



**福耀玻璃工業集團股份有限公司**  
**FUYAO GLASS INDUSTRY GROUP CO., LTD.**

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code : 3606

**2015**

Interim Report



# Contents

Section I	Definitions	2
Section II	Corporate Profile	3
Section III	Summary of Accounting Data and Financial Indicators	5
Section IV	Report of the Board of Directors	10
Section V	Significant Events	24
Section VI	Changes in Shares and Information of Shareholders	35
Section VII	Directors, Supervisors and Senior Management	39
Section VIII	Financial Report (prepared in accordance with the International Financial Reporting Standards, unaudited)	43



# Section I Definitions

In this report, unless the context otherwise requires, the following expressions shall have meanings as follows:

## DEFINITIONS OF COMMON TERMS

PRC, China	the People's Republic of China
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
HKSFCC	Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
Company, Listed Company, Fuyao Glass, Fuyao Group	Fuyao Glass Industry Group Co., Ltd.
Board of Directors	Fuyao Glass Industry Group Co., Ltd. and its subsidiaries
Board of Supervisors	the board of directors of the Company
RMB, RMB10,000 and RMB100 million	the board of supervisors of the Company
PVB	Renminbi 1 Yuan, Renminbi 10,000 Yuan, Renminbi 100 million Yuan, the lawful currency in circulation in the PRC
OEM, ancillary business	polyvinyl butyral
ARG, spare parts and component business	automotive glass and services used in new vehicles of automobile factories
laminated glass	used in aftermarket repairing glass, a kind of automotive glass that is produced for replacement purposes for aftermarket suppliers
tempered glass	automotive safety glass made by two or more than two layers of automobile float glass sticking with a layer or various layers of PVB
float glass	automotive safety glass made by heating automotive grade float glass to certain temperature, then promptly cooling it down evenly after being shaped
Reporting Period	the glass produced by applying float technology
	the six months ended June 30, 2015

## Section II Corporate Profile

### I. COMPANY INFORMATION

Name of the Company in Chinese	福耀玻璃工業集團股份有限公司
Chinese abbreviation	福耀玻璃
Name of the Company in English	FUYAO GLASS INDUSTRY GROUP CO., LTD.
Legal representative of the Company	Cho Tak Wong

### II. CONTACT PERSON AND CONTACT METHODS

#### Secretary to the Board of Directors/Joint Company Secretary

Name	Mr. Chen Xiangming
Contact Address	District II of Fuyao Industrial Village, Fuqing City, Fujian Province
Telephone	86-591-85383777
Fax	86-591-85363983
E-mail	600660@fuyaogroup.com

### III. BASIC INFORMATION

Registered address of the Company	Fuqing Rongqiao Economic & Technological Development Zone, Fujian Province
Postal code of the registered address of the Company	350301
Office address of the Company	District II of Fuyao Industrial Village, Fuqing City, Fujian Province
Postal code of the office address of the Company	350301
Website of the Company	<a href="http://www.fuyaogroup.com">http://www.fuyaogroup.com</a>
E-mail	600660@fuyaogroup.com
Principal place of business in Hong Kong	Room 1907, Shun Tak Centre, West Tower, 200 Connaught Road Central, Central, Hong Kong
Custodian of A shares and its business address	Shanghai Branch of China Securities Depository and Clearing Corporation Limited Level 3, China Insurance Building, 166 East Lujiazui Road, Pudong New District, Shanghai
H share registrar and its business address	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

### IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for A share information disclosure	Shanghai Securities News, China Securities Journal, Security Times and Securities Daily
Website designated by CSRC for publishing the interim report of the Company	<a href="http://www.sse.com.cn">www.sse.com.cn</a>
Website designated by Hong Kong Stock Exchange for publishing the interim report of the Company	<a href="http://www.hkexnews.com.hk">www.hkexnews.com.hk</a>
Place of inspection of the interim report of the Company	Secretarial Office of the Board of Directors of the Company, District II of Fuyao Industrial Village, Fuqing City

## Section II Corporate Profile

### V. INFORMATION ON THE COMPANY'S SHARES

<b>Class of shares</b>	<b>Stock Exchange where shares are listed</b>	<b>Stock abbreviation</b>	<b>Stock code</b>
A share	SSE	FUYAO GLASS	600660
H share	Hong Kong Stock Exchange	FUYAO GLASS	3606

### VI. CHANGES IN REGISTRATION OF THE COMPANY DURING THE REPORTING PERIOD

Date of changes in registration	July 6, 2015
Place of changes in registration	Administration for Industry & Commerce of Fuzhou
Registration number of business license held by corporate legal person	350100400008596
Taxation registration number	350181611300758
Organization code	61130075-8

The Company completed the changes in registered capital on July 6, 2015.

### VII. OTHER RELEVANT INFORMATION

On March 31, 2015, 439,679,600 overseas-listed foreign invested shares (H Shares) issued by the Company were listed on the Main Board of the Hong Kong Stock Exchange for trading; on April 28, 2015, 65,951,600 overseas-listed foreign invested shares (H Shares) through the over-allotment by the Company were listed on the Main Board of the Hong Kong Stock Exchange for trading. Upon completion of the over-allotment, the total share capital of the Company was increased to 2,508,617,532 shares.

## Section III Summary of Accounting Data and Financial Indicators

### I. MAIN ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

#### (I) Main accounting data (prepared in accordance with the China Accounting Standards for Business Enterprises)

Unit: Yuan Currency: RMB

<b>Main Accounting Data</b>	<b>During the Reporting Period (January – June) (Unaudited)</b>	Corresponding period last year (Unaudited)	Increase/decrease of the Reporting Period as compared with the corresponding period last year (%)
Revenue	<b>6,591,325,462</b>	6,181,149,124	6.64
Net profit attributable to equity holders of the Company	<b>1,215,507,223</b>	1,047,890,771	16.00
Net profits attributable to equity holders of the Company, net of non-recurring profit or loss	<b>1,221,266,104</b>	1,035,667,122	17.92
Net cash flows from operating activities	<b>1,307,605,161</b>	1,560,454,022	-16.20
	<b>At the end of the Reporting Period</b>	At the end of last year	Increase/decrease at the end of the Reporting Period as compared with the end of last year (%)
Net assets attributable to equity holders of the Company	<b>15,021,708,049</b>	8,798,303,246	70.73
Total assets	<b>23,232,867,608</b>	16,875,594,048	37.67

## Section III Summary of Accounting Data and Financial Indicators

### (II) Main financial indicators (prepared in accordance with the China Accounting Standards for Business Enterprises)

Main financial indicators	During the Reporting Period (January – June) (Unaudited)	Corresponding period last year (Unaudited)	Increase/decrease of the Reporting Period as compared with the corresponding period last year (%)
Basic earnings per share (RMB/share)	<b>0.54</b>	0.52	3.85
Diluted earnings per share (RMB/share)	<b>0.54</b>	0.52	3.85
Basic earnings per share after non-recurring profit or loss (RMB/share)	<b>0.54</b>	0.52	3.85
Return rate on weighted average net assets (%)	<b>10.33</b>	13.32	Decreased by 2.99 percentage points
Return rate on weighted average net assets (after deducting non-recurring profit or loss) (%)	<b>10.38</b>	13.17	Decreased by 2.79 percentage points

### (III) Main accounting data and financial indicators prepared in accordance with the International Financial Reporting Standards

Unit: '000 Currency: RMB

	At the end of the Reporting Period (Unaudited)	At the end of the corresponding period last year	Increase/decrease at the end of the Reporting Period as compared with the end of the corresponding period last year (%)
Total assets	<b>23,247,964</b>	16,890,937	37.64
Equity attributable to equity holders of the parent company	<b>15,036,804</b>	8,813,646	70.61
Net assets per share attributable to equity holders of the parent company (RMB/share)	<b>5.99</b>	4.40	36.14



## Section III Summary of Accounting Data and Financial Indicators

### II. DISCREPANCIES BETWEEN THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

#### (I) Discrepancies between net profit and net assets attributable to equity holders of the Company in the financial report disclosed under the International Financial Reporting Standards and under the China Accounting Standards for Business Enterprises

Unit: Yuan Currency: RMB

	Net profit		Net assets attributable to equity holders of the Company	
	January to June 2015 (Unaudited)	January to June 2014 (Unaudited)	June 30, 2015 (Unaudited)	December 31, 2014
Prepared in accordance with China Accounting Standards for Business Enterprises	<b>1,215,507,223</b>	1,047,890,771	<b>15,021,708,049</b>	8,798,303,246
Adjustments to items and amounts under the International Financial Reporting Standards: Reversal of impairment for properties and land use rights and the discrepancies between corresponding depreciation and amortization	<b>-247,827</b>	-325,181	<b>15,095,284</b>	15,343,111
Prepared in accordance with the International Financial Reporting Standards	<b>1,215,259,396</b>	1,047,565,590	<b>15,036,803,333</b>	8,813,646,357



## Section III Summary of Accounting Data and Financial Indicators

### **(II) Note to discrepancies between the International Financial Reporting Standards and the China Accounting Standards for Business Enterprises**

Yung Tak Investment Limited, a subsidiary of the Group, made provision for impairment in accordance with the discrepancies between recoverable amounts and carrying amounts of properties and land in the previous year. The provision for long-term asset impairment was subject to “Accounting Standards for Enterprises No. 8 – Assets Impairment” issued by the Ministry of Finance on February 15, 2006. Upon confirmation of the loss on asset impairment, it shall not be reversed during the following accounting period. Under the International Financial Reporting Standards, various estimations for the confirmation of recoverable amount of assets applied by the Group have varied since the latest confirmation of loss on impairment, and the loss on asset impairment, excluding goodwill, confirmed in the previous period should be reversed. Such discrepancies will have an impact on the provision for (and loss on) asset impairment of the Group, operating results (depreciation/amortization) of fixed assets and land use rights within useful lives, thus resulting in the adjustment matters above.

## Section III Summary of Accounting Data and Financial Indicators

### III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS (PREPARED IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

Unit: Yuan Currency: RMB

<b>Non-recurring profit or loss items</b>	<b>Amount</b>	<i>Note (if applicable)</i>
Profit or loss from disposal of non-current assets	-17,847,545	
Tax refunds, exemptions and reductions with ultra vires approval or without official approval documents or on an occasional basis	-	
Government grants included in profit or loss for the current period, other than those closely related to the normal operation of the Company and subject to a fixed amount or quantity under certain standard required by national policies	26,472,281	
Capital utilization fee received from non-financial enterprises and included in profit or loss for the current period	-	
Profit arising from investment costs for acquisition of a subsidiary, an associate and a joint venture by the corporation being less than its share of fair value of identifiable net assets of the investee on investment	-	
Profit or loss from non-monetary asset swap	-	
Profit or loss from entrusted investment or asset management	-	
Provisions for impairment of assets due to force majeure factors such as natural disasters	-	
Profit or loss from debt restructuring	-	
Corporate restructuring fees such as expenses on employee placement, integration charges, etc.	-	
Profit or loss from the excess of the fair value of a transaction of unfair consideration	-	
Current net profit or loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	-	
Profit or loss from contingencies irrelevant to the normal operations of the Company	-	
Profit or loss on changes in fair value of held-for-trading financial assets and trading financial liabilities, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging activities related to normal business operations of the Company	23,442,952	
Reversal of provision for impairment of receivables subject to individual impairment test	-	
Profit or loss from external entrusted loans	-	
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	-	
Effect on current profit or loss of one-off adjustment to current profit or loss in accordance with laws and regulations on taxation and accounting, etc.	-	
Income of entrustment fees from entrusted operations	-	
Other non-recurring income and expenses other than the above items	-30,104,988	
Other profit or loss items falling within the meaning of non-recurring profit or loss	-	
Impact on non-controlling interests	-	
Effects of income tax	-7,721,581	
<b>Total</b>	<b>-5,758,881</b>	

## Section IV Report of the Board of Directors

### I. DISCUSSION AND ANALYSIS OF THE BOARD OF DIRECTORS IN RELATION TO THE OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

Being a worldwide leading enterprise of automotive glass and automotive grade float glass, Fuyao adheres to leading technological development strategies. During the Reporting Period, Fuyao continuously provided us with products and services of automotive safety glass with our intelligence and care in the world's automobile manufacturers and maintenance market, as well as provided global automobile users with economical, safe, comfortable, environment-friendly and fancy automotive safety glass, and in the meantime, improved the living space of passengers.

Under the downturn of domestic economy and slowdown in the growth of the automobile industry, Fuyao recorded growth amid the unfavorable contortion with good performance. During the Reporting Period, the Company successfully completed global offering of H shares, realizing "A+H" capital market layout; actively promoted investment in construction in the US and Russia, and substantial progress was made in globalization; ensured the realization of "industry 4.0" in Fuyao, formulating the upgrade plan of model enterprises of "Made in China 2025" to further enhance the global competitiveness of the Company; promoted comprehensive budget management and carried out process reengineering to obtain preliminary results, where income and profit were recorded growth amid the unfavorable condition. During the Reporting Period, the operating revenue amounted to RMB6,591,325,500, representing an increase of 6.64% as compared with the corresponding period of last year; total profit amounted to RMB1,318,053,700, representing an increase of 2.41% as compared with the corresponding period of last year; net profit attributable to the owners of the parent amounted to RMB1,215,507,200, representing an increase of 16.00% as compared with the corresponding period of last year; earnings per share amounted to RMB0.54, representing an increase of 3.85% as compared with the corresponding period of last year upon the increase in total share capital of 505,631,200 shares (calculated by weighted share capital).

During the Reporting Period, the Company continued to actively carry out expansion and innovation:

- (1) Global offering of H shares was completed and capital structure was optimized, and in the meantime, the values of corporate culture which created by Fuyao for shareholders and the society were recognized by global investors and customers.
- (2) Substantial progress was made in the investment in the US with investment of US\$249,000,000 completed for the production capacity of 3 million sets of automotive glass as well as for the capability of synergistic supply of automotive grade quality float glass comprehensively by the end of the year, offering strong support for OEM and ARG networks in the entire automobile industry of North America. With the certifications from the main European automobile factories, plants of Fuyao Russia will become the major production base for the services of Russian market and European market.
- (3) Promotion of high value-added products in market expansion, obtaining the business regarding over ten new car models including BMW, Audi, Volkswagen, Land Rover and GM.
- (4) By upgrading and construction of comprehensive budget information system, Fuyao started its ERP system from MRP (Manufacturing Resources Plan) in 1994, and upgraded it into ERP (Enterprise Resources Plan) in 2001, safeguarding fast and efficient development of the enterprise. In order to develop Fuyao to be a pilot demonstrated enterprise of Made in China 2025, the upgrade of ERP system and comprehensive budget information system commenced, improving Fuyao's capability of adapting changes in the global market.
- (5) During the Reporting Period, the investment in research and development amounted to RMB297 million, representing 4.51% of operating revenue. The leading technological strategy of Fuyao was highly in line with the national strategy of "Made in China 2025", paving the way for healthy development of the industry. The Company actively carried out technological innovation and applied for a total of 24 new patents and 72 new authorizations. Currently, total accumulated application of patent was 660, 510 of which were authorized patents.
- (6) The Company closely followed the development trend of automotive glass to research and develop various new products, opening up various brand new functional products. The main functional products successfully researched and developed in the first half of 2015 include light transmittance glass, ultra UV-cut and IR-cut tempered glass, heat reflection laminated glass with heating functions, sunroof glass with new model of bell lamp, automotive glass antenna with the function of auto magnification and coated heating glass with defogging and defrosting functions, etc. It further strengthened the capability of European and the US design centre. Currently, most of the demand of design from OEM customers can be satisfied, giving support to the expansion of new business.

