audited) |
|---|---|
| Cash and bank balances and pledged bank deposits | 831,961 |
| Less: | |
| – Pledged bank deposits (note) | 792 |
| Cash and bank balances | 831,169 |

Note: The pledged bank deposits represents deposits pledged as collateral principally as security for import duties payable to the US Customs.

## 11 SHARE CAPITAL

The share capital of the Company comprised ordinary shares (the "Shares") of HK$0.1 each.

| | Note | | | | |
|---|---|---|---|---|---|
| As at 31 December 2014 and 30 June 2015 | | 20,000,000 | 2,000,000 | { | 2,000,000 |
| As at 1 January 2015 | | 3,921,607,699 | 392,161 | 3,431,959 | 3,824,120 |
| Issues of Shares under an employees' share option scheme | (a) | 224,000 | 22 | 1,074 | 1,096 |
| Dividend relating to 2014 | | { | { | (235,296) | (235,296) |
| As at 30 June 2015 | | 3,921,831,699 | 392,183 | 3,197,737 | 3,589,920 |

## 11 SHARE CAPITAL (Continued)

Notes:

(a) Details of the movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | 2014 | |
|---|---|---|
| | Average exercise price in HK dollar per Share | Options (thousands) |
| At 1 January | 5.34 | 69,794 |
| Granted | 6.84 | 26,000 |
| Exercised | 3.55 | (1,518) |
| Lapsed | 5.51 | (2,236) |
| Expired | 3.55 | (16) |
| At 30 June | 5.79 | 92,024 |

Out of the 96,536,000 outstanding options, 19,699,000 options were exercisable as at 30 June 2015. Options exercised in 2015 resulted in 224,000 Shares being issued at a weighted average price at the time of exercise of HK$4.34 each.

Share options outstanding at the end of the period have the following expiry date and exercise price:

| | | |
|---|---|---|
| 31 March 2016 | 4.34 | 19,699 |
| 31 March 2017 | 5.55 | 23,841 |
| 31 March 2018 | 6.84 | 25,008 |
| 31 March 2019 | 4.55 | |

## 11 SHARE CAPITAL (Continued)

Notes: (Continued)

(a) (Continued)

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited. The value of share options granted during the period was based on the following assumptions:

| | |
|---|---|
| Date of grant | 2 March 2015 |
| Option valued | HK$1.2228 |
| Share price at the date of grant | HK$4.55 |
| Exercisable price | HK$4.55 |
| Expected volatility | 44.567% |
| Annual risk-free interest rate | 0.929% |
| Life of option | 3 years and 6 months |
| Dividend yield | 3.076% |

(b) During the period ended 30 June 2014, 1,280,000 Shares repurchased by the Company were cancelled in 2014. Accordingly, the issued share capital of the Company was reduced by the nominal value of these Shares and the premiums paid on these Shares upon the repurchase were charged against share premium account. An amount equivalent to the par value of the Shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

| | | | | |
|---|---|---|---|---|
| January 2014 | 1,280,000 | 6.65 | 6.54 | 8,467 |

## 12 OTHER RESERVES – GROUP

| | Note | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 5 | 870,331 | 49,796 | 1,023,604 | 11,840 | 76,030 | 37,851 | 11,340 | 13,341 | 22,200 | 2,116,333 | 6,392,830 | 8,509,163 |

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## 13 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES – GROUP

| | 31 December 2014 (Audited) |
|---|---|
| Trade payables (note (a)) | 723,541 |
| Bill payables (note (b)) | 79,641 |
| | 803,182 |
| Accruals and other payables | 1,282,302 |
| Less: non-current portion: Other | (107,294) |
| Current portion | 1,978,190 |

Notes:

(a) At 30 June 2015 and 31 December 2014, the ageing analysis of the trade payables was as follows:

| | 31 December 2014 (Audited) |
|---|---|
| 0-90 days | 685,332 |
| 91-180 days | 17,448 |
| 181-365 days | 8,365 |
| 1-2 years | 5,558 |
| Over 2 years | 6,838 |
| | 723,541 |

(b) Bills payable have maturities ranging within 6 months.

## 14 BANK AND OTHER BORROWINGS – GROUP

| | | 31 December 2014 (Audited) |
|---|---|---|
| Bank borrowings, guaranteed (note (a)) | | 4,965,289 |
| Less: Current portion | 5 | (2,158,172) |
| | | 2,807,117 |
| Convertible bonds liability component (note (b)) | | 676,346 |
| Shown as non-current liabilities | | 3,483,463 |
| Bank borrowings, guaranteed (note (a)) | 5 | 370,989 |
| Current portion of non- current bank borrowings | 5 | 2,158,172 |
| Shown as current liabilities | | 2,529,161 |
| Total bank and other borrowings | | 6,012,624 |

## 14 BANK AND OTHER BORROWINGS – GROUP (Continued)

Notes:

(a) The bank borrowings were secured by corporate guarantees provided by the Company and cross guarantees provided by certain subsidiaries of the Company.

At 30 June 2015 and 31 December 2014, the Group's bank borrowing were repayable as follows:

| | 31 December 2014 (Audited) |
|---|---|
| Within 1 year | 2,529,161 |
| Between 1 and 2 years | 1,748,374 |
| Between 2 and 5 years | 1,058,743 |
| | 5,336,278 |

At 30 June 2015 and 31 December 2014, the carrying amounts of the Group's bank borrowings are denominated in the following currencies:

| | 31 December 2014 (Audited) |
|---|---|
| Hong Kong dollar | 4,975,022 |
| US dollar | 361,256 |
| Euro dollar | { |
| | 5,336,278 |

The carrying amounts of bank borrowings approximate their fair values as at 30 June 2015 and 31 December 2014.

The effective interest rates at the balance sheet date were as follows:

| | 31 December 2014 | |
|---|---|---|
| | HK$ | US$ |
| Bank borrowings | 1.98% | 1.48% |

## 14 BANK AND OTHER BORROWINGS – GROUP (Continued)

Notes: (Continued)

(b) The Group issued zero coupon convertible bonds at a total principal value of HK$776,000,000 on 3 May 2012. The mature date of the bonds is on the fifth anniversary of the issue date at 121.95% of their principal amount on maturity date. The bonds can be converted into Shares of the Company at the bondholder's option at conversion price of HK$6.0 per Share, subject to adjustment. The initial fair value of the liability component HK$759,000,000 and the equity conversion component HK$17,000,000, net of transaction cost of HK$317,000, were determined at the issuance of the bond. The fair value of the liability component included in long-term bank and other borrowings was calculated using a market interest rate for equivalent non-convertible bonds. The residual amount, representing the value of the equity conversion component, is included in convertible bonds equity reserve under shareholders' equity.

On 12 December 2013, the Spin-off involved a distribution of certain shares of Xinyi Solar by way of special dividend and it resulted in an adjustment to the conversion price from HK$6.0 to HK$5.7 per Share.

The Group repurchased a total principal value of HK$156,000,000 of the convertible bonds on 15 August 2014 with the repurchase price of HK$170,040,000. The repurchase convertible bonds were cancelled upon completion.

At 30 June 2015, the Group's convertible bonds were repayable between 2 and 5 years.

The convertible bonds recognised in the consolidated balance sheet are calculated as follows:

| | 5 | 31 December 2014 (Audited) |
|---|---|---|
| Liability component at 1 January | | 806,950 |
| Repurchase & cancellation of convertible bond (liability component) | — | (167,222) |
| Interest expense (Note 17) | | 36,618 |
| Liability component at 30 June 2015/31 December 2014 | | 676,346 |

The fair value of the liability component of the convertible bonds at 30 June 2015 approximates same as 31 December 2014.