## Section IV Report of the Board of Directors

### (I) Analysis on principal business (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

#### 1. Table of analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Items	January to June 2015 (Unaudited)	January to June 2014 (Unaudited)	Percentage change (%)
Operating revenue	<b>6,591,325,462</b>	6,181,149,124	6.64
Operating costs	<b>3,782,275,860</b>	3,585,679,830	5.48
Sales expenses	<b>494,712,812</b>	474,651,858	4.23
Administrative expenses	<b>848,771,482</b>	717,971,250	18.22
Finance costs	<b>95,151,820</b>	97,130,793	-2.04
Net cash flows from operating activities	<b>1,307,605,161</b>	1,560,454,022	-16.20
Net cash flows from investing activities	<b>-1,237,926,863</b>	-1,141,747,013	-8.42
Net cash flows from financing activities	<b>5,248,755,062</b>	235,957,517	2,124.45
Research and development expenses	<b>297,006,407</b>	231,759,776	28.15

Reason for change in operating revenue: substantial increase in income of functional glass (such as encapsulated, panorama sunroof and coated glass) business.

Reason for change in operating costs: mainly due to increase in operating revenue, resulting in the increase in corresponding costs. As the cost control was effective, the increase in costs was less than the increase in operating revenue.

Reason for change in sales expenses: sales expenses increased by 4.23%, mainly due to the increase in sales income, resulting in the increase in corresponding variable expenses such as packaging expenses and transportation expenses.

Reason for change in administrative expenses: administrative expenses increased by 18.22%, mainly due to the increase in investment in research and development and the increase in start-up expenditure of the US automotive glass and float glass projects.

Reason for change in finance costs: decrease in finance costs was mainly due to the enhancement of capital plan management and the decline in interest rate.

Reason for change in net cash flows from operating activities: the change was mainly due to the expenditure in operating activities amounting to RMB110 million for the US automotive glass and float glass projects as well as the increase in operating payables in the corresponding period of last year.

Reason for change in net cash flows from investing activities: the change was mainly due to the expenditure in investing activities amounting to RMB640 million for the US automotive glass and float glass projects.

Reason for change in net cash flows from financing activities: the change was mainly due to receipt of funds raised from the issuance of H shares amounting to approximately RMB6,600 million.

Reason for change in research and development expenses: continuous enhancement of the investment in research and development projects, where leading in technology was one of the core competitiveness of Fuyao, and was the Company's development strategy.

## Section IV Report of the Board of Directors

### 2. Others

- (1) Details of material changes in profit composition or the source of profit of the Company

During the Reporting Period, there were no material changes in profit composition or the source of profit of the Company.

- (2) Analysis on the implementation progress of various types of financing and material asset restructuring in the early stage of the Company

In order to satisfy the capital needs for business development of the Company, and further improve corporate governance level and core competitiveness, the Company proposed to issue overseas listed foreign shares (H shares) and apply for listing on the main board of the Hong Kong Stock Exchange. Relevant resolutions were considered and approved at the 16th meeting of the seventh session of the board of directors on September 23, 2013 and the 2013 second extraordinary general meeting on October 11, 2013. For details, please refer to the announcements of original resolutions.

On March 31, 2015, upon approval of the Hong Kong Stock Exchange, 439,679,600 overseas listed foreign shares (H shares) issued by the Company were listed for trading on the main board of the Hong Kong Stock Exchange. The abbreviation of H share is “福耀玻璃” (in Chinese), “FU YAO GLASS” (in English), and the stock code is “3606”.

On April 28, 2015, upon approval of the Hong Kong Stock Exchange, 65,951,600 overseas listed foreign shares (H shares) from over-allotment as issued by the Company were listed for trading on the main board of the Hong Kong Stock Exchange.

- (3) Details of progress of operating plan

The Company disclosed a new annual operating plan in the 2014 annual report: it was proposed to realize the operating revenue of RMB14,302,667,400 for the year 2015 and to control the cost expense rate (the aggregate of operating costs, business tax and surcharge, sales expenses, administrative expenses and finance costs as a percentage of the operating revenue) within 78.89%. During the Reporting Period, the accumulated operating revenue of the Company amounted to RMB6,591,325,500, completing 46.08% of the year plan. During the Reporting Period, the cost expense rate of the Company was 79.99%, representing 1.1 percentage points higher than the controlled target of proposed cost expense rate for the year, which was mainly due to the increase in investment in research and development as well as the increase in the expenses for the start-up development of the US project.

- (4) Details of charge on assets

There were no charges on assets in the Company as of the end of the Reporting Period.

- (5) Details of number of employees, remuneration policy and training plans

① Number of employees: as of the end of the Reporting Period, there were no material changes in the number of employees of the Company as compared with that at the end of 2014.

② Remuneration policy: the Company formulated a remuneration policy combining monthly fixed remuneration and annual performance assessment based on the principles of “fairness, competitiveness, incentives, economy and legality”. Remuneration of employees is mainly composed of various items including salaries, bonuses, subsidies and allowance; salaries are adjusted in a timely manner in accordance with the Company’s results, employees’ performance, length of service and the attitude of working. In addition, the Company participated in “five social insurances and one housing fund” as stipulated, paying social insurance contributions and housing provident fund as scheduled.

③ Training plan: according to the Group’s strategic plan, organizational performance, competence in positions and demand for personnel development and based on the idea of “learning through doing” and the Company’s actual situation, competence and capability of employees in different positions could be steadily improved, and the training results were optimized through carrying out efficient training and operating management. In the meantime, expansion of technical and professional training and certification of vocational qualification for automotive glass installation laid a solid foundation for promoting and enhancing the development of the industry standard.

## Section IV Report of the Board of Directors

### (II) Analysis of operations in terms of segments, products or regions (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

#### 1. Principal business by segment or by product

Unit: Yuan Currency: RMB

By products	Operating revenue	Operating costs	Principal business by product			Percentage change in profit margin as compared with last year (%)
			Profit margin (%)	Percentage change in operating revenue as compared with last year (%)	Percentage change in operating costs as compared with last year (%)	
Automotive glass	6,355,540,493	3,976,021,449	37.44	6.42	5.20	Increased by 0.73 percentage points
Float glass	1,142,163,825	846,769,909	25.86	10.56	13.52	Decreased by 1.94 percentage points
Others	97,027,194	59,675,939				
Less: Intragroup elimination	-1,163,360,014	-1,163,360,014				
<b>Total</b>	<b>6,431,371,498</b>	<b>3,719,107,283</b>	<b>42.17</b>	<b>6.08</b>	<b>4.65</b>	<b>Increased by 0.79 percentage points</b>

#### 2. Principal business by region

Unit: Yuan Currency: RMB

Region	Operating revenue	Percentage change in the operating revenue as compared with last year (%)
In the PRC	<b>4,239,979,954</b>	6.28
Outside the PRC	<b>2,191,391,544</b>	5.70
<b>Total</b>	<b>6,431,371,498</b>	<b>6.08</b>



## Section IV Report of the Board of Directors

### (III) Liquidity and source of capital (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

#### 1. Cash flows

Unit: Yuan Currency: RMB

Items	<b>January to June 2015 (Unaudited)</b>	January to June 2014 (Unaudited)
Net cash flows from operating activities	<b>1,307,605,161</b>	1,560,454,022
Net cash flows from investing activities	<b>-1,237,926,863</b>	-1,141,747,013
Net cash flows from financing activities	<b>5,248,755,062</b>	235,957,517
Amount increased in liquidity	<b>5,318,433,360</b>	654,664,526

- (1) During the Reporting Period, cash flows from operating activities amounted to RMB1,307,605,161. Details are as follows:

Items	<b>January to June 2015 (Unaudited)</b>
Reconciliation of net profit to cash flows from operating activities:	
Net profit	<b>1,218,130,117</b>
Add: Provision for asset impairment	<b>4,848,744</b>
Depreciation of fixed assets	<b>419,544,592</b>
Amortization of intangible assets	<b>15,973,655</b>
Amortization of deferred assets	<b>57,041,491</b>
Losses on disposal of fixed assets, intangible assets and other long-term assets	<b>17,847,545</b>
Loss on changes in fair value	<b>-4,486,483</b>
Finance costs	<b>94,720,573</b>
Decrease (Increase) in investment gain	<b>-21,106,038</b>
Decrease in deferred income tax assets	<b>6,389,218</b>
Increase in deferred income tax liabilities	<b>7,011,427</b>
Decrease (Increase) in inventories	<b>-212,671,370</b>
Decrease (Increase) in operating receivables	<b>-94,844,812</b>
Increase (Decrease) in operating payables	<b>-200,793,498</b>
Net cash flows from operating activities	<b>1,307,605,161</b>

As of June 30, 2015, cash and cash equivalents of the Group amounted to RMB5,818 million, representing an increase of RMB5,319 million or 91.42% as compared with the beginning of the year, which was mainly due to the receipt of funds raised from the issuance of H shares.

Daily capital needs of the Group can be paid by internal cash flows. The Group also had adequate credit limit provided by banks.

- (2) During the Reporting Period, cash flows from investing activities amounted to RMB-1,237,926,863. In particular, the Group received RMB75,783,855 of investment income in cash and received net cash of RMB52,793,206 from disposal of subsidiaries and other business units. Net cash amounting to RMB38,979,324 was recovered from disposal of fixed assets, intangible assets and other long-term assets; RMB1,405,483,248 was paid in cash for purchase of fixed assets, intangible assets and other long-term assets.



## Section IV Report of the Board of Directors

- (3) During the Reporting Period, cash flows from financing activities amounted to RMB5,248,755,062, among which, RMB6,554,491,086 was raised through the issuance of H shares. The Group received RMB4,265,978,593 in cash from borrowings and RMB50,000,000 in cash from the issue of ultra short-term financing bonds. RMB3,979,862,270 was paid in cash for repayable debts. RMB1,624,283,647 was paid in cash for distribution of dividend and payment of interests. RMB17,568,700 was paid in cash for other relevant financing activities.

### 2. Capital expenditure

Capital expenditure of the Company was mainly used for continuous contribution of newly added projects and other Company's technical transformation expenditures. During the Reporting Period, RMB1,405,483,248 in cash was paid for purchase and construction of fixed assets, intangible assets and other long-term assets. In particular, capital expenditure of Fuyao America automotive glass projects amounted to approximately RMB450 million, while capital expenditure of Fuyao America float glass projects amounted to approximately RMB190 million.

### 3. Borrowings

During the Reporting Period, the newly-added bank borrowings amounted to approximately RMB4,270 million and ultra short-term financing bonds amounted to RMB50 million; repayment of bank borrowings amounted to approximately RMB3,680 million and short-term financing bonds amounted to RMB300 million. The Company did not utilize any financial instrument for hedging. As of June 30, 2015, interest-bearing debts are set out as follows:

*Unit: 100 million yuan Currency: RMB*

<b>Types</b>	<b>Amount</b>
Short-term borrowings with fixed interest rates	26.7
Short-term borrowings with floating interest rates	2.9
Long-term borrowings with fixed interest rates due within one year	2.2
Long-term borrowings with floating interest rates due within one year	5.1
Long-term borrowings with floating interest rates	7.3
Mid-term notes	4.0
Ultra short-term financing bonds	0.5
	<hr/>
Total	<b>48.7</b>

### 4. Foreign exchange risks and foreign exchange gains or losses

The principal business of the Group is situated within the PRC and is denominated in RMB. However, foreign exchange risks still exist for the assets and liabilities in foreign currencies and future foreign currency transactions as recognized by the Group (assets and liabilities in foreign currencies and foreign currency transactions are mainly denominated in US dollar). Finance department of the headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and assets and liabilities in foreign currencies to reduce the foreign exchange risks to the largest extent; as such, the Group may circumvent foreign exchange risks by ways of signing forward foreign exchange contract or currency swap contract. During the Reporting Period, foreign exchange loss of the Group amounted to RMB5.67 million as compared with foreign exchange gain of RMB9.51 million for the corresponding period of last year.

## Section IV Report of the Board of Directors

### (IV) Capital efficiency (prepared in accordance with the PRC Accounting Standards for Business Enterprises)

Inventory turnover period during the Reporting Period was 108 days as compared with 101 days of the corresponding period of last year: among which, inventory turnover period for automotive glass was 73 days as compared with 73 days of the corresponding period of last year; inventory turnover period for float glass was 133 days as compared with 119 days of the corresponding period of last year (representing an increase of 14 days as compared with the corresponding period of last year, mainly due to additional products of RMB90 million resulting from reconstruction and commencement of operation of float glass facilities in Tongliao during the Reporting Period).

The turnover period of the receivables (excluding notes receivable) during the Reporting Period was 66 days as compared with 62 days of the corresponding period of last year; the turnover period of notes receivable was 17 days as compared with 19 days of the corresponding period of last year. The Group maintained stringent management regulations and systems for notes receivable and only accepted those notes from reputable banks and competent customers. Customers' banks shall bear the credit risks of bankers' acceptance.

Return on weighted average net assets during the Reporting Period was 10.33% as compared with 13.32% of the corresponding period of last year. The decrease was mainly due to no gains were derived from the proceeds raised from the issuance of H shares of approximately RMB6,600 million which was managed in a designated account.

Gearing ratio during the Reporting Period is set out as follows:

	<b>June 30, 2015</b> <b>RMB '000</b>	December 31, 2014 RMB '000
Total borrowings ( <i>Note 15</i> )	<b>4,874,268</b>	4,548,185
Less: Cash and cash equivalents	<b>-5,817,626</b>	-499,072
Net debts	<b>-943,358</b>	4,049,113
Total equity	<b>15,043,747</b>	8,817,966
Total capital	<b>14,100,389</b>	12,867,079
Gearing ratio (%)	<b>-7%</b>	31%

Notes:

1. It was prepared in accordance with the International Financial Reporting Standards.
2. Gearing ratio: net debts at the end of the period divided by total capital. Net debts were the sum of current and non-current borrowings less cash and cash equivalents. Total capital was the sum of net debts and total equity.

## Section IV Report of the Board of Directors

### (V) Analysis of core competitiveness

1. Fuyao, a company with strong sense of social responsibility and mission, has gained trust from global automobile manufacturers, users, suppliers and investors by fulfilling its supporting role in the world's automobile industry of contributing transparent and delicate glass to the world.
2. Fuyao has trained a team with devotion, passion, unity and aggressiveness which has competitive advantages in operation, management, technology and technique in the glass industry.
3. The standardized, transparent and international financial system and the ERP-based process optimization system of Fuyao lay a solid foundation for the digitalization and intelligentization of "Industry 4.0".
4. Fuyao has built a relatively comprehensive industrial ecology, such as sand mineral resources, quality float technology, research and development of process and equipment, global layout of R&D centers and supply chain network; unique staff training and related mechanism, all of which are the systematic industrial advantages like a "city moat".
5. Development strategy in a professional, devoted and concentrated manner enables the Company to react promptly to market changes and provide total solution of automotive glass for customers.

### (VI) Prospects of the Company for the second half of 2015

For the year 2015, due to the complicated and ever-changing economic situation domestically and abroad, the development of automobile industry has slowed down. The Company will continuously carry out works based on "Fuyao to the world – transformation, upgrade, innovation and high efficiency" (福耀全球—轉型、升級、創新、高效), keeping on promoting technological innovation, refined manufacturing and management upgrade so as to further enhance the brand value of "Fuyao".

Major works will be carried out in the second half of 2015:

1. Continue to give play to the advantages in research and development, and innovation to cope with the consumption of automotive glass, enhance functional application, increase products structure and enhance added-value of products;
2. Promote refined manufacturing and management, improve operating efficiency, save energy, reduce consumption and cost and increase profit by enhancing efficiency and quality;
3. Grasp the construction of new projects and production and operation management, especially overseas projects which restructure production and operation lines to international customers for providing products and services nearby and strengthen the strategic collaboration with international automobile manufacturers;
4. Upgrade both the ERP system and comprehensive budget information system to promote the intelligentized construction of the enterprise's information, enhance efficiency while strengthening internal control and increase the Company's capability of adapting changes in the international market;
5. The Company has completed the issuance of H shares and the listing, as well as the optimization of the Company's capital structure. It will stick to the promotion of its international strategy and enhance the Company's comprehensive competitiveness in the world.