## 15 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

| | 2014 |
|---|---|
| Depreciation and amortisation | 307,280 |
| Employee benefit expenses | 447,364 |
| Cost of inventories | 2,729,576 |
| Other selling expenses (including transportation and advertising costs) | 149,880 |
| Operating lease payments in respect of land and buildings | 3,525 |
| (Reversal of)/impairment of trade and other receivables, net | 12,434 |
| Other expenses, net | 786,903 |
| Total cost of sales, selling and marketing costs and administrative expenses | 4,436,962 |

## 16 OTHER GAINS – NET

| | | 2014 |
|---|---|---|
| Government grants (Note a) | | 108,173 |
| Fair value (loss) on investment properties | — | (10,000) |
| Realized gains on trading securities, net | | { |
| Other foreign exchange gains/(losses), net | 5 | (26,741) |
| (Losses)/gain on disposal and written-off of land use right and property, plant and equipment, net (Note b) | 55 | 162,258 |
| Gain on disposal of a subsidiary (Note 24) | | { |
| Gain on dilution of share on an associates (Note 8) | | { |
| Others | 5 | 9,655 |
| | | 243,345 |

Note (a):

Government grant mainly represents grants obtained from the PRC government in relation to valued-added tax, income tax and land use tax and the operating costs of certain PRC subsidiaries.

Note (b):

Gain on disposal and written-off of land use right and property, plant and equipment, net for the period ended 30 June 2014 mainly represents disposal of the Shenzhen Benson Property, which was completed in June 2014 and related gains of HK$198.8 million was recognized. The land was delivered to Shenzhen Xinxinde Property on 30 April 2015.

## 17 FINANCE INCOME AND FINANCE COSTS

| | 5 | 2014 |
|---|---|---|
| Interest income on short-term bank deposits | 5 | 21,404 |

| | 5 | 2014 |
|---|---|---|
| Interest on bank borrowings | 5 5 | 48,993 |
| Less: interest expenses capitalised under construction in progress | | (22,193) |
| Interest on convertible bonds | | 19,473 |
| | | 46,273 |

## 18 INCOME TAX EXPENSE

| | 5 | 2014 |
|---|---|---|
| Current income tax | | |
| – Hong Kong profits tax (Note a) | 5 | 9,361 |
| – PRC corporate income tax (Note b) | | 104,809 |
| – Overseas income tax (Note c) | 5 | 101 |
| | | 114,271 |

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the period.

(b) PRC corporate income tax (" ")

CIT is provided on the estimated taxable profits of the subsidiaries established in the PRC for the period, calculated in accordance with the relevant tax rules and regulations. The applicable CIT rates for major subsidiaries located in Shenzhen, Wuhu, Dongguan, Tianjin, Jiangmen, Yingkou and Sichuan are 25% (2014:25%). Eleven (2014: eight) major subsidiaries in Shenzhen, Dongguan, Wuhu, Tianjin, Yingkou and Sichuan enjoy high-tech enterprise income tax benefit and the tax rate is 15%.

(c) Overseas income tax

Taxation on overseas profits has been calculated on the estimated assessable profits for the periods ended 30 June 2015 and 2014 at the rates of taxation prevailing in the countries in which the Group operates.

## 19 DIVIDENDS

| | | 2014 |
|---|---|---|
| Final dividend payable for 2014 of 6.0 HK cents (2013: 14.0 HK cents) per Share | 5 | 549,025 |
| Proposed interim dividend of 9.5 HK cents (2014: 9.0 HK cents) per Share | 5 | 352,945 |
| | | 901,970 |

Note:

At a meeting of the Board held on 28 July 2015, the Directors declared an interim dividend of 9.5 HK cents per Share for the six months ended 30 June 2015. The amount of 2015 proposed interim dividend is based on shares in issue as at 30 June 2015.

This interim dividend is not reflected as a dividend payable in this unaudited condensed consolidated financial information, but will be deducted from the share premium account of the Company as at 30 June 2015.

## 20 EARNINGS PER SHARE

Basic earnings per Share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Shares in issue during the period.

| | 5 | 2014 |
|---|---|---|
| Profit attributable to equity holders of the Company (HK$'000) | | 761,711 |
| Weighted average number of Shares in issue (thousands) | | 3,921,114 |
| Basic earnings per Share (HK cents per Share) | | 19.43 |

Diluted earnings per Share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares. The Group has following dilutive potential ordinary shares: share options and convertible bonds in issue. The calculation for share options is determined by the number of Shares that could have been acquired at fair value (determined as the average market price of the Company's Shares for the period) 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 effect of the assumed conversion of convertible bonds in issue for the period ended 30 June 2015 and the net profit is adjusted to eliminate the interest expense less tax effect.

## 20 EARNINGS PER SHARE (Continued)

(Continued)

| | 5 | 2014 |
|---|---|---|
| Profit attributable to equity holders of the Company (HK$'000) | | 761,711 |
| Interest expense on convertible bonds (net of tax) (HK$'000) | — | { |
| | | 761,711 |
| | | 3,921,114 |
| Adjustments for: | | |
| Share options (thousands) | | 8,865 |
| Assumed conversion of convertible bonds (thousands) (Note) | — | { |
| Weighted average number of Shares for diluted earnings per Share (thousands) | 5 5 | 3,929,979 |
| Diluted earnings per Share (HK cents per Share) | | 19.38 |

Note: The calculation of diluted earnings per Share does not assume the conversion of convertible bonds to ordinary shares for the periods ending 30 June 2015 and 30 June 2014, as such conversion would have an anti-diluted effect on earnings per Share.

## 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2015 and 31 December 2014.

| | | | | |
|---|---|---|---|---|
| | 5 | | | |
| Assets | | | | |
| Available-for-sale financial assets | | | | |
| – Equity securities | 5 5 | — | 5 | |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets | | | | |
| Available-for-sale financial assets | | | | |
| – Equity securities | 119,000 | { | 625 | 119,625 |

## 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Instruments included in level 1 at 30 June 2015 comprised available-for-sale financial assets.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

## 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(Continued)

The following table presents the changes in level 3 instruments for the period ended 30 June 2015.

| | |
|---|---|
| At 1 January 2015 and 31 December 2014 | 625 |
| Currency translation differences | { |
| At 30 June 2015 | 625 |

During six months ended 30 June 2015, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (2014: Nil). The group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## 22 COMMITMENTS – GROUP

Capital expenditure at the balance sheet date but not yet incurred is as follows:

| | 5 | 31 December 2014 (Audited) |
|---|---|---|
| Land use right and property, plant and equipment | | |
| – Contracted but not provided for | | 875,469 |
| – Authorised but not contracted for | 5 5 | 5,698,512 |
| | 5 5 | 6,573,981 |

## 23 RELATED PARTY TRANSACTION

The following transactions were carried out with related parties:

| | 5 | 2014 |
|---|---|---|
| Purchases of goods from associates | | |
| – Tianjin Wuqing District Xinke Natural Gas Investment Company Limited | 5 | 179,395 |
| – Beihai Yiyang Mineral Company Limited | | 99,366 |
| – Dongyuan County Xinhuali Quartz Sand Company Limited | | 16,450 |
| – Maoming City Yindi Construction Material Company Limited | 5 | 16,231 |
| Rental income received from an associate | | |
| – A subsidiary of Xinyi Solar | | 2,741 |
| Rental expenses paid to an associate | | |
| – A subsidiary of Xinyi Solar | 5 5 | 581 |
| Consultancy income received from an associate | | |
| – A subsidiary of Xinyi Solar | — | 37 |
| Sales of machineries to an associate | | |
| – A subsidiary of Xinyi Solar | — | 235 |
| Sales of goods to associates | | |
| – A subsidiary of Xinyi Solar | | 579 |