## Section IV Report of the Board of Directors

### (VII) Analysis of Investment

#### 1. Entrusted investment in non-financial entity and investment in derivatives

- (1) Entrusted investment  
N/A
- (2) Entrusted loan  
N/A
- (3) Other investment and derivative investment  
N/A

#### 2. Use of proceeds of fundraising activities

- (1) Overall use of proceeds  
N/A
- (2) Projects financed by proceeds  
N/A
- (3) Changes in projects financed by proceeds  
N/A
- (4) Use of proceeds from issuance of H shares

Upon approval of the “Approval in Relation to the Issuance of Overseas Listed Foreign Shares by Fuyao Glass Industry Group Co., Ltd.” (Zheng Jian Xu Ke [2015] No. 295) issued by the CSRC, the Company completed the initial issuance of 439,679,600 H shares to overseas investors on March 31, 2015 at an issue price of HKD16.80 per share; the Company completed the issuance of 65,951,600 H shares to overseas investors from over-allotment on April 28, 2015 at a price of HKD16.80 per share. After deducting underwriting fee and other issuance expenses, net proceeds from the two issuances were HKD8,278,123,392.61 (equivalent to a total of USD1,067,317,464.20) and was managed in a special account.

As of June 30, 2015, the Company used an accumulated amount of USD241,000,308.20 from the account for proceeds from the issuance of H shares, among which, USD200,000,000 was remitted to the PRC for repaying bank loans and replenishing the daily working capital; USD41,000,308.20 was used for the construction of the US automotive glass projects; accumulated interest on bank deposit was USD584,185.60. As of June 30, 2015, the balance of the account for proceeds from the issuance of H shares of the Company amounted to USD826,901,341.60.

## Section IV Report of the Board of Directors

### 3. Analysis of major subsidiaries and investee companies

Unit: Yuan Currency: RMB10,000 (unless otherwise specified)

Company	Business nature	Major products or services	Registered			Operating		
			capital	Total assets	Net assets	revenue	Operating profit	Net profit
Fuyao Group (Shanghai) Automobile Glass Co., Ltd.	Manufacturing enterprise	Production and sale of automotive glass products	USD68.05 million	215,274.39	94,562.07	110,260.68	34,465.58	32,227.35
Fuyao Glass (Chongqing) Co., Ltd.	Manufacturing enterprise	Production and sale of automotive glass products	USD35 million	90,064.68	52,036.33	73,683.82	14,274.57	21,102.35
Guangzhou Fuyao Glass Co., Ltd.	Manufacturing enterprise	Production of special glass made of inorganic non-metallic materials and products	USD75 million	168,344.41	74,288.70	85,784.37	16,696.64	14,514.04
Shanghai Fuyao Bus Glass Co., Ltd.	Manufacturing enterprise	Production and sale of automotive glass and related glass products	20,000	89,264.52	36,527.72	55,673.71	14,640.99	12,588.86

### 4. Projects financed by funds not from fundraising activities

Unit: Yuan Currency: RMB

Project name	Project amount	Progress of Project	Investment during the Reporting Period	Accumulated actual amount of investment
Russian automotive glass project	1,296,320,000	73%	21,003,262	451,198,019
US float glass project	1,231,940,000	63%	220,284,054	765,212,112
US automotive glass project	1,227,900,000	62%	521,279,622	756,423,269
Total	3,756,160,000	/	762,566,938	1,972,833,400

Details of projects financed by funds not from fundraising activities

- (1) All projects are still in construction period, and no revenue were generated during the Reporting Period.
- (2) Accumulated actual amount of investment is calculated at the exchange rate at the end of the period.

## Section IV Report of the Board of Directors

### II. PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT SURPLUS RESERVES INTO SHARE CAPITAL

#### (1) Execution or adjustment of profit distribution plan implemented during the Reporting Period

Pursuant to the resolution of the third meeting of the eighth session of the board of directors held on February 15, 2015, and on the basis of 2,002,986,332 shares of total share capital outstanding as of December 31, 2014 a cash dividends of RMB7.5 (tax inclusive) for every 10 shares was declared, with total dividends amounted to RMB1,502,239,749. The profit distribution plan was considered and approved at the 2014 annual general meeting of the Company held on March 10, 2015. The distribution date of cash dividends was April 15, 2015.

#### (2) Proposed interim profit distribution plan or plan to convert surplus reserves into share capital

The Company did not formulate the interim profit distribution plan or plan to convert surplus reserves into share capital during the Reporting Period.

### III. OTHER DISCLOSURE

#### (1) Warning and explanation about predicted negative accumulated net profit for the period from the beginning of the year to the end of the next Reporting Period or significant change as compared with the corresponding period of last year

N/A

#### (2) Explanation of the Board of Directors and the Board of Supervisors on a “Non-Standard Audit Report” issued by the accountant

N/A

## Section IV Report of the Board of Directors

### IV. CORPORATE GOVERNANCE

#### (I) Corporate Governance Overview

##### 1. Corporate Governance Code

The Company is committed to maintaining a high level of corporate governance in order to increase the shareholders' value and safeguard the interests of the shareholders. The Company has formulated a modernized corporate governance structure and established general meetings, the board of directors, the board of supervisors, special committees of the board of directors and senior management with reference to the Company Law of the People's Republic of China, Mandatory Clauses for Articles of Association of Companies Listed Overseas, Corporate Governance Code ("CG Code") set out in the Hong Kong Listing Rules and other provisions.

The Company has adopted the principles and code provisions set out in the CG Code contained in the Appendix 14 of the Hong Kong Listing Rules. Since the date of listing of the Company's H Share (March 31, 2015) and as of the date of this interim report, the Company had complied with the code provisions set out in the CG Code, except for the requirements set out in code provision A.2.1 where it states, "the roles of chairman and chief executive shall be separate and shall not be performed by the same individual. The division of responsibilities between the chairman and chief executive shall be clearly established and set out in writing". Mr. Tso Fai, the president of the Company, had tendered his resignation from his position as the president of the Company due to his intention of devoting more time to other business commitments, with effect from July 1, 2015. Prior to the appointment of the new president by the Board of Directors, Mr. Cho Tak Wong, the Chairman of the Company, will temporarily assume the role of the president of the Company. This transitional arrangement is made for the purpose of commencing work in a more effective manner and ensuring continuity of the process of the Company's decision-making. The Board of Directors has resolved to appoint Mr. Zuo Min as the president of the Company on August 22, 2015. Please see the Company's announcement dated August 22, 2015 for further details.

The Board of Directors will examine the corporate governance and operations of the Company from time to time in order to comply with the relevant stipulations under the Hong Kong Listing Rules and safeguard the interests of the shareholders.

##### 2. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the model code as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Appendix 10 of the Hong Kong Listing Rules ("**Model Code**") as the model code on trading the securities of the Company for all directors, supervisors and relevant employees (as defined in the CG Code). According to the specific enquiries made to the directors and supervisors of the Company, all directors and supervisors have confirmed that they had strictly complied with the standards stipulated under the Model Code during the Reporting Period.

##### 3. Independent non-executive directors

As at June 30, 2015, the Board of Directors of the Company comprises nine directors, three of which are independent non-executive directors. Mr. Wu Yuhui, an independent non-executive director, possesses accounting and financial management qualifications. The composition of the Board of Directors of the Company is in line with "every board of directors of a listed issuer must include at least three independent non-executive directors", "an issuer must appoint independent non-executive directors representing at least one-third of the board" and "at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise" as stipulated in rules 3.10(1), 3.10A and 3.10(2) of the Hong Kong Listing Rules, respectively.



## Section IV Report of the Board of Directors

### (II) Special committees of the board of directors

#### 1. Audit Committee

The Company has established an audit committee in accordance with rules 3.21 and 3.22 of the Hong Kong Listing Rules as well as the requirements of the CSRC and the SSE. The audit committee is responsible for conducting internal audit and supervision on the financial income and expenses and economic activities and shall report its work and be accountable to the board of directors. The audit committee comprises three members, all of which are the non-executive directors of the Company (including two independent non-executive directors). The chairman of the audit committee is Mr. Wu Yuhui, an independent non-executive director, who possesses the professional qualifications as provided in the rule 3.10(2) of the Hong Kong Listing Rules. The other members of the audit committee are Ms. Cheng Yan, an independent non-executive director, and Ms. Zhu Dezhen, a non-executive director.

#### 2. Remuneration and Assessment Committee

The Company has established a remuneration and assessment committee in accordance with rules 3.25 and 3.26 of the Hong Kong Listing Rules as well as the requirements of the CSRC and the SSE. The remuneration and assessment committee is mainly responsible for the formulation, management and assessment of the remuneration system of the directors and the senior management of the Company and shall report its work and be accountable to the Board of Directors. The remuneration and assessment committee comprises three members including one executive director and two independent non-executive directors. The chairman of the remuneration and assessment committee is Ms. Liu Xiaozhi, an independent non-executive director, and the other members of the committee are Mr. Cho Tak Wong, the chairman and executive director of the Company, and Mr. Wu Yuhui, an independent non-executive director.

#### 3. Nomination Committee

The Company has established a nomination committee in accordance with code provision A.5.1 and A.5.2 under the CG Code as well as the requirements of the CSRC and the SSE. The nomination committee is mainly responsible for providing opinions or suggestions on the changes and recommendation of candidates for directors and senior management to the Board of Directors. The nomination committee comprises three members with independent non-executive directors being the majority. The chairman of the committee is Ms. Cheng Yan, an independent non-executive director and the other members are Ms. Liu Xiaozhi, an independent non-executive director, and Mr. Tso Fai, a non-executive director.

## Section IV Report of the Board of Directors

### 4. Strategy and Development Committee

The Company has established a strategy and development committee in accordance with the Code of Corporate Governance for Listed Companies. The strategy and development committee is mainly responsible for conducting feasibility studies on the long-term development strategic planning and substantial strategic investments of the Company and shall report its work and be accountable to the Board of Directors. The strategy and development committee comprises three members. The chairman of the committee is Mr. Cho Tak Wong, the chairman and executive-director of the Company, and the other members are Mr. Tso Fai, a non-executive director, and Ms. Cheng Yan, an independent non-executive director.

### (III) Significant matters

#### Purchase, disposal or redemption of the listed securities of the Company

During the Reporting Period, neither did the Company nor did any of its subsidiaries purchase, dispose or redeem any listed securities of the Company.

### (IV) Review of the audit committee of the board of directors

The audit committee under the Board of Directors has reviewed the unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2015 and has discussed with the senior management of the Company on such matters as the accounting policies and practices adopted by the Company.

## Section V Significant Events

### I. MATERIAL LITIGATION, ARBITRATION AND MATTERS COMMONLY QUESTIONED BY THE MEDIA

N/A

### II. MATTERS IN RELATION TO BANKRUPTCY AND RESTRUCTURING

N/A

### III. ASSET TRANSACTIONS AND MERGERS

N/A

### IV. EQUITY INCENTIVES OF THE COMPANY AND THE IMPACT THEREOF

N/A

### V. SUBSTANTIAL CONNECTED TRANSACTIONS

#### (I) Connected transactions in relation to ordinary business operations

##### 1. Matters that have been disclosed in temporary announcements and have no developments or changes in subsequent implementation

###### Description of the matter

The Resolution in relation to the Lease of Properties from Fujian Yaohua Industrial Village Development Co., Ltd. by the Company was considered and approved at the tenth meeting of the seventh session of the board of directors of the Company convened on November 19, 2012. The Company has leased the warehouse on Underground Floor I, staff cafeteria and club and staff dormitory of Districts I and II of and the standard plant of District I of Fuyao Industrial Zone located at Hong Lu Zhen, Fuqing, Fujian Province with a total area of 131,517.36 m<sup>2</sup> from Fujian Yaohua Industrial Village Development Co., Ltd. at a monthly rent of RMB1,441,760.96, aggregating to an annual rent of RMB17,301,131.52. The term of the lease is three years from January 1, 2013 to December 31, 2015.

###### Inquiry index

For details of Announcement of Fuyao Glass Industry Group Co., Ltd. on Connected Transaction in relation to the Lease of Properties, please refer to the publications of Shanghai Securities News, China Securities Journal, Securities Times and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) dated November 20, 2012; and the Company's prospectus dated March 19, 2015 published on the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>).

## Section V Significant Events

### Description of the matter

The Resolution in relation to the Projected Continuing Connected Transactions between the Company and Tri-Wall Packaging (Fuzhou) Co., Ltd. for the Year 2015, the Resolution in relation to the Projected Continuing Connected Transactions between the Company and Hubei Jierui Automobile Glass Co., Ltd. for the Year 2015 and the Resolution in relation to the Projected Continuing Connected Transactions between the Company and Hunan Jierui Automobile Glass Co., Ltd. for the Year 2015 were considered and approved at the third meeting of the eighth session of the board of directors of the Company convened on February 15, 2015. These are connected transactions under the listing rules of the SSE.

### Inquiry index

For the details of the Announcement on the Continuing Connected Transactions of Fuyao Glass Industry Group Co., Ltd., please refer to the publications of Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) dated February 17, 2015.

## 2. Matters that have been disclosed in temporary announcements and have developments or changes in subsequent implementation

- (1) The Resolution in relation to the Projected Continuing Connected Transactions between the Company and Fujian Fuyao Automobile Parts Co., Ltd. for the Year 2015, the Resolution in relation to the Projected Continuing Connected Transactions between the Company and Ningbo Fuyao Automobile Parts Co., Ltd., the Resolution in relation to the Projected Continuing Connected Transactions between the Company and Chongqing Fuyao Automobile Parts Co., Ltd. for the Year 2015 were considered and approved at the third meeting of the eighth session of the board of directors of the Company convened on February 15, 2015. For the details of the Announcement on the Continuing Connected Transactions of Fuyao Glass Industry Group Co., Ltd., please refer to the publications of Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily and the website of SSE (<http://www.sse.com.cn>) dated February 17, 2015. The purpose of the Company in entering into such continuing connected transactions with Fujian Fuyao Automobile Parts Co., Ltd., Ningbo Fuyao Automobile Parts Co., Ltd. and Chongqing Fuyao Automobile Parts Co., Ltd., all of whom do not hold controlling interests of the Company, is to satisfy the needs for ordinary and usual production and business operations and fully effect the synergy between the Company and the connected parties, in turn allowing the Company to grow in a healthy and stable manner. The Company and the connected parties have negotiated and determined the transaction prices under the principles of fairness, openness, justice and reasonableness. The transaction prices have been determined with reference to the market price or using the sum of the costs and a reasonable amount of profit. The contracts for the transactions have specified the rights and obligations of each party and there do not exist any circumstances where the interests of shareholders of the Company, minority shareholders in particular, will be jeopardized, nor will such transactions affect the Company's ability to continue as a going concern and its independence in an adverse manner. The Company will not become dependent on or controlled by the connected parties by entering into such transactions.

## Section V Significant Events

- (2) As part of the efforts to integrate the resources of the parties to the joint venture for the year 2015, the Company and Fuyao (Hong Kong) Limited, its wholly-owned subsidiary, entered into an equity transfer agreement with Ningbo Hongxie Clutch Co., Ltd. (寧波宏協離合器有限公司) and Hongxie (Hong Kong) Limited (宏協(香港)企業有限公司) on June 3, 2015. Pursuant to the agreement, the Company transferred its 24% shareholding in Fujian Fuyao Automobile Parts Co., Ltd. to Ningbo Hongxie Clutch Co., Ltd., while Fuyao (Hong Kong) Limited transferred its 25% shareholding in Fujian Fuyao Automobile Parts Co., Ltd. to Hongxie (Hong Kong) Limited.
- (3) As part of the efforts to integrate the resources of the parties to the joint-venture for the year 2015, the Company entered into an equity transfer agreement with Ningbo Hongxie Clutch Co., Ltd. (寧波宏協離合器有限公司) on April 24, 2015. Pursuant to the agreement, the Company transferred its 49% shareholding in Ningbo Fuyao Automobile Parts Co., Ltd. to Ningbo Hongxie Clutch Co., Ltd.

### 3. Matters not disclosed in temporary announcements

N/A

4. On August 22, 2015, the appointment of Mr. Zuo Min as the president of the Company was approved at the fifth meeting of the eighth session of the board of directors of the Company with a term commencing from the date of the passing of the appointment at the meeting to the end of the term of the eighth session of the board of directors. Since Hunan Jierui Automobile Glass Co., Ltd. (湖南捷瑞汽車玻璃有限公司) and Hubei Jierui Automobile Glass Co., Ltd. (湖北捷瑞汽車玻璃有限公司) are the controlled corporations of Mr. Zuo Min, the transactions between Hunan Jierui Automobile Glass Co., Ltd. and Hubei Jierui Automobile Glass Co., Ltd. and the Company shall be considered continuing connected transactions under the Hong Kong Listing Rules.
5. Since Fujian Yaohua Industrial Village Development Co., Ltd. (福建省耀華工業村開發有限公司) is indirectly wholly-owned by Mr. Cho Tak Wong, the chairman and executive director of the Company and Ms. Chan Fung Ying, his spouse, the leasing arrangements between Fujian Yaohua Industrial Village Development Co., Ltd. and the Company shall be considered a connected transactions under the Hong Kong Listing Rules.

## Section V Significant Events

### VI. MATERIAL CONTRACTS AND THE IMPLEMENTATION THEREOF

#### 1. Custody, contracting and leasing

##### (1) Custody

N/A

##### (2) Contracting

N/A

##### (3) Leasing

Unit: Yuan Currency: RMB

Name of the leaser	Name of the lessee	Details of the leased assets	Amount involved with the leased assets	Starting date of the lease	End date of the lease	Gains from the lease	Basis for determining the gains from the lease	Impact of the gains from the lease on the Company	Whether the lease constitutes a connected transaction	Nature of the connected relationship
Fujian Yaohua Industrial Village Development Co., Ltd.	Fuyao Glass Industry Group Co., Ltd.	The warehouse on Underground Floor I, staff cafeteria and club and staff dormitory of Districts I and II of and the standard plant of District I of Fuyao Industrial Zone located at Hong Lu Zhen, Fujqing, Fujian Province with a total area of 131,517.36 m <sup>2</sup>		January 1, 2013	December 31, 2015				Yes	Others
Fuyao Glass Industry Group Co., Ltd.	Fujian Fuyao Automobile Parts Co., Ltd.	The plant of District II of Fuyao Industrial Zone located at Hong Lu Zhen, Fujqing with an area of 18,804 m <sup>2</sup>		November 1, 2014	December 31, 2015	2,256,480	With reference to the market price	The Company received the rent of RMB 2,256,480 during the Reporting Period	Yes	Joint venture
Fuyao Glass Industry Group Co., Ltd.	Fujian Fuyao Automobile Parts Co., Ltd.	The plant in the float glass industrial division of District II of Fuyao Industrial Zone located at Hong Lu Zhen, Fujqing with an area of 11,524.32 m <sup>2</sup>		January 1, 2015	December 31, 2015	2,074,377	With reference to the market price	The Company received the annual rent of RMB 2,074,377 during the Reporting Period	Yes	Joint venture
Zhengzhou Fuyao Glass Co., Ltd.	Fujian Fuyao Automobile Parts Co., Ltd.	The plant located in Guan Cheng District, Zhengzhou with an area of 619.2 m <sup>2</sup>		January 1, 2015	December 31, 2015	111,456	With reference to the market price	The Company received the annual rent of RMB 111,456 during the Reporting Period	Yes	Joint venture
Fuyao Group Changchun Co., Ltd.	Tri-Wall Packaging (Fuzhou) Co., Ltd.	The auxiliary plant located in Pudong Road No. 4499, Changchun with an area of 368 m <sup>2</sup>		January 1, 2015	December 31, 2015	66,240	With reference to the market price	The Company received the annual rent of RMB 66,240 during the Reporting Period	Yes	Joint venture
Fuyao Glass (Chongqing) Co., Ltd.	Chongqing Fuyao Automobile Parts Co., Ltd.	The plant located in New North Zone, Chongqing with an area of 1,909 m <sup>2</sup>		January 1, 2015	December 31, 2015	28,635	With reference to the market price	The Company received the rent of RMB 28,635 during the Reporting Period	Yes	Others

## Section V Significant Events

Details of the leases:

1. The Company has leased the warehouse on Underground Floor I, staff cafeteria and club and staff dormitory of Districts I and II of and the standard plant of District I of Fuyao Industrial Zone located at Hong Lu Zhen, Fuqing, Fujian Province with a total area of 131,517.36 m<sup>2</sup> from Fujian Yaohua Industrial Village Development Co., Ltd. for a monthly rent of RMB1,441,760.96, aggregating to an annual rent of RMB17,301,131.52. The term of the lease is three years from January 1, 2013 to December 31, 2015.
2. The Company has leased its plant (with an area of 18,804 m<sup>2</sup>) to Fujian Fuyao Automobile Parts Co., Ltd. (which entered into an equity transfer agreement on June 3, 2015) for a monthly rent of RMB282,060 at a rate of RMB15/m<sup>2</sup>. The term of the lease is from November 1, 2014 to December 31, 2015.
3. The Company has leased its plant (with an area of 11,524.32 m<sup>2</sup>) to Fujian Fuyao Automobile Parts Co., Ltd. (which entered into an equity transfer agreement on June 3, 2015) for an annual rent of RMB2,074,377 at a monthly rate of RMB15/m<sup>2</sup>. The term of the lease is one year from January 1, 2015 to December 31, 2015. The annual rental fee shall be settled in full in a lump sum by Fujian Fuyao Automobile Parts Co., Ltd. within one month of the signing of the contract.
4. Zhengzhou Fuyao Glass Co., Ltd., a subsidiary which is 100% held directly and indirectly by the Company, has leased one of its plants (with an area of 619.2 m<sup>2</sup>) to Fujian Fuyao Automobile Parts Co., Ltd. (which entered into an equity transfer agreement on June 3, 2015) for an annual rent of RMB111,456 at a monthly rate of RMB9,288. The term of the lease is one year from January 1, 2015 to December 31, 2015. The annual rent fee shall be settled in a lump sum by Fujian Fuyao Automobile Parts Co., Ltd. within 30 days upon receipt of the value-added tax invoice after the signing of the contract.
5. Fuyao Group Changchun Co., Ltd., a subsidiary which is 100% held directly and indirectly by the Company, has leased one of its plants (with an area of 368 m<sup>2</sup>) to Tri-Wall Packaging (Fuzhou) Co., Ltd. as a warehouse for an annual rent of RMB66,240 at a monthly rate of RMB5,520. The term of the lease is one year from January 1, 2015 to December 31, 2015. The annual rent shall be settled in a lump sum by Tri-Wall Packaging (Fuzhou) Co., Ltd. within 30 days upon receipt of the lease invoice.
6. Fuyao Glass (Chongqing) Co., Ltd., a subsidiary which is 100% held directly and indirectly by the Company, leased its plant (with an area of 1,909 m<sup>2</sup>) located in New North Zone, Chongqing to Chongqing Fuyao Automobile Parts Co., Ltd., a wholly-owned subsidiary of Fujian Fuyao Automobile Parts Co., Ltd. (which entered into an equity transfer agreement on June 3, 2015 and is a joint venture of the Company), as a warehouse with a term of one month from January 1, 2015 to January 31, 2015 for a monthly rent of RMB28,635 at a rate of RMB15/m<sup>2</sup>.



## Section V Significant Events

### 2. Guarantee

Unit: 0'000 Yuan Currency: RMB

#### External guarantees of the Company (excluding guarantees for subsidiaries)

Total amount of the guarantees during the Reporting Period (excluding guarantees for subsidiaries)	0
Balance of the total amount of the guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	0

#### Guarantees of the Company for subsidiaries

Total amount of the guarantees for subsidiaries during the Reporting Period	0
Balance of the total amount of the guarantees for subsidiaries at the end of the Reporting Period (B)	22,000

#### Total amount of guarantees of the Company (including guarantees for subsidiaries)

Total amount of guarantees (A+B)	22,000
Total amount of guarantees as a percentage of the net assets of the Company (%)	1.46
Including:	
The amount of guarantees offered to the shareholders, de facto controller and connected parties (C)	0
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	0
The amount of guarantees in excess of 50% of net assets (E)	0
The sum of the three items above (C+D+E)	0

### 3. Other material contracts or transactions

Save as disclosed above, the Company did not have any other material contracts for the Reporting Period.

## Section V Significant Events

### VII. PERFORMANCE OF UNDERTAKINGS

#### (I) Undertakings of the Company, shareholders with over 5% of the shareholding, the controlling shareholder and the de facto controller during or subsisting in the Reporting Period.

Nature of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time and term of the undertaking	Whether there is a term for the undertaking	Whether the undertaking is honored in a timely and strict manner	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
Other undertakings	Dividend distribution	Fuyao Glass Industry Group Co., Ltd.	<p>The dividend distribution plan for the shareholders for the upcoming three years (2015-2017) is as follows:</p> <p>1. Form of profit distribution: provided that the relevant stipulations and conditions under the relevant laws, regulations, normative documents, the Articles of Association and this plan are complied with and that the continuity and stability of the profit distribution plan is ensured, the Company may distribute dividends by way of cash, shares, the combination of cash and shares or any other distribution methods as permitted under relevant laws and regulations. The profit distribution of the Company shall neither exceed the accumulated distributable profit nor impair the Company's ability to continue as a going concern. Among the profit distribution methods, the Company shall preferentially distribute in the form of cash over shares. Where the Company fulfills the conditions for dividend distribution in the form of cash, the Company shall distribute dividends by way of cash. Where the Company distributes profit in the form of shares, the decision shall be made based on true and reasonable factors such as the growth of the Company and the dilution of net assets per share.</p> <p>2. Interval of profit distribution: if the Company has generated profit and its accumulated undistributed profit is a positive figure in the year, the Company shall distribute profit at least once a year. The Company may make interim profit distribution by way of cash. In the upcoming three years, the board of directors of the Company may propose to the Company an interim dividend distribution in accordance with the profit scale, cash flow, development stage and demand for funds of the Company in the year.</p>	Date of announcement of the undertaking: March 12, 2015, term of performance of the undertaking: January 1, 2015 to December 31, 2017	Yes	Yes		

## Section V Significant Events

Nature of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time and term of the undertaking	Whether there is a term for the undertaking	Whether the undertaking is honored in a timely and strict manner	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
			<p>3. Specific conditions for and the minimum proportion of dividend distribution by way of cash: in the event that the Company has no material investment plans or substantial capital expenditure (excluding investment projects for fundraising) and the Company has generated profit and its accumulated undistributed profit is a positive figure in the year, the Company shall distribute dividend in the form of cash and the profit distributed by this way for the year shall not be less than 20% of the distributable profit realized in the year, provided, however, that the sustainable operations and long-term development of the Company are ensured. The board of directors shall devise a proposal on the specific proportion of dividend distribution for each year in accordance with the profit of the Company for the year and plans for the utilizing future funds.</p> <p>4. Specific conditions for dividend distribution by way of shares: provided that good conditions for operations and growth of the Company are ensured and that the board of directors considers there is a mismatch between the scale of the Company's share capital and, inter alia, the earnings per share, share price and net assets per share, and under the premise that the Company fulfills the requirements above for cash dividend distribution, the Company may distribute profit by way of shares. In determining the specific amount of profit distribution in the form of shares, the Company shall fully take into account whether the total share capital after the distribution of share dividends is in line with, inter alia, the current operational scale, pace of profit growth and dilution of net assets per share of the Company and consider its impact on future debt financing costs. In a bid to ensure that the profit distribution plan is in line with the overall and long-term interests of the shareholders as a whole.</p>					

## Section V Significant Events

Nature of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time and term of the undertaking	Whether there is a term for the undertaking	Whether the undertaking is honored in a timely and strict manner	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
<p>5. Differentiated cash dividend policy: The board of directors shall distinguish the following circumstances having taken into account its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangements, and propose differentiated cash dividend policies in accordance with the procedures set out in the Articles of Association:</p>			<p>(1) Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution during the profit distribution;</p> <p>(2) Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution during the profit distribution;</p> <p>(3) Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution during the profit distribution;</p> <p>If it is difficult to determine the Company's stage of development while it has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.</p>					
<p>6. In the event that the Company has realized profit in the previous financial year but the board of directors of the Company did not propose any cash dividend distribution plan at the end of the previous financial year, the Company shall seek advice from the independent directors and shall disclose in the periodic reports the reasons for not proposing the cash dividend plan, the use of undistributed funds accumulated in the Company, and the independent directors shall present independent opinions and disclose the same to the public.</p>								
<p>7. The formulation and execution of the profit distribution plan: the board of directors shall propose a profit distribution plan and submit the same to the general meeting for consideration at the end of each financial year. The Company accepts the advice and supervision of all shareholders, independent directors and supervisors on the Company's profit distribution plan. After the decision for the profit distribution plan has been reached at the general meeting of the Company, the board of directors of the Company shall complete the distribution of dividends (or shares) within 2 months of the convening of the general meeting.</p>								

## Section V Significant Events

### VIII. THE APPOINTMENT AND DISMISSAL OF ACCOUNTANTS

N/A

### IX. PENALTIES AND RECTIFICATIONS OF THE COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS WITH OVER 5% OF THE SHAREHOLDING, DE FACTO CONTROLLER AND ACQUIRERS

N/A

### X. CONVERTIBLE CORPORATE BONDS

N/A

### XI. CORPORATE GOVERNANCE

During the Reporting Period, the Company standardized its operations, enhanced its information disclosure and safeguarded the interests of the shareholders as a whole in strict compliance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies and Hong Kong Listing Rules as well as the requirements for relevant documents promulgated by the CSRC, SSE and Hong Kong Stock Exchange.

Corporate governance is a long-term commitment. The Company will enhance the establishment of its internal control system, constantly raise the level of standardized operations and consistently optimize its corporate governance structure in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies and Hong Kong Listing Rules as well as the requirements for relevant documents promulgated by the CSRC, SSE and Hong Kong Stock Exchange.