## 23 RELATED PARTY TRANSACTION (Continued)

| | | 31 December 2014 (Audited) |
|---|---|---|
| | 5 | |
| Balance with/loan advance to associates | | |
| – Beihai Yiyang Mineral Company Limited | | 5,209 |
| – Dongyuan County Xinhuali Quartz Sand Company Limited | | 36,125 |
| | 55 | 41,334 |

Key management compensation amounted to HK$23,851,000 for the six months ended 30 June 2015 (2014: HK$23,013,000).

## 24 DISPOSAL OF A SUBSIDIARY

On 30 June 2015, the Company completed the transaction of disposal 100% shareholding of XYG(HK) Limited, a wholly owned subsidiary of the Company.

| | |
|---|---|
| | 5 |
| Net assets disposed of: | |
| Investment property | 55 |
| Prepayments, deposits and other receivables | 5 5 |
| Current income tax liabilities | 5 |
| | 55 |
| Gain on disposal | |
| Cash consideration | |

## INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As the Group recorded an increase in net profit for the six months ended 30 June 2015 as compared with the six months ended 30 June 2014, the Directors consider that the Group has achieved a reasonable level of profitability. The Directors are pleased to declare an interim dividend of 9.5 HK cents per Share for the six months ended 30 June 2015 (2014: 9.0 HK cents) to be paid to all shareholders (the "  r  .  .  r. ") of the Company whose names are recorded on the register of members of the Company as at the close of business on Friday, 14 August 2015. The interim dividend is payable on or before Tuesday, 8 September 2015.

The Company's register of members will be closed from Wednesday, 12 August 2015 to Friday, 14 August 2015 (both days inclusive), and during this period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Tuesday, 11 August 2015.

## PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 June 2015, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the period under review.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the period under review.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company complied with the applicable code provisions of the Corporate Governance Code as set forth in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "...") during the six months ended 30 June 2015.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "...") as set forth in Appendix 10 to the Listing Rules as the code for securities transactions by the Directors. The Company has made specific enquiry with the Directors and all Directors have confirmed that they complied with the Model Code throughout the six-month period ended 30 June 2015.

## REVIEW OF THE INTERIM RESULTS

The Company's interim results for the six months ended 30 June 2015 have not been audited but have been reviewed by the Company's audit committee, comprising the five independent non-executive Directors.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2015, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the " ")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which the Directors or the chief executive were taken or deemed to have under such provisions) and the Model Code were as follows:

### THE COMPANY

*Long position in the Shares*

| | | | |
|---|---|---|---|
| Mr. LEE Yin Yee, M.H. | Interest of a controlled corporation *(Note a)* | 725,209,552 | 18.49% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| | Personal interest *(Note b)* | 56,748,000 | 1.45% |
| Mr. TUNG Ching Bor | Interest of a controlled corporation *(Note c)* | 266,766,456 | 6.80% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| | Personal interest *(Note d)* | 22,000,000 | 0.50% |
| Mr. TUNG Ching Sai | Interest of a controlled corporation *(Note e)* | 246,932,579 | 6.30% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| | Personal interest | 2,908,000 | 0.07% |
| | Personal interest *(Note f)* | 52,802,000 | 1.35% |
| Mr. LI Ching Wai | Interest of a controlled corporation *(Note g)* | 116,580,868 | 2.97% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(Continued)