### XII. DETAILS OF OTHER SIGNIFICANT MATTERS

#### (I) Analysis on the reasons and impact from the changes to the accounting policies, accounting estimates or audit methods by the board of directors

N/A

#### (II) Analysis on the reasons and impact from the corrections to material errors in the previous period

N/A

## Section V Significant Events

### (III) Others

- Upon the approval by the Hong Kong Stock Exchange, 439,679,600 overseas-listed foreign shares (H shares) of the Company were listed for trading on the Main Board of the Hong Kong Stock Exchange on March 31, 2015. The final price of the H shares was HK\$16.80 per share (exclusive of 1% brokerage fees, 0.003% HKSFC transaction levies and 0.005% Hong Kong Stock Exchange trading fee). The stock name of the H shares is 福耀玻璃(in Chinese) and FUYAO GLASS (in English) and the stock code is 3606.
- Upon the approval by the Hong Kong Stock Exchange, 65,951,600 overseas-listed foreign shares (H shares) through the over-allotment by the Company were listed for trading on the Main Board of the Hong Kong Stock Exchange on April 28, 2015. The above 65,951,600 H shares were issued and allotted by the Company at a price of HK\$16.80 per H share (exclusive of 1% brokerage fees, 0.0027% HKSFC transaction levies and 0.005% Hong Kong Stock Exchange trading fee), the same price as the offer price per H share under the global offering.
- Prior to and upon exercising the over-allotment option, changes to the shares of the Company are as follows:

Class of shares	Prior to exercise of the over-allotment option		Changes (share)	Upon exercise of the over-allotment option	
	Shares held (share)	Shareholding		Shares held (share)	Shareholding
Domestic-listed domestic shares (A share)	2,002,986,332	82.00%	0	2,002,986,332	79.84%
Overseas-listed foreign shares (H Share)	439,679,600	18.00%	+65,951,600	505,631,200	20.16%
Total shares	2,442,665,932	100.00%	+65,951,600	2,508,617,532	100.00%

## SECTION VI CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of Changes in Shares

##### 1. Table of changes in shares

*Unit: Share*

	Before change		Issue of new shares	Bonus issue	Change (+/-) Share converted from public reserve	Others	Sub-total	After change	
	Number	Percentage (%)						Number	Percentage (%)
<b>I. Share subject to selling restrictions</b>									
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares									
Including: Shares held by non-state-owned legal persons									
Shares held by domestic natural persons									
4. Foreign invested shares									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
<b>II. Tradable shares not subject to selling restrictions</b>									
1. Ordinary shares denominated in RMB	2,002,986,332	100	505,631,200				505,631,200	2,508,617,532	100
2. Domestically listed foreign invested shares	2,002,986,332	100						2,002,986,332	79.84
3. Overseas listed foreign invested shares			505,631,200				505,631,200	505,631,200	20.16
4. Others									
<b>III. Total number of shares</b>	2,002,986,332	100	505,631,200				505,631,200	2,508,617,532	100

##### 2. Explanation on changes in shares

On March 31, 2015, as approved by the Hong Kong Stock Exchange, the Company issued 439,679,600 overseas listed foreign shares (H shares) which were listed for trading on the main board of the Hong Kong Stock Exchange. The stock abbreviations of H share are “福耀玻璃” (Chinese) and “FUYAO glass” (English), and the stock code of H share is “3606”.

On April 28, 2015, as approved by the Hong Kong Stock Exchange, 65,951,600 overseas listed foreign shares (H shares) through the over-allotment of the Company were listed for trading on the main board of the Hong Kong Stock Exchange.

Thus the Company's total share capital was changed to 2,508,617,532 shares from 2,002,986,332 shares.

#### (II) Changes in Shares Subject to Selling Restrictions

N/A



## SECTION VI CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

## II. PARTICULARS OF SHAREHOLDERS

## (I) Total number of shareholders

As at June 30, 2015, total number of shareholders of the Company was 102,433, of which, 102,350 were holders of A shares and 83 were holders of H shares.

Total number of shareholders as of the Reporting Period	102,433
Total number of shareholders of preference shares with voting rights restored as at the end of the Reporting Period	0

## (II) Particulars of shareholdings of the top ten shareholders and the top ten shareholders with tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: share

## Particulars of top 10 shareholders

Name of shareholder (Full name)	Increase/ decrease during the Reporting Period	Shareholding at the end of the period	Percentage (%)	Number of shares held with selling restrictions	Pledged or moratorium		Nature of shareholders
					Status of shares	Number	
HKSCC NOMINEES LIMITED (Note)	505,471,200	505,471,200	20.15	-	Unknown	Unknown	Unknown
Sanyi Development Limited	0	390,578,816	15.57	-	Nil	Nil	Overseas legal person
Heren Charitable Foundation	0	290,000,000	11.56	-	Nil	Nil	Domestic Non-state-owned legal person
Hong Kong Securities Clearing Company Limited	51,595,004	102,258,044	4.08	-	Unknown	Unknown	Unknown
Taikang Life Insurance Company Limited – Dividends – Personal Dividends – 019L–FH002 (Shanghai)	-1,419,298	39,215,369	1.56	-	Unknown	Unknown	Unknown
Fujian Yaohua Industrial Village Development Co., Ltd.	10,047,792	34,277,742	1.37	-	Unknown	22,340,000	Domestic Non-state-owned legal person
TEMASEK FULLERTON ALPHA PTE LTD	19,554,412	19,554,412	0.78	-	Unknown	Unknown	Unknown
National Social Security Fund 418	8,014,993	17,728,386	0.71	-	Unknown	Unknown	Unknown
Li Shengqing	4,612,100	17,192,875	0.69	-	Unknown	Unknown	Unknown
Zuo Min	1,680,190	16,136,623	0.64	-	Nil	Nil	Domestic natural person

## SECTION VI CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

## Shareholding of the top ten shareholders not subject to selling restrictions

Name of shareholders	Number of tradable shares held with selling restrictions	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED (Note)	505,471,200	Overseas listed foreign shares	505,471,200
Sanyi Development Limited	390,578,816	Ordinary shares dominated in RMB	390,578,816
Heren Charitable Foundation	290,000,000	Ordinary shares dominated in RMB	290,000,000
Hong Kong Securities Clearing Company Limited	102,258,044	Ordinary shares dominated in RMB	102,258,044
Taikang Life Insurance Company Limited–Dividends–Personal Dividends – 019L–FH002 (Shanghai)	39,215,369	Ordinary shares dominated in RMB	39,215,369
Fujian Yaohua Industrial Village Development Co., Ltd.	34,277,742	Ordinary shares dominated in RMB	34,277,742
TEMASEK FULLERTON ALPHA PTE LTD	19,554,412	Ordinary shares dominated in RMB	19,554,412
National Social Security Fund 418	17,728,386	Ordinary shares dominated in RMB	17,728,386
Li Shengqing	17,192,875	Ordinary shares dominated in RMB	17,192,875
Zuo Min	16,136,623	Ordinary shares dominated in RMB	16,136,623

Explanations on the connected relationship or parties acting in concert among the above shareholders

The de facto controllers of Sanyi Development Ltd. and Fujian Yaohua Industrial Village Development Co., Ltd. are members of the same family. Among the remaining eight shareholders not subject to selling restrictions, it is uncertain whether there is any connected relationship among the shareholders and whether such shareholders are parties acting in concert which fall within the meaning under the “Measures for the Administration of Information Disclosure of Change of Shareholdings Held by Shareholders of Listed Companies”.

Note: HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) holds shares on behalf of various customers.

## SECTION VI CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

### (III) Interests of substantial shareholders

As at June 30, 2015, the persons other than directors, supervisors or chief executive of the Company who have 5% or more interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO were as follows:

Name	Capacity/Nature of interest	Number of shares interested	Percentage of total issued share capital of the relevant class of shares (%)	Class of shares
Chan Fung Ying	Spouse interest and deemed interest/ interest of corporation controlled by the substantial shareholder	437,257,991(L)	21.83(L)	A shares
Sanyi Development Limited	Beneficiary owner	390,578,816(L)	19.50(L)	A shares
Heren Charitable Foundation	Beneficiary owner	290,000,000(L)	14.48(L)	A shares
Matthews International Capital Management, LLC	Investment manager	56,142,800(L)	11.10(L)	H shares
Commonwealth Bank of Australia	Interest of corporation controlled by the substantial shareholder	53,627,600(L)	10.61(L)	H shares
Hillhouse Capital Management, Ltd.	Investment manager	46,170,400(L)	9.13(L)	H shares
UBS AG	Beneficiary owner, interest of corporation controlled by the substantial shareholder and person having a security interest in shares	44,817,343(L)	8.86(L)	H shares
UBS Group AG	Interest of corporation controlled by the substantial shareholder and person having a security interest in shares	44,817,343(L)	8.86(L)	H shares
Gaoling Fund, L.P.	Beneficiary owner	44,775,000(L)	8.86(L)	H shares
JPMorgan Chase & Co.	Investment manager, custodian, corporation/approved lending agent / interest controlled by the substantial shareholder	35,548,400(L) 0(S) 21,491,200(P)	7.03(L) 0.00(S) 4.25(P)	H shares

Note:

(1) Ms. Chan Fung Ying indirectly holds 34,277,742 A shares through Fujian Yaohua Industrial Village Development Co., Ltd. ("Yaohua"), of which, 22,340,000 A shares were pledged to China Merchants Securities Co., Ltd. by Yaohua. In addition, she was deemed to have an interest in 402,980,249 A shares held by Mr. Cho Tak Wong.

(2) (L) – long position, (S) – short position, (P) – lending pool.

Save as disclosed above, as at June 30, 2015, there was no person having interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### (IV) Strategic investors or general legal persons who are the top ten shareholders by placement of new shares

N/A

## III. CHANGES IN CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

N/A

## SECTION VII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### I. CHANGES IN SHAREHOLDING

#### (I) Changes in shareholding of current and resigned directors, supervisors and senior management during the Reporting Period

Unit: share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in shares held for the Reporting Period
Cho Tak Wong	Executive Director, Chairman of the Board of Directors	314,828	314,828	0
Tso Fai	Non-executive Director, Vice Chairman of the Board of Directors	–	–	–
Chen Xiangming	Executive Director, Secretary to the Board of Directors, Joint Company Secretary, Chief Financial Officer	–	–	–
Wu Shinong	Non-executive Director	–	–	–
Zhu Dezhen	Non-executive Director	–	–	–
Cheng Yan	Independent Non-executive Director	–	–	–
Liu Xiaozhi	Independent Non-executive Director	–	–	–
Wu Yuhui	Independent Non-executive Director	–	–	–
Bai Zhaohua	Supervisor	–	–	–
Ni Shiyou	Supervisor	–	–	–
Chen Mingsen	Supervisor	–	–	–
Zuo Min	President	14,456,433	16,136,623	1,680,190
He Shimeng	Vice President	33,633	33,633	0
Chen Juli	Vice President	–	–	–
Chen Jicheng	Vice President	–	–	–
Huang Xianqian	Vice President	–	–	–
Bai Zhaohua (resigned)	Director, Vice President	–	–	–
Lin Houtan (resigned)	Chairman of the Board of Supervisors	22,019	22,019	0
Zhou Zunguang (resigned)	Supervisor	–	–	–
Zhu Xuanli (resigned)	Supervisor	–	–	–
Tso Fai (resigned)	President	–	–	–
Zuo Min (resigned)	Chief Financial Officer	14,456,433	16,136,623	1,680,190

#### (II) Option incentive granted to directors, supervisors and senior management during the Reporting Period

N/A

## SECTION VII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### II. INTERESTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARE CAPITAL OF THE COMPANY

As at June 30, 2015, the interests or short positions of directors, supervisors and senior management of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, (a) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, will be as follows:

<b>Name of director</b>	<b>Capacity/nature of interest</b>	<b>Number of shares interested</b>	<b>Percentage of total issued share capital of the relevant class of shares (%)</b>	<b>Class of shares</b>
Mr. Cho Tak Wong	Beneficiary owner, spouse interest and deemed interest/interest of corporation controlled by the substantial shareholder	437,257,991(L)	21.83(L)	A share

*Note:*

- (1) Mr. Cho Tak Wong directly holds 314,828 A shares and indirectly holds 390,578,816 A shares through Sanyi Development Limited and 12,086,605 A shares through Home Bridge Overseas Limited. In addition, Mr. Cho Tak Wong is deemed to be interested in the 34,277,742 A shares indirectly held by his spouse, Ms. Chan Fung Ying.
- (2) (L) – long position.

Save as disclosed above, as at June 30, 2015, none of directors, supervisors and senior management of the Company has interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SECTION VII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### III. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Change	Reason for the change
Zhou Zunguang	Supervisor	Resigned	Failed to satisfy conditions of independent supervisor
Zhu Xuanli	Supervisor	Resigned	Failed to satisfy conditions of independent supervisor
Ni Shiyou	Supervisor	Elected	Elected and approved at the annual general meeting
Chen Mingsen	Supervisor	Elected	Elected and approved at the annual general meeting
Lin Houtan	Chairman of the Board of Supervisors	Resigned	Age reason
Tso Fai	President	Resigned	Desire to devote more time to other business commitments
Bai Zhaohua	Director, Vice President	Resigned	Age reason and work adjustment
Bai Zhaohua	Supervisor	Elected	Elected and approved at the employee representative's meeting
Zuo Min	Chief Financial Officer	Resigned	Internal work adjustment
Tso Fai	Vice Chairman of the Board of Directors	Elected	Considered and approved at the fifth meeting of the eighth session of the Board of Directors
Zuo Min	President	Appointed	Considered and approved at the fifth meeting of the eighth session of the Board of Directors
Chen Xiangming	Chief Financial Officer	Appointed	Considered and approved at the fifth meeting of the eighth session of the Board of Directors
Huang Xianqian	Vice President	Appointed	Considered and approved at the fifth meeting of the eighth session of the Board of Directors

*Note:*

- Mr. Zhou Zunguang and Ms. Zhu Xuanli resigned as supervisors of the Company due to their failure to satisfy Rule 7 of the Opinions on Accelerating Standardized Operation of Companies Listed Overseas and Deepening Their Reforms (Guo Jing Mao Qi Gai [1999] No. 230) jointly issued by the former State Economic and Trade Commission and the CSRC, which requires that "the number of external supervisors shall represent over 50% of the total number of supervisors and there shall be more than two independent supervisors who are independent from shareholders of the Company and do not hold any positions in the Company". Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily and the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) as at February 17, 2015 for details.
- As at March 10, 2015, the Company held the annual general meeting for 2014, at which, the election of Mr. Chen Mingsen and Mr. Ni Shiyou as supervisors of the eighth session of the Board of Supervisors was considered and approved, with their term of office taking effect from the date of consideration and approval at the annual general meeting to the expiry date of the term of the eighth session of the Board of Supervisors. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily and the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) as at March 12, 2015 for details.
- Mr. Lin Houtan tendered his resignation to the Board of Supervisors of the Company on June 29, 2015 due to age reason. Pursuant to relevant requirements of the Company Law of the People's Republic of China and the Articles of Association, Mr. Lin Houtan will perform functions of supervisor and the chairman of the Board of Supervisors until a new employee representative supervisor to be elected at the employee representative's meeting. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at June 30, 2015 for details.
- Mr. Tso Fai tendered his resignation as the president to the board of directors of the Company on July 1, 2015 due to his desires to devote more time to other business commitments and the resignation took effect on the same day. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at July 2, 2015 for details.
- Mr. Bai Zhaohua tendered his resignation as an executive director and vice president to the board of directors of the Company on July 1, 2015 due to age reason and work adjustment and the resignation took effect on the same day. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at July 2, 2015 for details.

## SECTION VII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

6. As at July 8, 2015, the election of Mr. Bai Zhaohua as an employee representative supervisor of the eighth session of the Board of Supervisors of the Company was considered and approved at the employee representative's meeting, with his term of office taking effect from the date of consideration and approval at the employee representative's meeting to the expiry date of the term of the eighth session of the Board of Supervisors. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at July 9, 2015 for details.
7. Mr. Zuo Min tendered his resignation as the chief financial officer to the board of directors of the Company on August 3, 2015 due to an internal work adjustment, which will take effect from the date when his successor officially takes office. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.com.hk>) as at August 4, 2015 for details.
8. As at August 22, 2015 the election of Mr. Tso Fai as a vice chairman of the board of directors was considered and approved at the fifth meeting of the eighth session of the board of directors of the Company, with his term of office taking effect from the date of consideration and approval at the meeting to the expiry date of the term of the eighth session of the board of directors. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at August 24, 2015 for details.
9. As at August 22, 2015, the appointment of Mr. Zuo Min as the president of the Company, the appointment of Mr. Chen Xiangming as the chief financial officer of the Company and the appointment of Mr. Huang Xianqian as a vice president of the Company were considered and approved at the fifth meeting of the eighth session of the board of directors of the Company, with their respective terms of office taking effect from the date of consideration and approval at the meeting to the expiry date of the term of the eighth session of the board of directors. Please refer to Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) as at August 24, 2015 for details.

### IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules, the changes in the director's information of the Company are as follows:

Ms. Zhu Dezhen, the non-executive director of the Company, serves as the independent non-executive director of Bright Dairy & Food Co., Ltd., a company listed on the SSE (stock code: 600597) on April 17, 2015 and China Yongda Automobiles Services Holdings Limited, a company listed on Hong Kong Stock Exchange (stock code: 3669), on May 8, 2015.

Save as disclosed above, during the Report Period, the Company was not aware of any changes in information of directors and supervisors which need to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.



# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Condensed Consolidated Interim Balance Sheet

	<i>Note</i>	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	9,661,864	8,822,546
Leasehold land and land use rights	7	878,997	874,692
Intangible assets	8	155,960	156,877
Investments in joint ventures	9	53,574	161,045
Long-term receivables		—	—
Long-term prepaid rental expenses		50,509	56,166
Deferred income tax assets	10	183,082	189,318
		<b>10,983,986</b>	<b>10,260,644</b>
<b>Current assets</b>			
Inventories		2,351,586	2,169,036
Trade and other receivables	11	3,673,587	3,548,756
Derivative financial instruments		6,470	3,687
Restricted cash		9,755	8,089
Cash and cash equivalents		5,817,626	499,072
		<b>11,859,024</b>	<b>6,228,640</b>
Assets of disposal groups classified as held-for-sale	12	404,954	401,653
		<b>12,263,978</b>	<b>6,630,293</b>
<b>Total assets</b>		<b>23,247,964</b>	<b>16,890,937</b>
<b>EQUITY</b>			
Attributable to the shareholders of the Company			
Share capital	13	2,508,618	2,002,986
Share premium	14	6,194,538	184,347
Other reserves	14	868,118	873,803
Retained earnings		5,465,530	5,752,510
		<b>15,036,804</b>	<b>8,813,646</b>
<b>Non-controlling interests</b>		<b>6,943</b>	<b>4,320</b>
<b>Total equity</b>		<b>15,043,747</b>	<b>8,817,966</b>

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

### Condensed Consolidated Interim Balance Sheet (Continued)

	Note	As at June 30, 2015 RMB'000	As at December 31, 2014 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	15	732,000	1,212,558
Deferred income tax liabilities	10	80,767	73,755
Deferred income on government grants	16	328,731	335,893
		<b>1,141,498</b>	1,622,206
<b>Current liabilities</b>			
Trade and other payables	17	2,764,735	2,795,198
Current income tax liabilities		116,204	282,477
Borrowings		4,142,268	3,335,627
Derivative financial instruments		1,877	1,703
Deferred income on government grants due within one year		14,174	14,074
		<b>7,039,258</b>	6,429,079
Liabilities of disposal groups classified as held-for-sale		<b>23,461</b>	21,686
		<b>7,062,719</b>	6,450,765
<b>Total liabilities</b>		<b>8,204,217</b>	8,072,971
<b>Total equity and liabilities</b>		<b>23,247,964</b>	16,890,937
<b>Net current assets</b>		<b>5,201,259</b>	179,528
<b>Total assets less current liabilities</b>		<b>16,185,245</b>	10,440,172

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Condensed Consolidated Interim Income Statement

	<i>Note</i>	<b>Accumulated in June 2015 RMB'000</b>	Accumulated in June 2014 RMB'000
<b>Revenue</b>		<b>6,591,325</b>	6,181,149
Cost of sales		<b>-3,838,748</b>	-3,632,043
<b>Gross profit</b>		<b>2,752,577</b>	2,549,106
Distribution costs		<b>-494,713</b>	-474,652
Administrative expenses		<b>-556,487</b>	-489,982
Research and development expenses		<b>-297,006</b>	-231,760
Other income		<b>26,472</b>	21,794
Other (losses)/gains – net	18	<b>-49,138</b>	337
<b>Operating profit</b>	19	<b>1,381,705</b>	1,374,843
Finance income		<b>9,716</b>	3,896
Finance costs		<b>-94,721</b>	-107,101
<b>Finance costs – net</b>		<b>-85,005</b>	-103,205
Share of profit of joint ventures (after tax)		<b>2,884</b>	15,056
Gains on disposal of joint ventures	20	<b>18,222</b>	
<b>Profit before income tax</b>		<b>1,317,806</b>	1,286,694
Income tax expense	21	<b>-99,924</b>	-239,339
<b>Profit for the period</b>		<b>1,217,882</b>	1,047,355
<b>Profit attributable to:</b>			
Equity holders of the Company		<b>1,215,259</b>	1,047,565
Non-controlling interests		<b>2,623</b>	-210
<b>Profit for the period</b>		<b>1,217,882</b>	1,047,355
<b>Earnings per share attributable to equity holders of the Company during the period</b> (expressed in RMB per share)			
– Basic and diluted earnings per share (expressed in RMB per share)	22	<b>0.54</b>	0.52
<b>Dividends</b>	23	<b>–</b>	–

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Condensed Consolidated Interim Statement of Comprehensive Income

	<i>Note</i>	<b>Accumulated in June 2015 RMB'000</b>	Accumulated in June 2014 RMB'000
<b>Profit for the period</b>		<b>1,217,882</b>	1,047,355
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		-5,684	-1,842
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>-5,684</b>	-1,842
		<hr/> <b>1,212,198</b> <hr/>	<hr/> 1,045,513 <hr/>
<b>Total comprehensive income for the period</b>			
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		<b>1,209,575</b>	1,045,723
Non-controlling interests		<b>2,623</b>	-210
		<hr/> <b>1,212,198</b> <hr/>	<hr/> 1,045,513 <hr/>

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Condensed Consolidated Interim Statement of Changes in Equity

Note	Attributable to equity holders of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>As at January 1, 2015</b>	<b>2,002,986</b>	<b>184,347</b>	<b>873,803</b>	<b>5,752,510</b>	<b>8,813,646</b>	<b>4,320</b>	<b>8,817,966</b>
<b>Comprehensive income:</b>							
Profit for the period				1,215,259	1,215,259	2,623	1,217,882
Currency translation differences			-5,684		-5,684		-5,684
<b>Total comprehensive income</b>			<b>-5,684</b>	<b>1,215,259</b>	<b>1,209,575</b>	<b>2,623</b>	<b>1,212,198</b>
<b>Transactions with equity holders:</b>							
Dividends declared				-1,502,239	-1,502,239		-1,502,239
Issuing shares upon initial public offering and over-allotment of the H shares (net of issuing costs)	505,632	6,010,191			6,515,823		6,515,823
<b>Total transaction with equity holders, recognised directly in equity</b>	<b>505,632</b>	<b>6,010,191</b>		<b>-1,502,239</b>	<b>5,013,584</b>		<b>5,013,584</b>
<b>Disposal of joint ventures</b>			<b>-1</b>		<b>-1</b>		<b>-1</b>
<b>As at June 30, 2015</b>	<b>2,508,618</b>	<b>6,194,538</b>	<b>868,118</b>	<b>5,465,530</b>	<b>15,036,804</b>	<b>6,943</b>	<b>15,043,747</b>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### Condensed Consolidated Interim Statement of Changes in Equity (Continued)

	Attributable to equity holders of the Company					Non-controlling interests RMB'000	Total equity RMB'000	
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000			Total RMB'000
<b>As at January 1, 2014</b>		2,002,986	184,347	943,770	4,727,379	7,858,482	3,113	7,861,595
<b>Comprehensive income:</b>								
Profit for the period					1,047,565	1,047,565	-210	1,047,355
Currency translation differences				-1,842		-1,842		-1,842
<b>Total comprehensive income</b>				-1,842	1,047,565	1,045,723	-210	1,045,513
<b>Transactions with equity holders:</b>								
Dividends declared					-1,001,493	-1,001,493		-1,001,493
<b>Total transaction with equity holders, recognised directly in equity</b>					-1,001,493	-1,001,493		-1,001,493
<b>As at June 30, 2014</b>		2,002,986	184,347	941,928	4,773,451	7,902,712	2,903	7,905,615

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

### Condensed Consolidated Interim Cash Flow Statement

Note	<b>Accumulated in June 2015 RMB'000</b>	Accumulated in June 2014 RMB'000
<b>Cash flow from operating activities</b>		
Cash generated from operations	1,556,567	1,811,909
Income tax paid	-255,718	-263,466
<b>Net cash generated from operating activities</b>	<b>1,300,849</b>	1,548,443
<b>Cash flow from investing activities</b>		
Increase in investments in joint ventures		
Proceeds from disposal of property, plant and equipment	38,979	10,014
Proceeds from disposal of leasehold land and land use right and intangible assets		50,000
Purchases of property, plant and equipment	-1,384,224	-1,148,780
Purchases of leasehold land and land use rights	-14,366	-108,558
Purchases of intangible assets	-6,893	-8,184
Deposits received in connection with the sales of a subsidiary		
Cash received from disposal of joint ventures	52,793	
Dividends received	75,784	
Interest received	9,716	3,896
(Increase)/decrease in restricted cash	-2,960	1,835
Government grants received relating to property, plant and equipment		70,040
<b>Net cash used in investing activities</b>	<b>-1,231,171</b>	-1,129,737
<b>Cash flows from financing activities</b>		
Capital contributions from non-controlling interests of subsidiaries		
Cash received from capital injections	6,554,491	
Proceeds from borrowings	4,298,410	4,159,645
Repayments of borrowings	-3,979,862	-2,817,026
Dividends paid to the Company's shareholders	-1,502,240	-1,001,493
Interest paid	-122,044	-105,168
Capital injections from government authorities		
<b>Net cash generated from financing activities</b>	<b>5,248,755</b>	235,958
<b>Net increase in cash and cash equivalents</b>	<b>5,318,433</b>	654,664
Cash and cash equivalents at beginning of the period	499,325	491,922
<b>Cash and cash equivalents at end of the period</b>	<b>5,817,758</b>	1,146,586
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents as stated in the consolidated balance sheets	5,817,626	1,145,484
Add: Cash and cash equivalents attributable to the disposal groups	132	1,102
Cash and cash equivalents as stated in the consolidated cash flow statement	<b>5,817,758</b>	1,146,586



# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

The Company was formerly known as Fujian Yaohua Glass Industry Group Co., Ltd. (福建省耀華玻璃工業有限公司), a Sino-foreign joint venture. In June 1992, the Company was converted into a Sino-foreign joint stock company with limited liability under the PRC laws and was renamed as the current name.

Fuyao Glass Industry Group Co., Ltd. (“the Company”) was incorporated as a joint stock limited company in the Fuzhou, Fujian Province, PRC in June 1992 upon restructuring in 1991. Sanyi Development Limited (“Sanyi Development”) and Home Bridge Overseas Limited (“Home Bridge Overseas”) are the controlling shareholders of the Company. Mr. Cho Tak Wong effectively controlled the Company through controlling directly these controlling shareholders, and therefore was the effective controller of the Company.

The Company’s issued RMB-denominated A ordinary shares (“A share”) were listed on the SSE in June 1993. The Company’s overseas listed foreign shares (H share) and the over-allotted overseas listed foreign shares (H share) were listed on the Main Board of the Hong Kong Stock Exchange and dealing in such H shares commenced in March 2015 and April 2015, respectively. As of June 30, 2015, the total share capital of the Company was 2,508,617,532 shares of RMB1 each. Details of the Company’s shareholders and number of shares they held were described in Section VI.

The address of the Company’s registered office is Fuyao Industrial Village, Fuqing, Fujian Province, PRC. The Company and its subsidiaries (together “the Group”) are principally engaged in the manufacturing and sale of automobile glass and float glass, which are carried out internationally, through the production complexes located in the PRC.

Unless otherwise stated, the condensed consolidated interim financial statements are presented in thousands of Renminbi.

The condensed consolidated interim financial statements are unaudited, and were approved to be issued by the Board of Directors as at August 22, 2015.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial information are set out below. These policies have been consistently applied throughout the Relevant Period.

#### 2.1 Basis of preparation

The Financial Information of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through profit or loss, which are carried at fair value.

The preparation of the Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4 below.

Standards, amendments and interpretations that are effective during the Relevant Periods have been adopted and applied by the Group consistently throughout the Relevant Periods.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.1 Basis of preparation (*Continued*)

The new amendments and interpretations adopted by the Group in 2015

- Amendment to IAS 19 “Defined benefits plan: Employee contribution”
- Annual improvements 2012, affecting the following 4 standards: IFRS 8 “Operating Segments”, IAS 16 “Property, Plant and Equipment”, IAS 24 “Related Party Disclosures” and IAS 38 “Intangible Assets”
- Annual improvements 2013, affecting the following 3 standards: IFRS 3 “Business Combinations”, IFRS 13 “Fair Value Measurement” and IAS 40 “Investment Property”

The adoption of the above new amendment and interpretations starting from January 1, 2015 did not have any significant impact on the Group’s results of operations and financial position for the six months ended June 30, 2015.

The Group has not early adopted any new revised accounting and financial reporting standards, amendments and interpretations to existing standards which have been issued but are not yet effective for the financial year ended on December 31, 2015.

#### 2.2 Subsidiaries

##### 2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

##### (a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises the non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value at the acquisition date, unless another measurement basis is required by IFRS.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.2 Subsidiaries (*Continued*)

##### 2.2.1 Consolidation (*Continued*)

###### (a) Business combinations (*Continued*)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the related difference is recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary accounting policies of subsidiaries have been adjusted to conform to the Group's policies adopted.

###### (b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

###### (c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

##### 2.2 Subsidiaries (*Continued*)

###### 2.2.2 Separate financial statement

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Financial Information of the investee's net assets including goodwill.

##### 2.3 Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method in the Group's consolidated financial statements.

Under the equity method of accounting, investments in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture exceeds or equals to its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at the end of each reporting period whether there is any objective evidence that the investments in the joint venture are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and their carrying value and recognises the amount adjacent to share of results of joint ventures, in the consolidated financial statements.

Investments in joint ventures are accounted for at cost less impairment in the Company's separate financial statements.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

#### 2.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Financial Information is presented in RMB, which is the Company's functional and the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance costs – net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other gains/(losses) – net".

##### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated income statement are translated at the spot exchange rate which is determined through a systematic and rational method and which is approximate to the spot exchange rate of the transaction date; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.6 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less depreciation or provision for impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their net residual values over their estimated useful lives, as follows:

Buildings	10 to 20 years
Machinery and equipment	10 to 12 years
Electronic and office equipment	5 years
Tools, dies, vehicles and others	3 to 5 years

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at historical cost less provision for impairment, if any. Historical cost includes the costs of construction and acquisition. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

The assets' net residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) – net" in the consolidated income statement.

#### 2.7 Leasehold land and land use rights

Leasehold land and land use rights represent upfront payments made for the land use rights. It is stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method over the remaining period of the lease (Note 2.9).

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Patents

Acquired patents are shown at historical cost. Patents have a finite life and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost of patents over their useful lives.

(c) Licenses

Acquired licenses are shown at cost. Licenses have a finite life and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their useful lives.

(d) Computer software

Acquired computer software license is capitalised on the basis of the costs incurred to acquire the specific software. Computer software is carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised over their estimated useful lives.

(e) Other intangible assets

Other intangible assets are initially recognised at cost and amortised on a straight-line method over their estimated useful lives.



# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.9 Impairment of non-financial assets investment

Assets that have an indefinite useful life – for example, goodwill – or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets (or disposal groups) as explained below), are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment, intangible assets, deferred tax assets, inventories, and financial assets, even if held-for-sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

#### 2.11 Financial assets

##### 2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit and loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise, they are classified as non-current.

##### (b) Loans and receivables

Loans and trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those settled or expected to be settled later than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and trade receivables comprise "trade receivables", "other receivables" and "cash and cash equivalents", in the balance sheets (Note 11).

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

#### 2.11 Financial assets (*Continued*)

##### 2.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-dates, the dates on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and trade receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement within “other (losses)/ gains – net” in the period in which they arise.

#### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### 2.13 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and such loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and trade receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

##### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of delivering inventories is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related indirect production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

##### 2.15 Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

##### 2.16 Cash and cash equivalents

In the consolidated cash flows statement, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

##### 2.17 Restricted cash

Restricted cash represents guaranteed deposits pledged to the bank for issuance of trade facilities, such as security deposits for borrowing agreement and guaranteed deposits for issuance of letter of credit. Such restricted cash will be released when the Group repays the related trade facilities or bank loans.

##### 2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### 2.21 Borrowings cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

##### 2.22 Derivative financial instruments

Derivative financial instruments refer to the forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group uses these currency forward contracts to mitigate exposure to changes in foreign exchange rate. These forward foreign exchange contracts are held for “economic hedge”, which do not qualify for hedge accounting.

Changes in the fair value of all derivatives are recognised immediately in the consolidated income statement within “other gains/(losses) – net”.

##### 2.23 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the income tax is also recognised in other comprehensive income or directly in equity, respectively.

###### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the areas where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

###### (b) Deferred income tax

###### Inside basis differences

Deferred income tax is recognised, using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.23 Current and deferred income tax *(Continued)*

(b) Deferred income tax *(Continued)*

##### Outside basis differences

Deferred income tax liabilities are provided on temporary differences arising from investments in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for joint ventures. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint ventures, only when it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available which the temporary differences credits can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.24 Employee benefits

(a) Pension obligations

The full-time employees of the Group in the PRC are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expenses as incurred and contributions paid to the defined-contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group in the future. The non-PRC employees are covered by other defined contribution pension plans sponsored by local government.

The contributions are recognised as employee benefit expense when they are due.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

##### 2.24 Employee benefits (*Continued*)

(b) Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period and recognised as employee benefit expense when they are due.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS/HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted as present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised before the time of leave.

##### 2.25 Provision and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is presented in the Group's financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as an expected liability.

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### 2.26 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

#### 2.27 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities, as described below. The Group makes its estimates of return based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of products

Revenue from the sales of products is recognised when the risk and reward of the goods have been transferred to the customer, which is usually at the time when the customer has accepted the products, and there is no unfulfilled debts that could affect the customer's acceptance of the products. Accumulated experience is used to estimate and provide for sales returns at the time of sale.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income from operating lease

Rental income from operating lease is recognised in the consolidated income statement on a straight-line basis over the term of the lease.



## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

##### 2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected useful lives of the related asset.

For those cash injections received from government with clear instruction as capital injections from government authorities, they have been recorded as "other reserves" during the Relevant Periods.

##### 2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

##### 2.30 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects relating to design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### 3. FINANCIAL RISK MANAGEMENT

##### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Condensed Consolidated Interim Financial Statements do not include all the information on financial risk management and disclosure required to be disclosed in the annual financial statements.

There have been no changes in the risk management department or in any risk management policies since year end 2014.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.2 Liquidity risk

Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, at the same time, the Group maintains sufficient cash and capital resources through the committed facilities, and maintains sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings from financial institutions and issuing debt instruments, as necessary.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at June 30, 2015</b>				
Borrowings, including				
interest payables	4,251,923	678,730	76,461	5,007,114
Derivative financial instruments	1,877	–	–	1,877
Financial liabilities included in trade payables and other payables	2,421,058	–	–	2,421,058
	<u>6,674,858</u>	<u>678,730</u>	<u>76,461</u>	<u>7,430,049</u>
<b>As at December 31, 2014</b>				
Borrowings, including				
interest payables	3,456,940	1,249,297	6,223	4,712,460
Derivative financial instruments	1,703	–	–	1,703
Financial liabilities included in trade payables and other payables	2,420,581	–	–	2,420,581
	<u>5,879,224</u>	<u>1,249,297</u>	<u>6,223</u>	<u>7,134,744</u>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

#### 3. FINANCIAL RISK MANAGEMENT *(Continued)*

##### 3.3 Fair value estimation

(a) The Group adopts the amendment to IFRS 7 for financial instruments that are measured in the consolidated balance sheets at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

(b) Financial instruments in level 2

Level 2 economic hedging derivatives are forward foreign exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at June 30, 2015</b>				
Financial assets at fair value through profit or loss	_____	<b>1,877</b>	_____	<b>1,877</b>
<b>As at December 31, 2014</b>				
Financial assets at fair value through profit or loss	_____	1,703	_____	1,703

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

### 3. FINANCIAL RISK MANAGEMENT (*Continued*)

#### 3.3 Fair value estimation (*Continued*)

(c) Valuation techniques used to derive Level 2 fair values

Level 2 derivative financial instruments forward foreign exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

(d) Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their net carrying amount:

- Long-term receivables;
- Short-term borrowings;
- Trade and other receivables (excluding prepayments and prepaid current income tax or value-added tax recoverable);
- Cash and cash equivalents (including restricted cash);
- Trade and other payables (excluding advance and statutory liabilities).

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (a) Estimated useful lives and net residual values of property, plant and equipment

The Group's management determines the estimated useful lives, net residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual net residual values may differ from estimated net residual values. Periodic review could result in a change in depreciable lives and estimate net residual values and therefore depreciation expense in future periods.

##### (b) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy as stated in Note 2.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

In the opinion of the directors of the Company, the recoverable amount of the CGU will not be lower than the carrying amount of a reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount occurs.

##### (c) Net realisable value of inventories

Net realisable value of inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (*Continued*)

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (*Continued*)

##### (d) Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the determination of the current income tax and deferred income tax in the period.

Deferred income tax assets relating to temporary differences and income tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or income tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and the current taxation charges, and the taxation charges shall be included in the period in which such estimate is changed.

##### (e) Impairment of receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition, and requires the use of judgements and estimates. Management reassesses the provisions at each balance sheet date.

##### (f) Impairment of non-financial assets

Non-financial assets, including property, plant and equipment, land use rights and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and the resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated comprehensive income statement (Note 6).

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 5. SEGMENT INFORMATION

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors that make strategic decisions.

The Group is principally engaged in manufacturing and sale of automobile glass and float glass, which are carried out internationally, through the production complexes located in the PRC during the Relevant Periods.

None of the revenue derived from any single external customer amounted for more than 10% of the Group's revenue during the Relevant Periods.

#### 6. PROPERTY, PLANT AND EQUIPMENT

	Buildings and freehold land RMB'000	Machinery and equipment RMB'000	Electronic and office equipment RMB'000	Tools, dies, vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>For the six-month period ended June 30, 2015</b>						
Opening net book amount as at January 1, 2015	2,603,371	3,565,380	434,592	236,942	1,982,261	8,822,546
Transfer	34,103	558,527	50,190		-642,820	
Other additions	86,911	49,145	54,704	84,267	1,091,957	1,366,984
Disposals	-4,097	-29,547	-22,658	-526		-56,828
Depreciation	-81,973	-267,259	-61,629	-60,260		-471,121
Exchange gain/loss	396	86	-197	-2		283
Closing net book amount as at June 30, 2015	2,638,711	3,876,332	455,002	260,421	2,431,398	9,661,864

	Buildings and freehold land RMB'000	Machinery and equipment RMB'000	Electronic and office equipment RMB'000	Tools, dies, vehicles and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>For the six-month period ended June 30, 2014</b>						
Opening net book amount as at January 1, 2014	1,899,171	3,564,228	369,996	224,319	1,357,819	7,415,533
Transfer	50,864	186,506	48,579	712	-286,661	
Transfer to leasehold land and land use rights					-107,005	-107,005
Other additions	30,234	9,618	36,894	59,870	1,059,930	1,196,546
Disposals	-744	-6,771	-5,529	-401		-13,445
Depreciation	-60,878	-252,219	-54,256	-57,026		-424,379
Closing net book amount as at June 30, 2014	1,918,647	3,501,362	395,684	227,474	2,024,083	8,067,250

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 7. LEASEHOLD LAND AND LAND USE RIGHTS

Leasehold land and land use rights are mainly the consideration for obtaining the land use rights located in the PRC

	For the period ended June 30,	
	2015 RMB'000	2014 RMB'000
Opening net book value	874,692	779,771
Exchange gain/loss	-5	
Additions	14,366	1,553
Transferred in from construction in progress		107,005
Disposals		
Amortisation charges	-10,056	-9,075
Closing net book value	878,997	879,254

#### 8. INTANGIBLE ASSETS

	Goodwill RMB'000	Patents RMB'000	License fee RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
<b>For the six-month period ended June 30, 2015</b>						
Opening net book amount as at January 1, 2015	74,678	8,393	41,472	14,852	17,482	156,877
Exchange gain/loss			-32	-546	-136	-714
Additions				6,893		6,893
Disposals					-1,125	-1,125
Amortisation charges		-1,178	-526	-2,538	-1,729	-5,971
Closing net book amount as at June 30, 2015	74,678	7,215	40,914	18,661	14,492	155,960
<b>For the six-month period ended June 30, 2014</b>						
Opening net book amount as at January 1, 2014	74,678	10,745	8,362	7,510	10,154	111,449
Additions				8,659		8,659
Classified to disposal groups held-for-sale (Note 12)					-12	-12
Amortisation charges		-1,175	-1,623	-2,178	-1,154	-6,130
Closing net book amount as at June 30, 2014	74,678	9,570	6,739	13,991	8,988	113,966



## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 9. INVESTMENTS IN JOINT VENTURES

	For the period ended June 30,	
	2015 RMB'000	2014 RMB'000
Opening balance	161,045	130,016
Additions of investments in joint ventures		
Share of results	2,884	15,056
Dividends declared and received	-75,784	
Disposal of joint ventures (Note 20)	-34,571	
Closing balance	53,574	145,072

#### 10. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Movement in deferred income tax assets and liabilities during the Relevant Periods, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

	Deferred income tax assets RMB'000	Deferred income tax liabilities RMB'000
As at January 1, 2015	189,318	73,755
Recognised in the consolidated income statement	-6,236	7,012
As at June 30, 2015	183,082	80,767
As at January 1, 2014	153,070	63,149
Recognised in the consolidated income statement	29,271	5,056
As at June 30, 2014	182,341	68,205

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 11. TRADE AND OTHER RECEIVABLES

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
<b>Trade receivables due from third parties</b>		
Notes receivables	724,829	544,506
Trade receivables	2,369,352	2,430,682
Less: provision for impairment	-231	-231
Trade receivables – net	3,093,950	2,974,957
<b>Other receivables due from third parties</b>		
Other receivables	125,247	82,071
Less: provision for impairment		
Other receivables – net	125,247	82,071
<b>Amount due from related parties</b>		
Trade receivables	7,139	4,317
Other receivables	3,101	641
	<u>10,240</u>	<u>4,958</u>
<b>Others:</b>		
Prepayments	237,283	281,696
Prepaid current income tax and value-added tax recoverable and refundable	206,867	205,074
	<u>444,150</u>	<u>486,770</u>
<b>Trade and other receivables – net</b>	<u><b>3,673,587</b></u>	<u><b>3,548,756</b></u>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

#### 11. TRADE AND OTHER RECEIVABLES (Continued)

- (1) Trade receivables, including notes receivables and trade receivables, are arising from sales of products. The credit period granted to customers is ranging from 1 month to 4 months. No interest is charged on the overdue trade receivables. The ageing analysis of trade receivables as at June 30, 2015 and December 31, 2014 was as follows:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Trade receivables – gross		
– Within 3 months	<b>2,673,837</b>	2,706,173
– 3 to 6 months	<b>384,032</b>	240,412
– 6 to 12 months	<b>32,512</b>	28,015
– Over 1 year	<b>3,800</b>	588
	<b>3,094,181</b>	2,975,188

#### 12. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE

The Group owns 100% equity in its subsidiary, Fuyao Group Shuangliao Co., Ltd. On August 19, 2013, the Company's board of directors approved to sell 75% equity in Fuyao Group Shuangliao Co., Ltd. to Shuangliao Jinyuan Glass Manufacturing Co., Ltd. ("Jinyuan Glass"), an independent third party, at the price of RMB280,000,000, and therefore presented the assets and liabilities of Fuyao Group Shuangliao Co., Ltd. as held-for-sale. On September 9, 2014, Jinyuan Glass agreed to further be transferred the remaining 25% equity of Fuyao Shuangliao, at a transfer price of RMB110,000,000 after the completion of the above 75% equity transfer agreement.

On September 26, 2014, the Group and Jinyuan Glass entered into a payment schedule in respect of the equity transfer in Fuyao Shuangliao. Pursuant to the schedule, Jinyuan Glass committed to settle the total consideration of RMB280,000,000 related to 75% equity transfer in Fuyao Shuangliao to the Group by September 30, 2015.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

#### 12. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE *(Continued)*

##### (1) Assets of disposal groups classified as held-for-sale

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Land use rights	10,633	10,765
Property, plant and equipment	210,764	231,854
Intangible assets	560	890
Deferred income tax assets	420	573
Inventories	178,141	152,868
Trade and other receivables	4,303	4,450
Cash and cash equivalents	133	253
	<b>404,954</b>	<b>401,653</b>

##### (2) Liabilities of disposal groups classified as held-for-sale

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Trade and other payables	21,990	21,229
Current income tax liabilities	1,471	457
	<b>23,461</b>	<b>21,686</b>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 13. Share capital

	Number of A shares Thousands	Number of H shares Thousands	A shares of RMB1 each RMB'000	H shares of RMB1 each RMB'000	Total shares of RMB1 each RMB'000
Issued and fully paid As at January 1, 2015	2,002,986		2,002,986		2,002,986
Issue of A Shares Issue of H Shares (1) As at June 30, 2015	2,002,986	505,632	2,002,986	505,632	2,508,618
	Number of A shares Thousands	Number of H shares Thousands	A shares of RMB1 each RMB'000	H shares of RMB1 each RMB'000	Total shares of RMB1 each RMB'000
Issued and fully paid As at January 1, 2014	2,002,986		2,002,986		2,002,986
Issue of A Shares Issue of H Shares As at June 30, 2014	2,002,986	0	2,002,986	0	2,002,986

- (1) On March 31, 2015, 439,679,600 overseas listed foreign shares (H shares) issued by the Company were listed on the Main Board of the Hong Kong Stock Exchange and dealing in such H shares commenced on the same day. On April 28, 2015, 65,951,600 overseas listed foreign shares (H shares) over-allotted by the Company were listed on the Main Board of the Hong Kong Stock Exchange and dealing in such H shares commenced on the same day. Upon the completion of this over-allotment, the total share capital of the Company was increased to 2,508,617,532 shares.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 14. SHARE PREMIUM AND OTHER RESERVES

	Share premium RMB'000	Statutory reserves RMB'000	Other reserves Currency translation differences RMB'000	Capital reserve RMB'000	Total RMB'000
As at January 1, 2015	184,347	1,102,138	-253,815	25,480	1,058,150
Issue of H Shares	6,010,191				6,010,191
Currency translation differences			-5,684		-5,684
Disposal of joint ventures				-1	-1
As at June 30, 2015	<u>6,194,538</u>	<u>1,102,138</u>	<u>-259,499</u>	<u>25,479</u>	<u>7,062,656</u>
As at January 1, 2014	184,347	909,517	8,773	25,480	1,128,117
Appropriate to statutory reserves (1)					
Currency translation differences			-1,842		-1,842
As at June 30, 2014	<u>184,347</u>	<u>909,517</u>	<u>6,931</u>	<u>25,480</u>	<u>1,126,275</u>

- (1) In accordance with the Company Law of the People's Republic of China and the Articles of Association of the PRC companies of the Group (the "PRC Companies"), the PRC Companies are required to allocate 10% of their profits attributable to the owner of the Company as set out in their statutory financial statements, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to the owner of the Company. The statutory surplus reserve can be used to offset previous year's losses or increase the share capital provided that the amount of such reserve remaining after the increase in the share capital shall not be less than 25% of the share capital of the Company.