*Long position in the Shares* (Continued)

| | | | |
|---|---|---|---|
| Mr. NG Ngan Ho | Interest of a controlled corporation *(Note h)* | 77,853,912 | 1.99% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| | Personal interest | 2,200,000 | 0.06% |
| Mr. SZE Nang Sze | Interest of a controlled corporation *(Note i)* | 105,630,781 | 2.69% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| Mr. LI Ching Leung | Interest of a controlled corporation *(Note j)* | 77,853,911 | 1.99% |
| | Interest of a controlled corporation *(Note m)* | 29,574,000 | 0.75% |
| | Personal interest | 2,000,000 | 0.05% |
| | Personal interest *(Note k)* | 400,000 | 0.01% |
| Mr. TRAN Chuen Wah, John | Personal interest *(Note l)* | 180,000 | 0.01% |

Notes:

(a) Mr. LEE Yin Yee, M.H.'s interests in the Shares are held through Realbest Investment Limited (" "), a company incorporated in the British Virgin Islands (the " ") with limited liability on 2 July 2004 and wholly-owned by Mr. LEE Yin Yee.

(b) Mr. LEE Yin Yee, M.H.'s interests in the Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.

(c) Mr. TUNG Ching Bor's interests in the Shares are held through High Park Technology Limited (" "), a company incorporated in the BVI with limited liability on 1 July 2004 and wholly-owned by Mr. TUNG Ching Bor.

(d) Mr. TUNG Ching Bor's interests in the Shares are held through a joint account with his spouse, Madam KUNG Sau Wai.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(Continued)

*Long position in the Shares* (Continued)

Notes: (Continued)

(e) Mr. TUNG Ching Sai's interests in the Shares are held through Copark Investment Limited ("  "), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. TUNG Ching Sai.

(f) Mr. TUNG Ching Sai's interests in the Shares are held through his spouse, Madam SZE Tang Hung.

(g) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited ("  "), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. LI Ching Wai.

(h) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited ("  "), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. NG Ngan Ho.

(i) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited ("  "), a company incorporated in the BVI with limited liability on 2 July 2004 and wholly-owned by Mr. SZE Nang Sze.

(j) Mr. LI Ching Leung

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

| | | | |
|---|---|---|---|
| Realbest *(Note p)* | Mr. LEE Yin Yee, M.H. | 2 ordinary shares | 100% |
| High Park *(Note q)* | Mr. TUNG Ching Bor | 2 ordinary shares | 100% |
| Copark *(Note r)* | Mr. TUNG Ching Sai | 2 ordinary shares | 100% |
| Goldbo *(Note t)* | Mr. LI Ching Wai | 2 ordinary shares | 100% |
| Linkall *(Note u)* | Mr. NG Ngan Ho | 2 ordinary shares | 100% |
| Goldpine *(Note v)* | Mr. SZE Nang Sze | 2 ordinary shares | 100% |
| Herosmart *(Note w)* | Mr. LI Ching Leung | 2 ordinary shares | 100% |
| Full Guang *(Note x)* | Mr. LEE Yin Yee, M.H. | 734,000 ordinary shares | 33.98% |
| | Mr. TUNG Ching Bor | 270,000 ordinary shares | 12.50% |
| | Mr. TUNG Ching Sai | 430,000 ordinary shares | 19.91% |
| | Mr. LI Ching Wai | 120,000 ordinary shares | 5.56% |
| | Mr. NG Ngan Ho | 80,000 ordinary shares | 3.70% |
| | Mr. SZE Nang Sze | 110,000 ordinary shares | 5.09% |
| | Mr. LI Ching Leung | 80,000 ordinary shares | 3.70% |

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(Continued)

Notes:

(p) Realbest is wholly-owned by Mr. LEE Yin Yee, M.H.

(q) High Park is wholly-owned by Mr. TUNG Ching Bor.

(r) Copark is wholly-owned by Mr. TUNG Ching Sai.

(s) Telerich Investment Limited is wholly-owned by Mr. LEE Sing Din

(t) Goldbo is wholly-owned by Mr. LI Ching Wai.

(u) Linkall is wholly-owned by Mr. NG Ngan Ho.

(v) Goldpine is wholly-owned by Mr. SZE Nang Sze.

(w) Herosmart is wholly-owned by Mr. LI Ching Leung.

(x) Full Guang is owned by Mr. LEE Yin Yee as to 33.98%, Mr. TUNG Ching Bor as to 12.50%, Mr. TUNG Ching Sai as to 19.91%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

Save as disclosed above, as of 30 June 2015, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the Shares or the underlying share and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO or to be notified to the Company and the Stock Exchange the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 30 June 2015, the interests and short positions of the persons, other than Directors and chief executive of the Company, in the Shares and the underlying Shares of the Company, as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

*Long position in the Shares*

| | | | |
|---|---|---|---|
| Realbest | 725,209,552 | Registered and beneficial owner | 18.49% |
| High Park | 266,766,456 | Registered and beneficial owner | 6.80% |
| Copark | 246,932,579 | Registered and beneficial owner | 6.30% |
| Telerich Investment\ Limited (Note) | 251,595,089 | Registered and beneficial owner | 6.42% |
| LEE Sing Din | 20,770,000 | Registered and beneficial owner | 0.53% |
| | 251,595,089 | Interest of a controlled corporation | 6.42% |

Note: The entire issued share capital of Telerich Investment Limited is beneficially owned by Mr. LEE Sing Din.

## EXECUTIVE DIRECTORS

Mr. LEE Yin Yee, B.B.S. (Chairman) ø~<
Mr. TUNG Ching Bor (Vice Chairman)
Mr. TUNG Ching Sai
(Chief Executive Officer) <ø
Mr. LEE Shing Kan

## NON-EXECUTIVE DIRECTORS

Mr. LI Ching Wai
Mr. SZE Nang Sze
Mr. LI Ching Leung
Mr. NG Ngan Ho

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kwong Siu, S.B.S. # *+ < ø
Mr. WONG Chat Chor Samuel # <ø
Mr. WONG Ying Wai, S.B.S., JP # <ø
Mr. TRAN Chuen Wah, John #
Mr. TAM Wai Hung, David #

* Chairman of audit committee
\# Members of audit committee
\+ Chairman of remuneration committee
ø Members of remuneration committee
~ Chairman of nomination committee
< Members of nomination committee

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. LAU Sik Yuen, FCPA, AICPA

## REGISTERED OFFICE

P.O. Box 1350 GT, Clifton House,
75 Fort Street
George Town, Grand Cayman
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3rd Floor, Harbour View 2,
16 Science Park East Avenue
HK Science Park, Phase 2, Pak Shek Kok
Tai Po, New Territories
Hong Kong

## LEGAL ADVISERS

Squire Patton Boggs
29th Floor, Edingburgh Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

## AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central, Hong Kong

## PRINCIPAL BANKERS

Australia and New Zealand Bank
Bank of China (Hong Kong)
Bank of East Asia
Citibank, N.A.
CTBC Bank (Hong Kong)
DBS Bank
Deutsche Bank
Fubon Bank (Hong Kong)
Hang Seng Bank
HSBC
Nanyang Commercial Bank
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Bank of China
Bank of Communications
Ping An Bank
China Merchants Bank
China Citic Bank
Huishang Bank
Industrial and Commercial Bank of China
Industrial Bank
Shanghai Pudong Development Bank

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Corporate Services (Cayman) Limited
P. O. Box 1350 GT, Clifton House
75 Fort Street
George Town, Grand Cayman
Cayman Islands

## WEBSITE

http://www.xinyiglass.com

## SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 00868
Listing date: 3 February 2005
Board lot: 2,000 ordinary shares
Financial year end: 31 December
Share issued and fully paid as of the date of this interim report: 3,921,831,699 Shares
Share price as of the date of this interim report: HK$3.80
Market capitalisation as of the date of this interim report: Approximately HK$14.90 billion

## KEY DATES

Closure of register of members: 12 August 2015 to 14 August 2015 (both days inclusive)
Proposed interim dividend payable date: On or before 8 September 2015