#### 15. Borrowing

	As at June 30, 2015 RMB'000	As at December 31, 2014 RMB'000
Non-current	732,000	1,212,558
Current	4,142,268	3,335,627
Total borrowings	<u>4,874,268</u>	<u>4,548,185</u>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 15. Borrowing (Continued)

Movement in borrowings is analysed as follows:

##### Six-month period ended June 30, 2015

Opening net book amount as at January 1, 2015	4,548,185
Additions	4,315,979
Deduction	-3,989,896
Closing net book amount as at June 30, 2015	<u>4,874,268</u>

##### Six-month period ended June 30, 2014

Opening net book amount as at January 1, 2014	3,816,829
Additions	4,163,245
Deduction	-2,819,938
Closing net book amount as at June 30, 2014	<u>5,160,136</u>

#### 16. DEFERRED INCOME ON GOVERNMENT GRANTS

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Current portion	14,174	14,074
Non-current portion	328,731	335,893
	<u>342,905</u>	<u>349,967</u>

	<b>For the period ended June 30,</b>	
	<b>2015 RMB'000</b>	2014 RMB'000
At beginning of the period	349,967	267,514
Government grants received during the period	-	70,040
Credited to the consolidated income statement	-7,062	-3,665
	<u>342,905</u>	<u>333,889</u>

These mainly represented government grants received from certain municipal governments of the PRC as an incentive for the purchase of property, plant and equipment.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 17. TRADE AND OTHER PAYABLES

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Trade payables to third parties	767,303	887,898
Notes payable	677,193	566,620
Staff salaries and welfare payables	204,067	295,326
Interest payables	16,766	35,933
Advance from customers	32,099	35,239
Payables for purchasing of property, plant and equipment	333,089	291,261
Amount due to related parties <i>(Note 25(3))</i>	71,054	62,534
Accrued taxes other than income tax	67,093	59,130
Other payables and accruals	596,071	561,257
	<b>2,764,735</b>	<b>2,795,198</b>

- (1) Ageing analysis of the notes payable and trade payables to third parties at the respective balances sheet dates are as follows:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
– Within 3 months	1,158,176	1,157,718
– 3 to 6 months	211,489	245,481
– 6 to 12 months	64,603	35,071
– over 1 year	10,228	16,248
	<b>1,444,496</b>	<b>1,454,518</b>



## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 18. OTHER LOSSES/(GAINS)

	For the period ended June 30,	
	2015 RMB'000	2014 RMB'000
Exchange losses – net	5,672	-9,514
Donation	42,904	161
Impairment provision on assets of disposal group classified as held-for-sale		4,128
Loss on disposal of property, plant and equipment	17,848	3,431
Changes in fair value of the derivative financial instruments	-4,486	3,209
Others	-12,800	-1,752
	<b>49,138</b>	<b>-337</b>

#### 19. Operating profit

	For the period ended June 30,	
	2015 RMB'000	2014 RMB'000
The following items have been charged to the operating profit during the period:		
Employee benefit expenses	956,916	887,669
Depreciation of property, plant and equipment <i>(Note 6)</i>	471,121	424,379
Transportation and storage expenses	235,013	218,104
Packing expenses	146,155	141,606
Amortisation of leasehold land and land use rights <i>(Note 7)</i>	10,056	9,075
Amortisation of intangible assets <i>(Note 8)</i>	5,971	6,130
Provision/(reversal) for impairment of receivables		6
Write-down/(reversal) of inventories to net realisable value	-527	-2,321

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

### 20. Gains on disposal of joint ventures

- (1) For the year of 2015, the Company and its wholly-owned subsidiary Fuyao (Hong Kong) Co., Ltd. entered into the equity transfer agreement with Nongbo Hongxie Clutch Co., Ltd. and Hongxie (Hong Kong) Limited on June 3, 2015 so as to realise the resource integration among the parties in the joint ventures, pursuant to which, the Company transferred to Nongbo Hongxie Clutch Co., Ltd. 24% of share interest held by it in Fujian Fuyao Automobile Parts Co., Ltd. and Fuyao (Hong Kong) Co., Ltd. transferred to Hongxie (Hong Kong) Limited 25% of share interest held by it in Fujian Fuyao Automobile Parts Co., Ltd.
- (2) For the year of 2015, the Company entered into the equity transfer agreement with Nongbo Hongxie Clutch Co., Ltd. on April 24, 2015 so as to realise the resource integration among the parties in the joint ventures, pursuant to which, the Company transferred to Nongbo Hongxie Clutch Co., Ltd. 49% of share interest held by it in Ningbo Fuyao Automobile Parts Co., Ltd.

Total gains on transfer of the above-mentioned two joint ventures amounted to RMB18,222 thousand.

### 21. Income tax expense

The amounts of income tax expense charged to the consolidated income statement represent:

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Current income tax	<b>86,676</b>	263,554
Deferred income tax (Note 10)	<b>13,248</b>	-24,215
Income tax expense	<b>99,924</b>	239,339

#### (1) PRC corporate income tax

The income tax is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes.

Pursuant to the PRC Corporate Income Tax Law ("the CIT Law") and its implementing regulations, the tax rate applicable to the Chinese subsidiaries is 25% since January 1, 2008. Those subsidiaries of the Group which enjoyed the low tax preferential policies before the issue of CIT Law have gradually transited to apply the statutory tax rate within 5 years after the performance of CIT Law since January 1, 2008.

Certain subsidiaries of the Group, before the performance of CIT Law, obtained approvals from the relevant tax authorities in the PRC for their entitlement to exemption from income tax for the first two years and a 50% reduction in the income tax for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years pursuant to the relevant tax rules and regulations applicable to foreign investment enterprises in the PRC.

Certain subsidiaries are qualified for new/high-tech technology enterprises status and enjoyed preferential income tax rate of 15% during the Relevant Periods.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 21. Income tax expense (Continued)

##### (2) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the Relevant Periods.

##### (3) North American profits tax

North American profits tax has been provided for at the rates between 34% and 40% on the estimated assessable profits during the Relevant Periods.

##### (4) Russian profits tax

Russian profits tax has been provided for at the rate of 20% on the estimated assessable profits during the Relevant Periods.

##### (5) German profits tax

German profits tax has been provided for at the rate of 15% on the estimated assessable profits during the Relevant Periods.

The tax on the Group's profit before income tax differs from the theoretical amount that could arise using the statutory tax rates of 11% to 40% applicable to respective years as follows:

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Profit before tax	<b>1,317,806</b>	1,286,694
Tax calculated at the applicable income tax rate	<b>208,107</b>	229,971
Tax effect of:		
Expenses not deductible for tax purpose	<b>78</b>	3,960
Income not subject to income tax	<b>-7,757</b>	-3,764
Effect of change in tax rate of deferred assets	<b>-111,172</b>	
Unrecognised tax losses carried forward	<b>53,504</b>	12,685
Utilisation of previously unrecognised tax losses	<b>-14,726</b>	-962
Withholding taxation on remitted earnings of certain subsidiaries		5,464
Others	<b>-28,110</b>	-8,015
Income tax expense	<b>99,924</b>	239,339

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 22. Earnings per share

- (1) Basic earnings per share is calculated by dividing the net profit attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the Relevant Periods.

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
Net profit attributable to the equity holders of the Company <i>(RMB'000)</i>	<b>1,215,259</b>	1,047,565
Weighted average number of ordinary shares in issue <i>(thousand)</i>	<b>2,244,810</b>	2,002,986
Basic earnings per share <i>(RMB)</i>	<b>0.54</b>	0.52

- (2) The diluted earnings per share are same as the basic earnings per share as there was no dilutive right shares existed during the Relevant Periods.

#### 23. Dividends

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Dividends proposed by the Company	<b>0</b>	0

For the six-month period ended June 30, 2015 and 2014, no interim dividend was proposed by the directors of the Company.

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 24. Commitments

##### (1) Capital commitments

As at June 30, 2015 and December 31, 2014, capital expenditure contracted for but not yet performed is as follows:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Property, plant and equipment	<b>1,099,568</b>	1,049,302

##### (2) Operating lease commitments

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
No later than 1 year	<b>8,651</b>	17,301
Later than 1 year and no later than 2 year		
Later than 2 year and no later than 5 year		
	<b>8,651</b>	17,301

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

### 25. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business and balances arising from related party transactions during the year of 2014 and as at June 30, 2015:

#### (1) Name and relationship with related parties

Name of related party	Relationship
Mr. Cho Tak Wong (曹德旺)	Single largest shareholder
Fujian Yaohua Industrial Village Development Co., Ltd. (福建省耀華工業村開發有限公司)	Controlled by the Mr. Cho Tak Wong and Ms. Chan Fung Ying (the spouse of Mr. Cho Tak Wong)
Sanyi Development Ltd. (三益發展有限公司)	Shareholder of the Company, which is controlled by the single largest shareholder
Home Bridge Overseas Ltd. (鴻橋海外有限公司)	Shareholder of the Company, which is controlled by the single largest shareholder
Tri-Wall Packaging (Fuzhou) Co., Ltd. (特耐王包裝(福州)有限公司)	Jointly controlled entity of the Group
Ningbo Fuyao Automobile Parts Co., Ltd. (寧波福耀汽車零部件有限公司)	Jointly controlled entity of the Group
Fujian Fuyao Automobile Parts Co., Ltd. (福建福耀汽車零部件有限公司)	Jointly controlled entity of the Group
Chongqing Fuyao Automobile Parts Co., Ltd. (重慶福耀汽車零部件有限公司)	Subsidiary of a jointly controlled entity of the Group
Hubei Jierui Automotive Glass Co., Ltd. (湖北捷瑞汽車玻璃有限公司)	Controlled by the senior management of the Group
Hunan Jierui Automotive Glass Co., Ltd. (湖南捷瑞汽車玻璃有限公司)	Controlled by the senior management of the Group

#### (2) The following transactions were carried out with related parties:

Continuing transactions

- (a) Sales of goods

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<b>RMB'000</b>
Fujian Fuyao Automobile Parts Co., Ltd.	<b>9,939</b>	5,153
Tri-Wall Packaging (Fuzhou) Co., Ltd.	<b>1,821</b>	500
Chongqing Fuyao Automobile Parts Co., Ltd.	<b>123</b>	254
Hubei Jierui Automotive Glass Co., Ltd.	<b>7,359</b>	
Hunan Jierui Automotive Glass Co., Ltd.	<b>881</b>	
	<b>20,123</b>	5,907

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 25. Related party transactions *(Continued)*

(2) The following transactions were carried out with related parties: *(Continued)*

Continuing transactions *(Continued)*

(b) Purchase of goods

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Tri-Wall Packaging (Fuzhou) Co., Ltd.	<b>65,421</b>	64,062
Ningbo Fuyao Automobile Parts Co., Ltd.	<b>50,811</b>	42,022
Fujian Fuyao Automobile Parts Co., Ltd.	<b>49,466</b>	42,686
Chongqing Fuyao Automobile Parts Co., Ltd.	<b>11,961</b>	14,925
	<b>177,659</b>	163,695

(c) Rental income

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Chongqing Fuyao Automobile Parts Co., Ltd.	<b>29</b>	344
Fujian Fuyao Automobile Parts Co., Ltd.	<b>4,442</b>	56
Tri-Wall Packaging (Fuzhou) Co., Ltd.	<b>66</b>	33
	<b>4,537</b>	433

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

#### 25. Related party transactions *(Continued)*

##### (2) The following transactions were carried out with related parties: *(Continued)*

Continuing transactions *(Continued)*

##### (d) Rental expenses

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
Fujian Yaohua Industry Zone Development Co., Ltd.	<b>8,651</b>	8,651

The above related party transactions were carried out on terms mutually agreed between the parties. In the opinion of the directors of the Company, these transactions are in the ordinary course of business of the Group and in accordance with the term of the underlying agreements.

##### (e) Key management compensation

	<b>For the period ended June 30,</b>	
	<b>2015</b>	2014
Salaries, wages and bonuses	<b>13,895</b>	11,381
Pension, housing fund, medical insurance and other social insurance	<b>240</b>	114
Others	<b>127</b>	132
	<b>14,262</b>	11,627



## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 25. Related party transactions (Continued)

##### (3) Balances with related parties:

Amount due from related parties:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Accounts receivables (i)	7,139	4,317
Other receivables (ii)	3,101	641
Prepayments (iii)	1	353
	<b>10,241</b>	<b>5,311</b>

##### (i) Accounts receivables:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
– Fujian Fuyao Automobile Parts Co., Ltd.	5,577	2,640
– Hubei Jierui Automotive Glass Co., Ltd.	1,404	961
– Hunan Jierui Automotive Glass Co., Ltd.	158	716
	<b>7,139</b>	<b>4,317</b>

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Ageing analysis of receivables due from related parties are as follows:		
– Within 3 months	6,893	4,317
– 3 to 6 months	246	
	<b>7,139</b>	<b>4,317</b>

# Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

## II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

### 25. Related party transactions (Continued)

#### (3) Balances with related parties: (Continued)

##### (ii) Other receivables:

– Tri-Wall Packaging (Fuzhou) Co., Ltd.  
– Fujian Fuyao Automobile Parts Co., Ltd.  
– Chongqing Fuyao Automobile Parts Co., Ltd.  
– Ningbo Fuyao Automobile Parts Co., Ltd.

<b>As at June 30, 2015 RMB'000</b>	<b>As at December 31, 2014 RMB'000</b>
691	306
2,405	177
5	155
5	3
<b>3,101</b>	<b>641</b>

Other receivables are all non-trade receivables and will be settled upon the request of the Group.

##### (iii) Prepayment:

– Ningbo Fuyao Automobile Parts Co., Ltd.  
– Fujian Fuyao Automobile Parts Co., Ltd.

<b>As at June 30, 2015 RMB'000</b>	<b>As at December 31, 2014 RMB'000</b>
1	353
1	353
<b>1</b>	<b>353</b>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 25. Related party transactions (Continued)

##### (3) Balances with related parties: (Continued)

Amount due from related parties:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
Accounts payables (iv)	67,990	61,609
Other payables (v)	3,064	925
Advance from customers (vi)	11	
	<b>71,065</b>	<b>62,534</b>

(iv) Accounts payables:

	<b>As at June 30, 2015 RMB'000</b>	As at December 31, 2014 RMB'000
- Fujian Fuyao Automobile Parts Co., Ltd.	33,718	19,935
- Chongqing Fuyao Automobile Parts Co., Ltd.	5,823	6,081
- Ningbo Fuyao Automobile Parts Co., Ltd.	24,456	26,361
- Tri-Wall Packaging (Fuzhou) Co., Ltd.	3,993	9,232
	<b>67,990</b>	<b>61,609</b>

## Section VIII FINANCIAL REPORT

(Prepared in accordance with IFRSs, unaudited)

### II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

#### 25. Related party transactions (Continued)

##### (3) Balances with related parties: (Continued)

###### (iv) Accounts payables: (Continued)

Ageing analysis of payables due to related parties are as follows:

	<b>As at June 30, 2015 RMB'000</b>	<b>As at December 31, 2014 RMB'000</b>
– Within 3 months	63,228	57,910
– 3 to 6 months	3,746	3,671
– 6 to 12 months	1,016	128
	<b>67,990</b>	<b>61,609</b>

###### (v) Other amounts payables due to related parties:

	<b>As at June 30, 2015 RMB'000</b>	<b>As at December 31, 2014 RMB'000</b>
– Ningbo Fuyao Automobile Parts Co., Ltd.	2,607	907
– Fujian Fuyao Automobile Parts Co., Ltd.	457	18
	<b>3,064</b>	<b>925</b>

Other payables are all non-trade payables and will be settled upon the request of the related parties.

###### (vi) Prepayments from related parties:

	<b>As at June 30, 2015 RMB'000</b>	<b>As at December 31, 2014 RMB'000</b>
– Tri-Wall Packaging (Fuzhou) Co., Ltd.	11	